

# FY2005 1H Financial Results

Six months ended September 30, 2004

- prepared in accordance with U.S. GAAP -



**Toyota Motor Corporation**

**November 1, 2004**

## Cautionary Statement with Respect to Forward-Looking Statements

This report contains forward-looking statements that reflect Toyota's plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include:(i) changes in economic conditions and market demand affecting, and the competitive environment in, the automotive markets in Japan, North America, Europe and other markets in which Toyota operates;(ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, the Euro, the Australian dollar and the British pound;(iii) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management;(iv) changes in the laws, regulations and government policies in the market in which Toyota operates that affect Toyota's automotive operations, particularly laws, regulations and policies relating to trade, environmental protection, vehicle emissions, vehicle fuel economy and vehicle safety, as well as changes in laws, regulations and government policies that affect Toyota's other operations, including the outcome of future litigation and other legal proceedings;(v) political instability in the markets in which Toyota operates;(vi) Toyota's ability to timely develop and achieve market acceptance of new products; and(vii) fuel shortages or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to, or difficulties in, the employment of labor in the major markets where Toyota purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold.

A discussion of these and other factors which may affect Toyota's actual results, performance, achievements or financial position is contained in Toyota's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.

## **Caution concerning insider trading:**

Under Japanese securities laws and regulations (the "Regulations"), subject to certain exceptions, any person who receives certain material information relating to the business, etc., of Toyota which may be contained in this document is prohibited from trading in Toyota's shares or certain other transactions related to such shares (as set forth in the Regulations) until such material information is deemed to be made public. Under the Regulations, material information is deemed to be made public when (i) such material information is disclosed by ways of electromagnetic means as prescribed by the ordinance of the Cabinet Office (posting on the TDnet (Timely Disclosure Network) information service and ED-NET (Electronic Disclosure Network) information service ) or (ii) twelve (12) hours have elapsed since a listed company, such as Toyota, disclosed such material information to at least two (2) media sources as prescribed by the Regulations.

**Takashi Hata**

**Managing Officer**

# Agenda

## **I. Consolidated Financial Summary**

## **II. Unconsolidated Financial Summary**

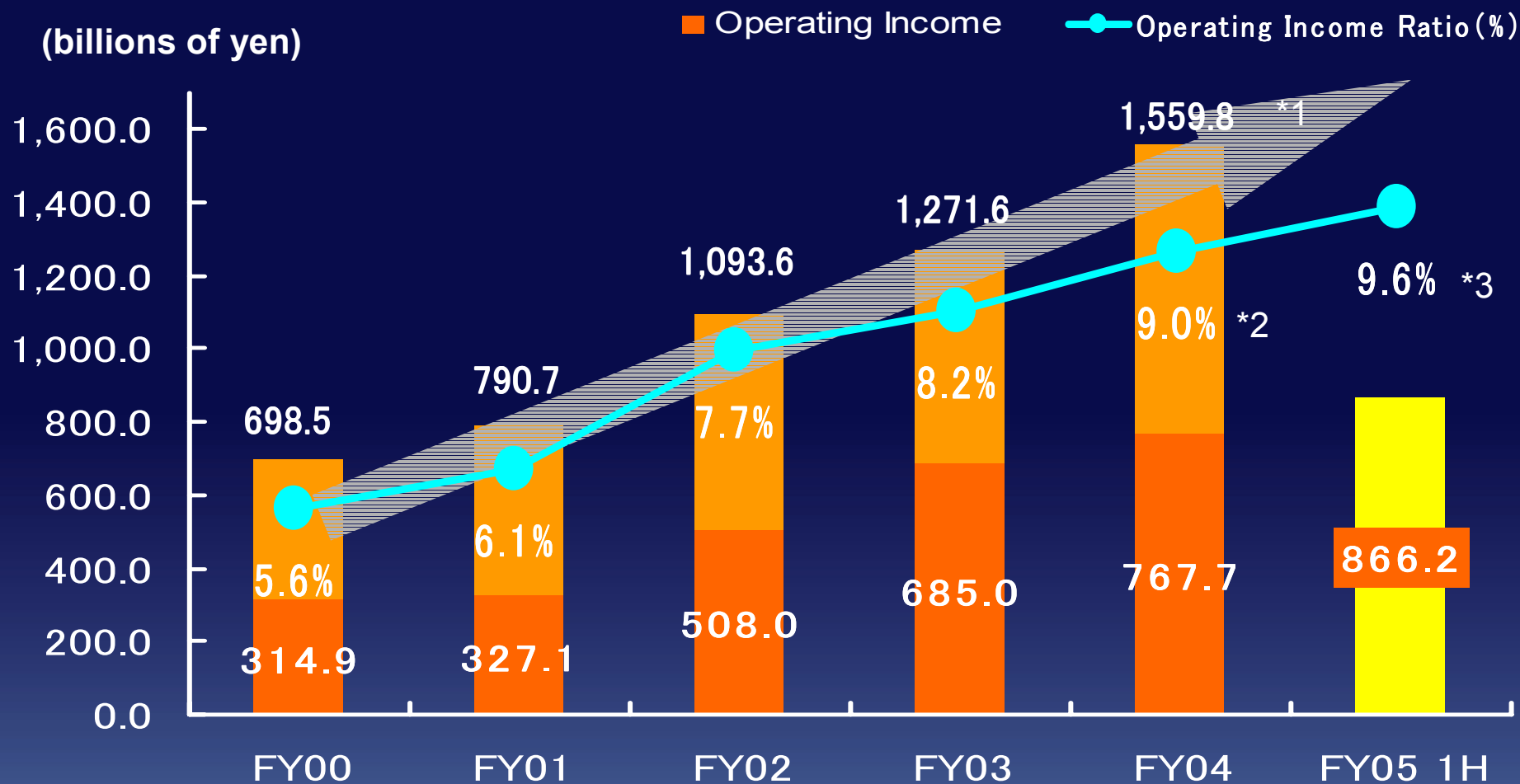
## **III. Prospects for FY2005**

## Consolidated Financial Summary :

	FY2005 1H ( '04/4-9)	FY2004 1H ( '03/4-9)	Changes	
	(billons of yen)	(billons of yen)	(billons of yen)	%
<b>Net Sales</b>	* 9,025.6	8,224.2	801.4	9.7
<b>Operating income</b>	* 866.2	767.7	98.5	12.8
Income before Taxes, Minority Interest and Equity in Earnings of Affiliated Companies	* 913.2	812.0	101.2	12.5
<b>Net Income</b>	* 584.0	524.4	59.6	11.4
<b>Forex Rate</b>	110 yen/USD 133yen/Euro	118 yen/USD 134yen/Euro	-8 yen/USD -1yen/Euro	

\* : record result

# Operating Income and Operating Income Ratio: Continuing Growth and Efficiency

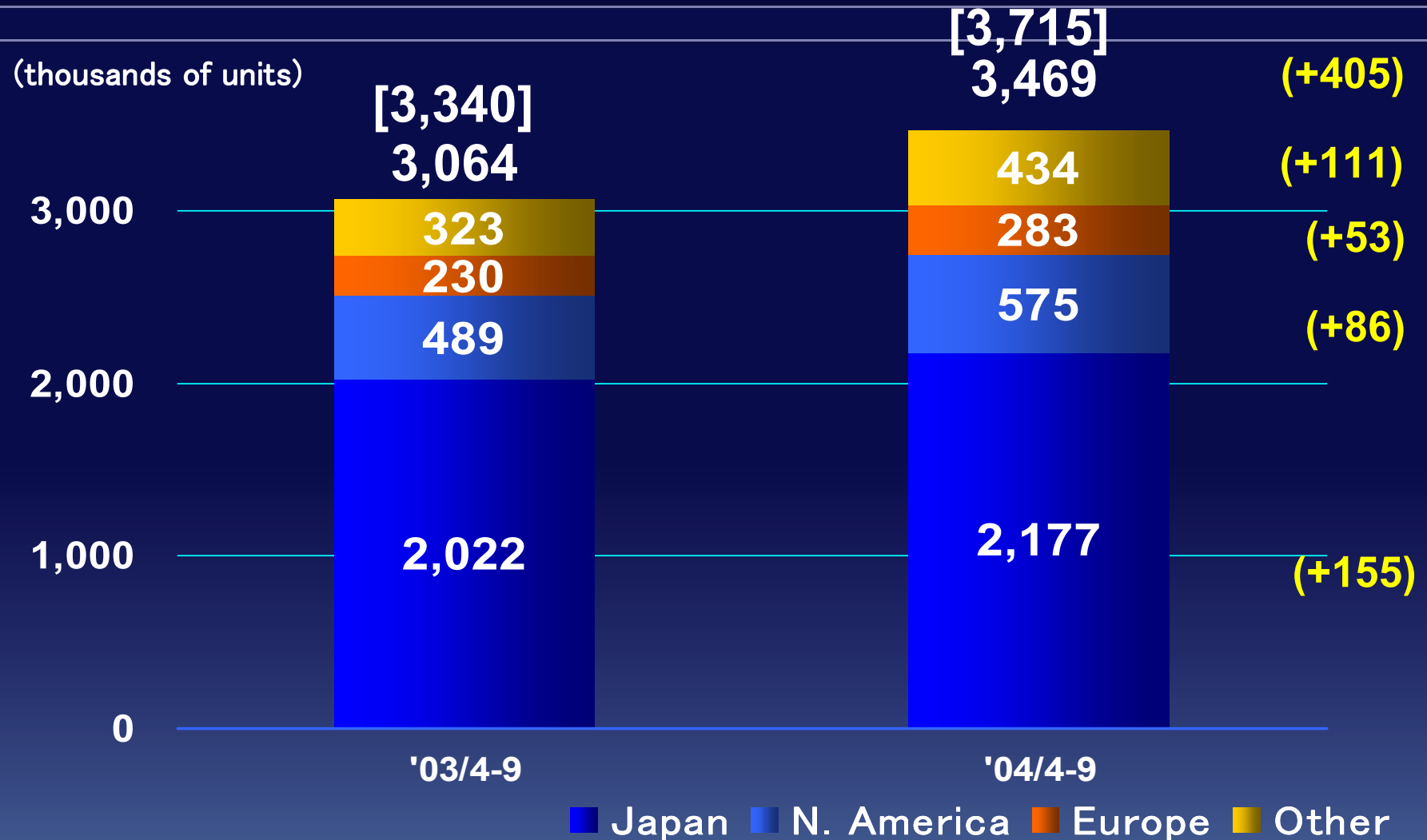


\*1 DAIKO-HENJO excluded. Actual figure including DAIKO-HENJO was 1,666.8 billion yen.

\*2 Operating income ratio excluding DAIKO-HENJO. Actual figure including DAIKO-HENJO was 9.6%.

\*3 Figures for the operating income ratio are annual figures, except that for FY2005, which is an interim figure.

# Consolidated Vehicle Production: *Increase in All Regions*



Figures in brackets show the total number of Toyota/Lexus, Daihatsu, and Hino vehicles produced.



# Consolidated Vehicle Sales : Increase in All Regions



Figures in brackets show total retail unit sales of Toyota/Lexus, Daihatsu, and Hino vehicles.

# Contributing Factors to Operating Income: +98.5 billion yen

## Strong Sales and a High Level of Cost Reductions

(billions of yen)

900.0

800.0

700.0

600.0

500.0

767.7

'03/4-9

Unfavorable  
Forex Rate  
-120.0

Increases in  
R&D and other  
expenses -111.5

Operational  
Efforts  
(volume, mix,  
etc.) +260.0

Cost Reduction  
Efforts +70.0

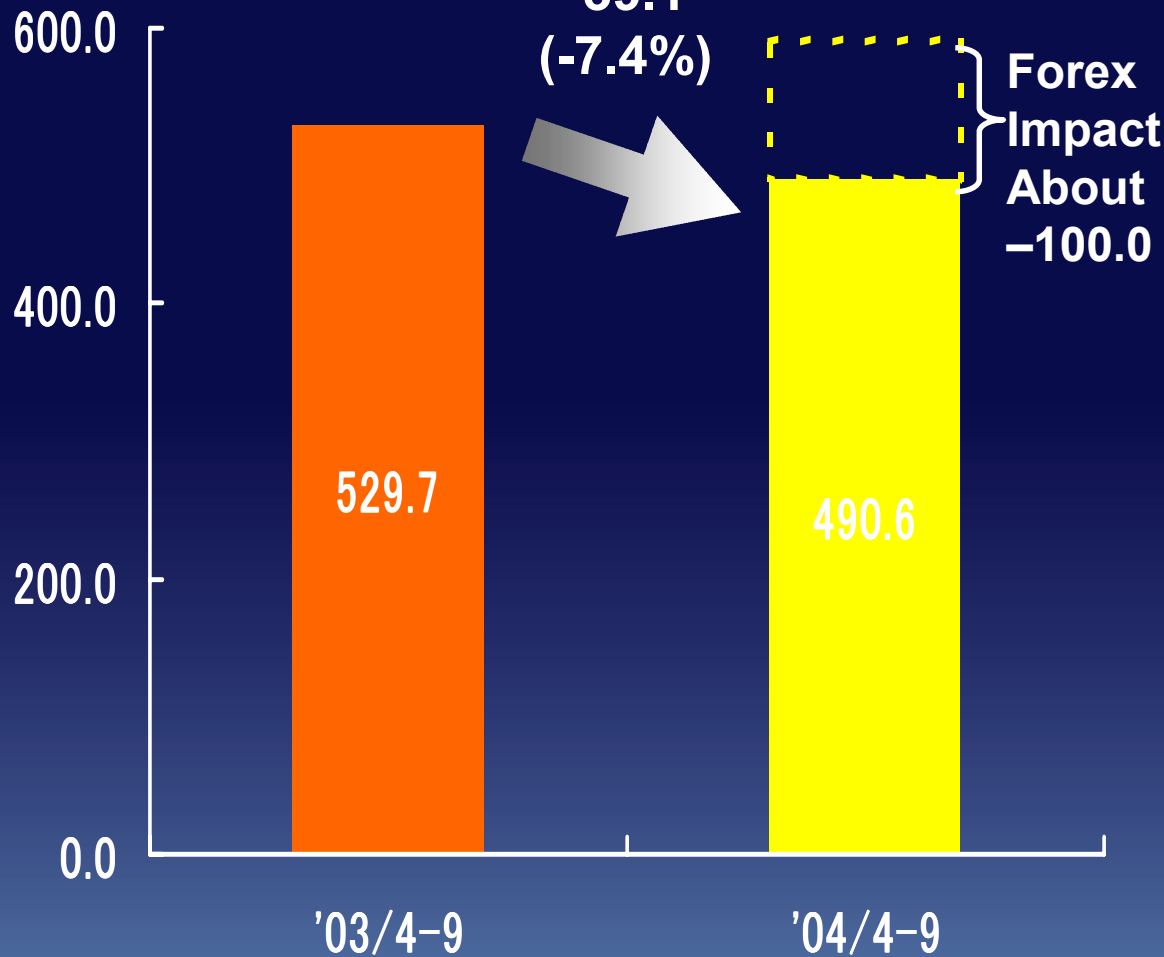
866.2  
(+98.5)

'04/4-9

# Geographic Operating Income: Japan

## *Strong Production and Sales Mitigated Forex Impact*

(billions of yen)



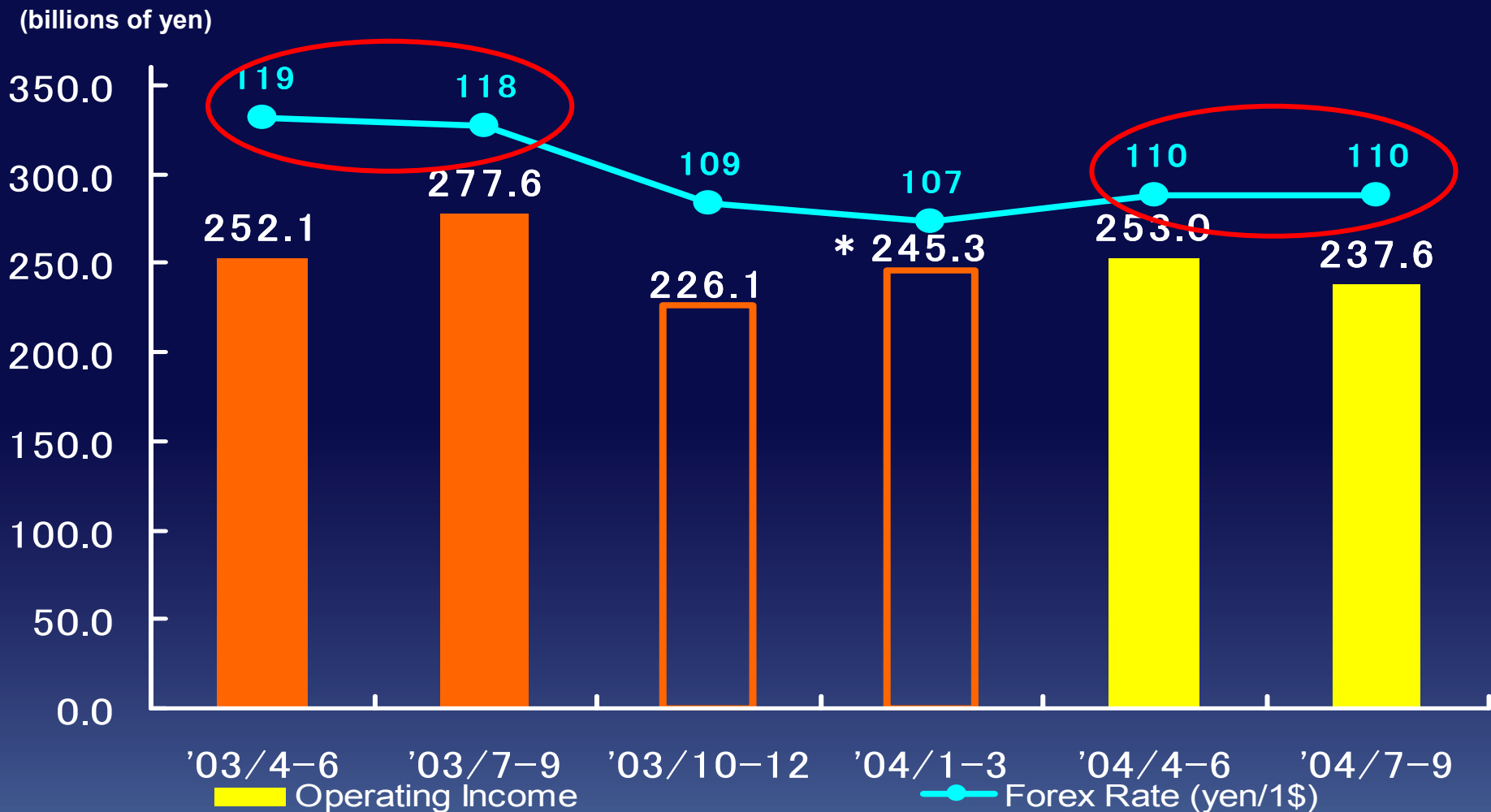
Crown



Porte

# Geographic Operating Income: Japan

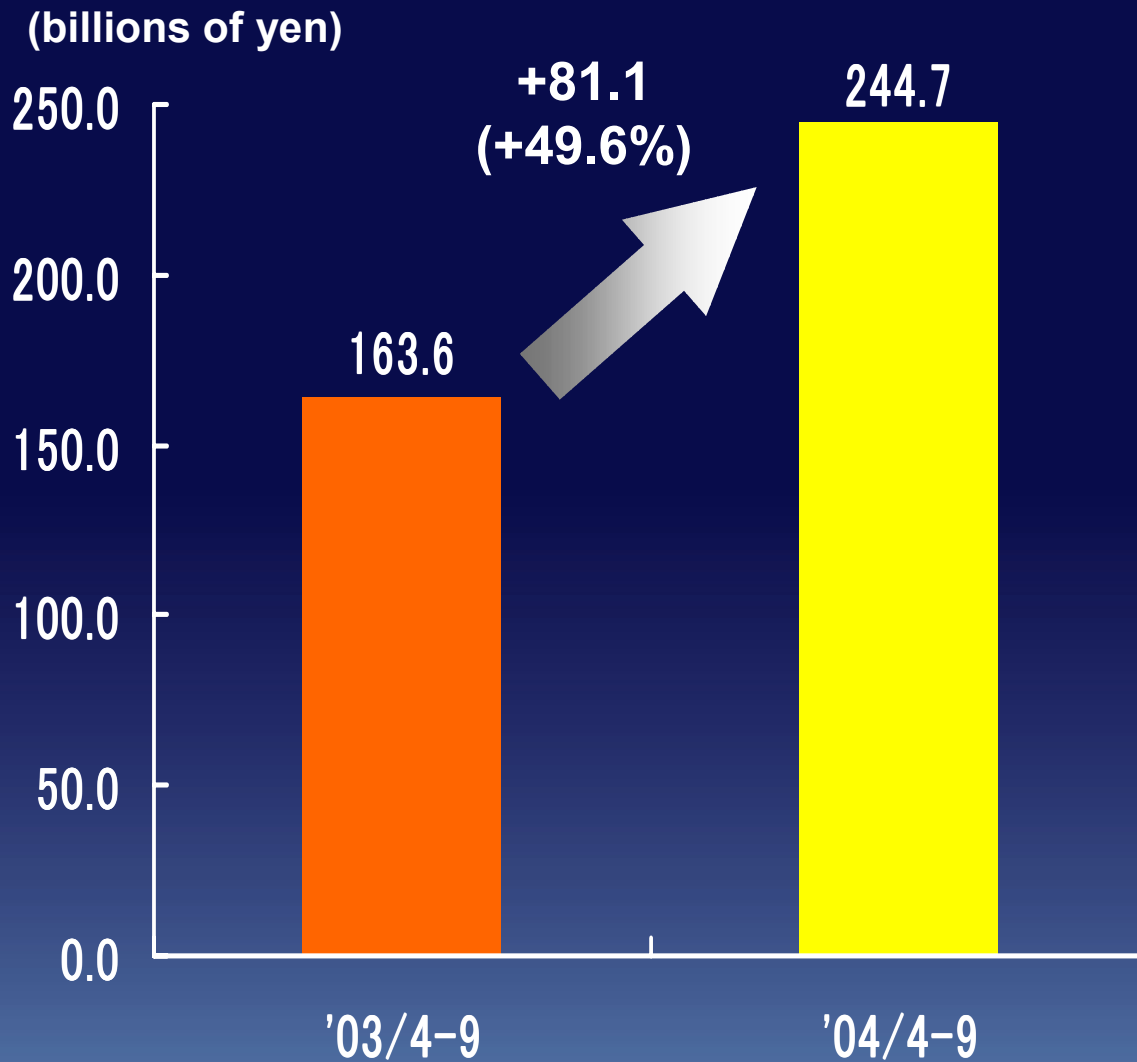
## Maintaining Strong Profit Despite Forex Fluctuations



\* DAIKO-HENJO excluded. Actual figure including DAIKO-HENJO was 352.3 billion yen.

# Geographic Operating Income: North America

## Strong Sales of the Sienna and Scion tC



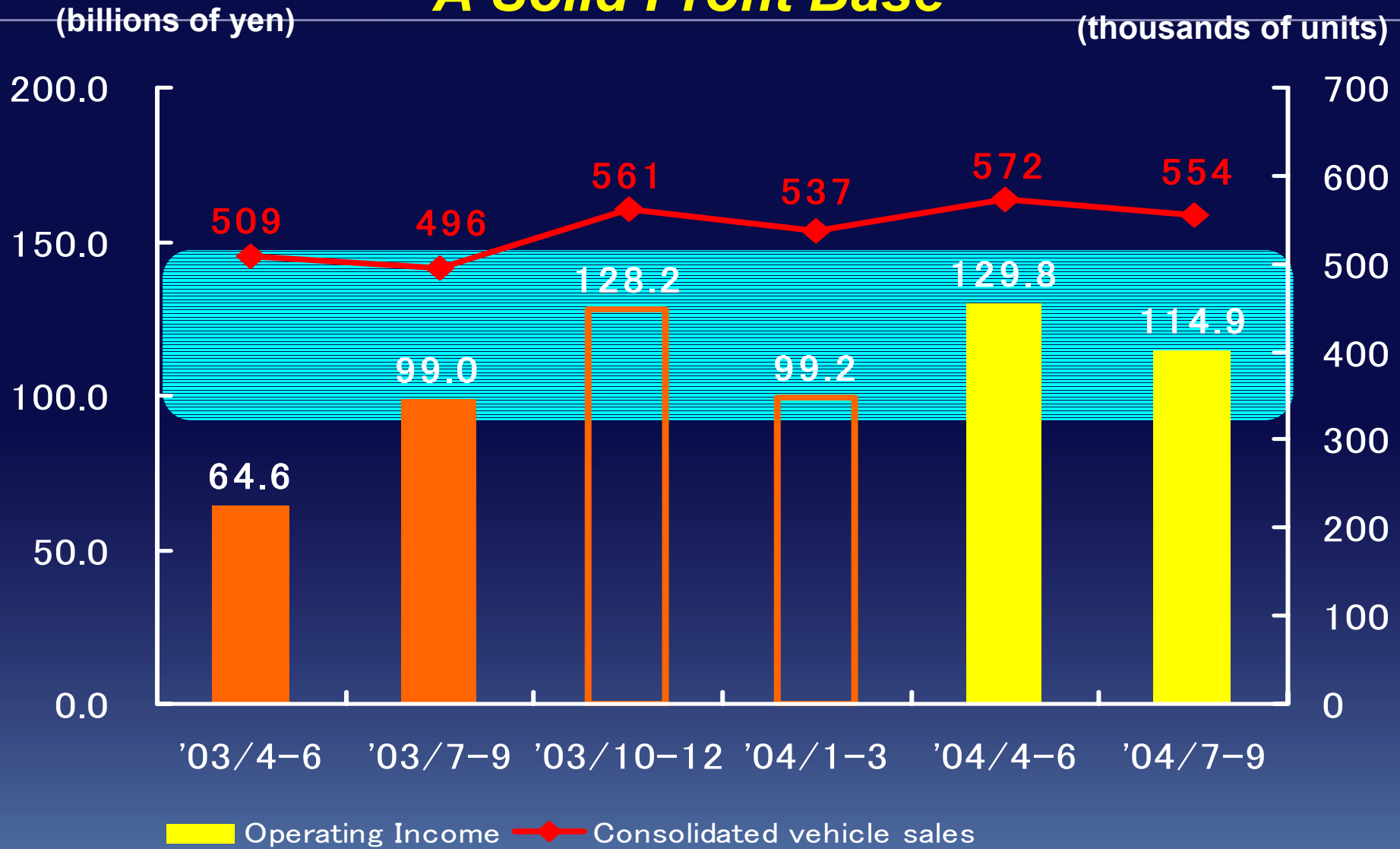
**Sienna**



**Scion tC**

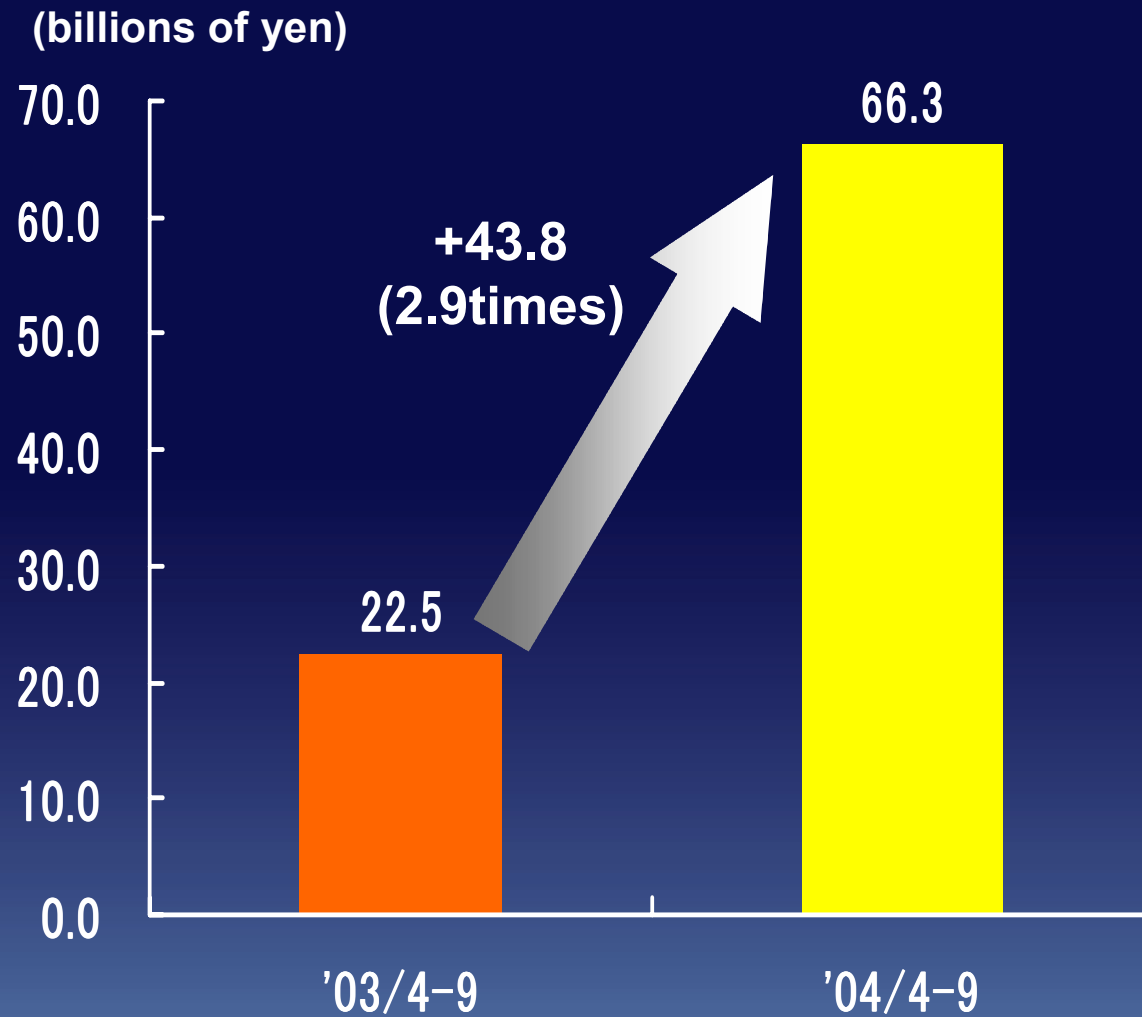
# Geographic Operating Income: North America

## A Solid Profit Base



# Geographic Operating Income: Europe

## *Sales Expansion of Locally Produced Core Models*



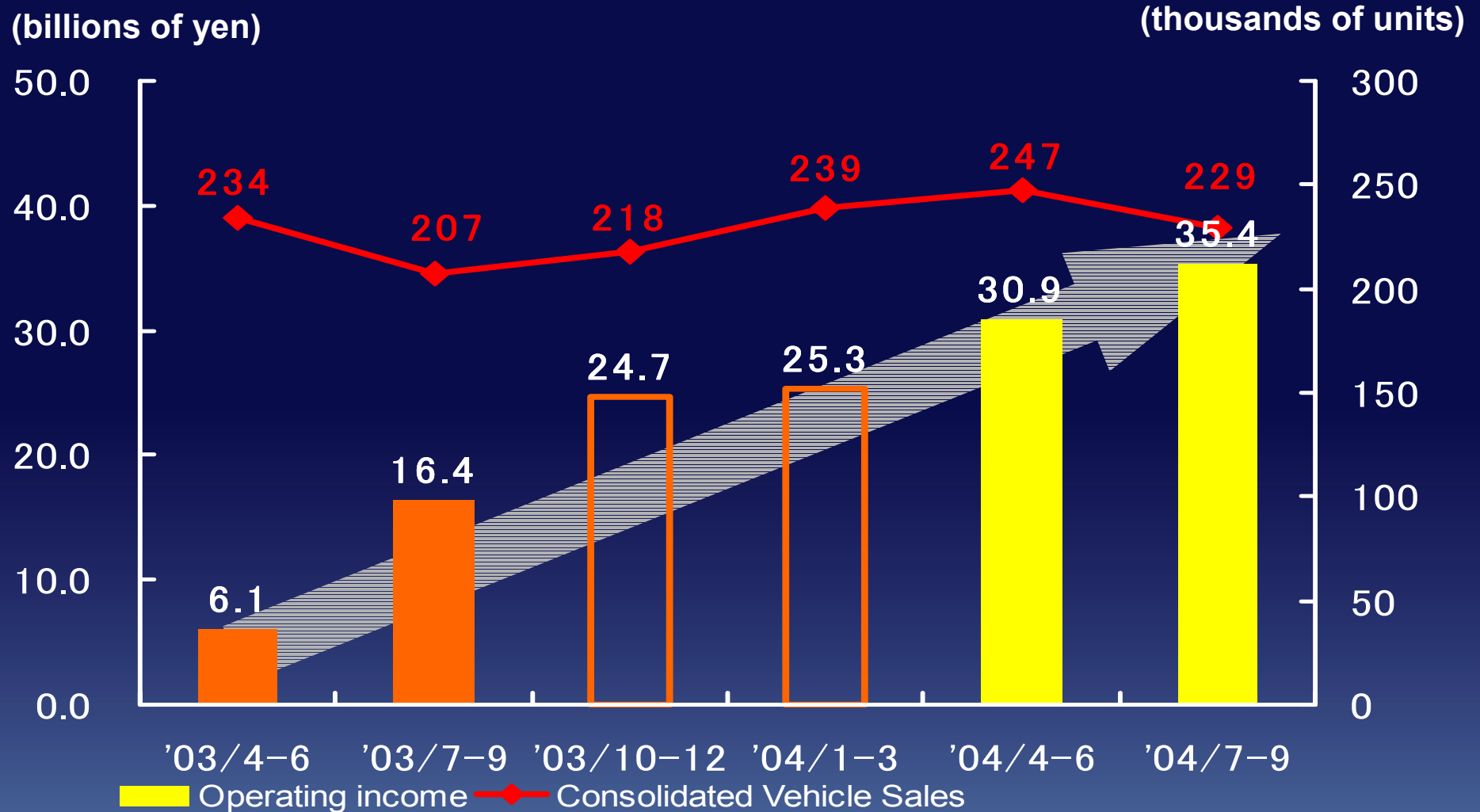
**Corolla Verso**



**Avensis**

# Geographic Operating Income: Europe

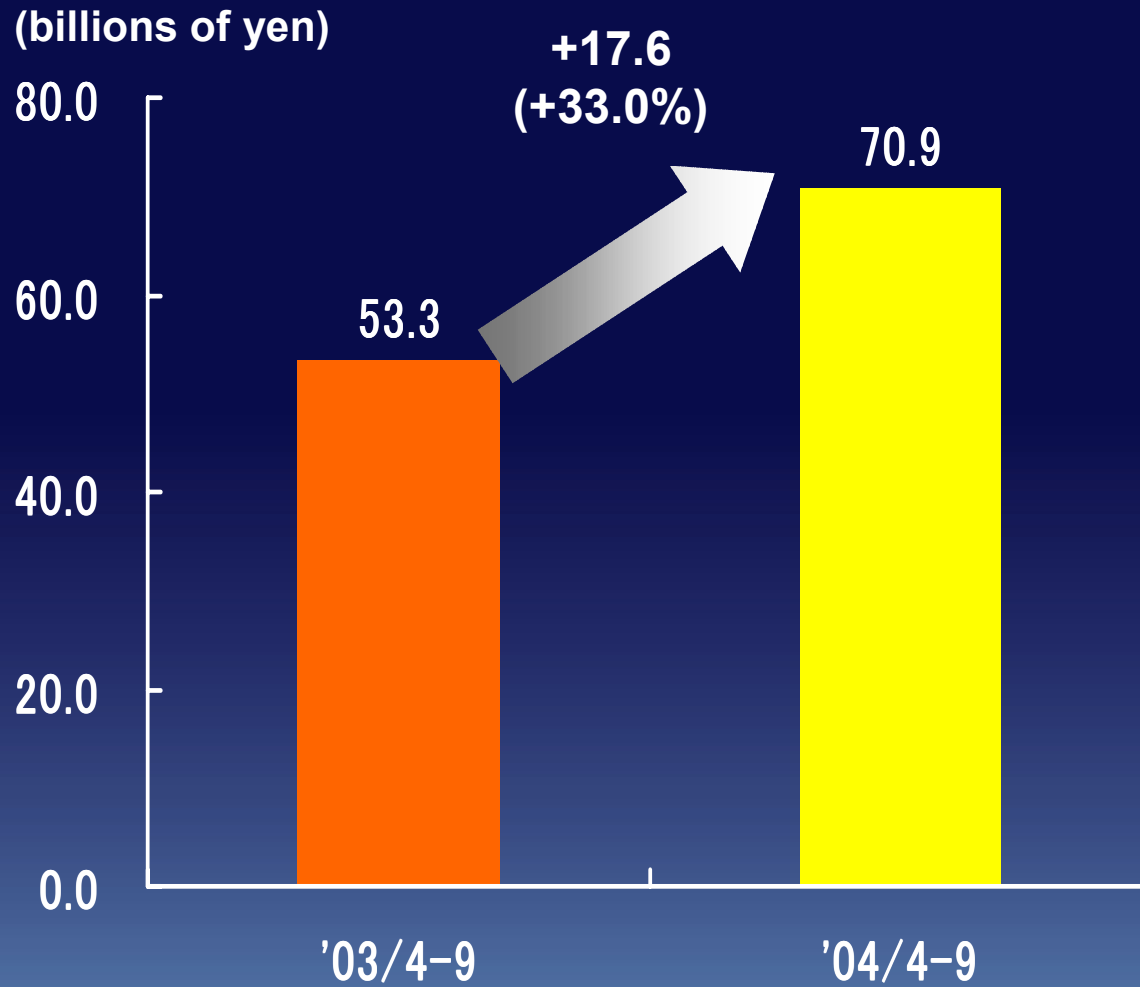
## Further Growth in Profit





# Geographic Operating Income: Other

***Strong Sales in Asia, Africa, Central and South America***



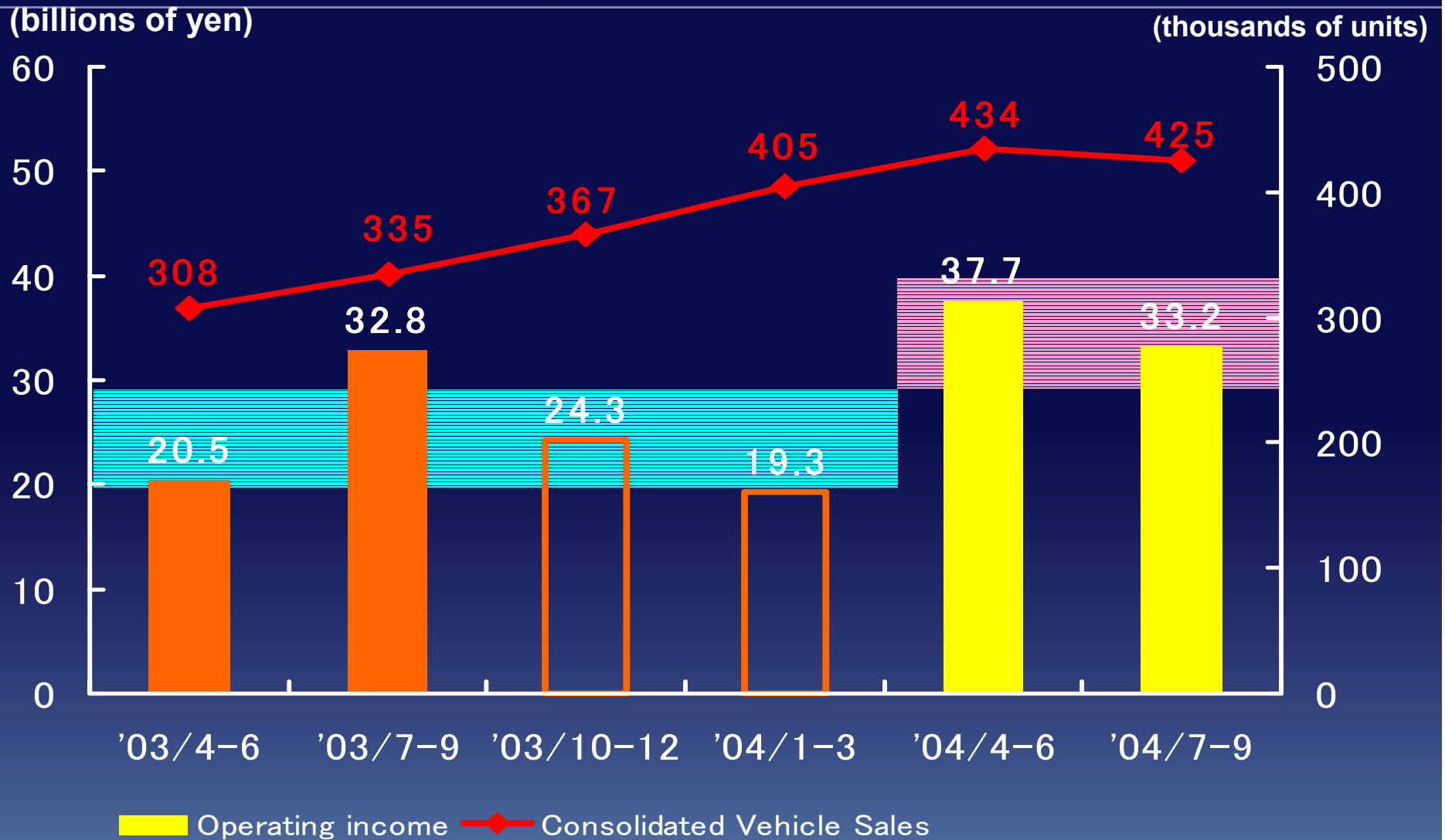
**Hilux VIGO (IMV)**



**Vios**

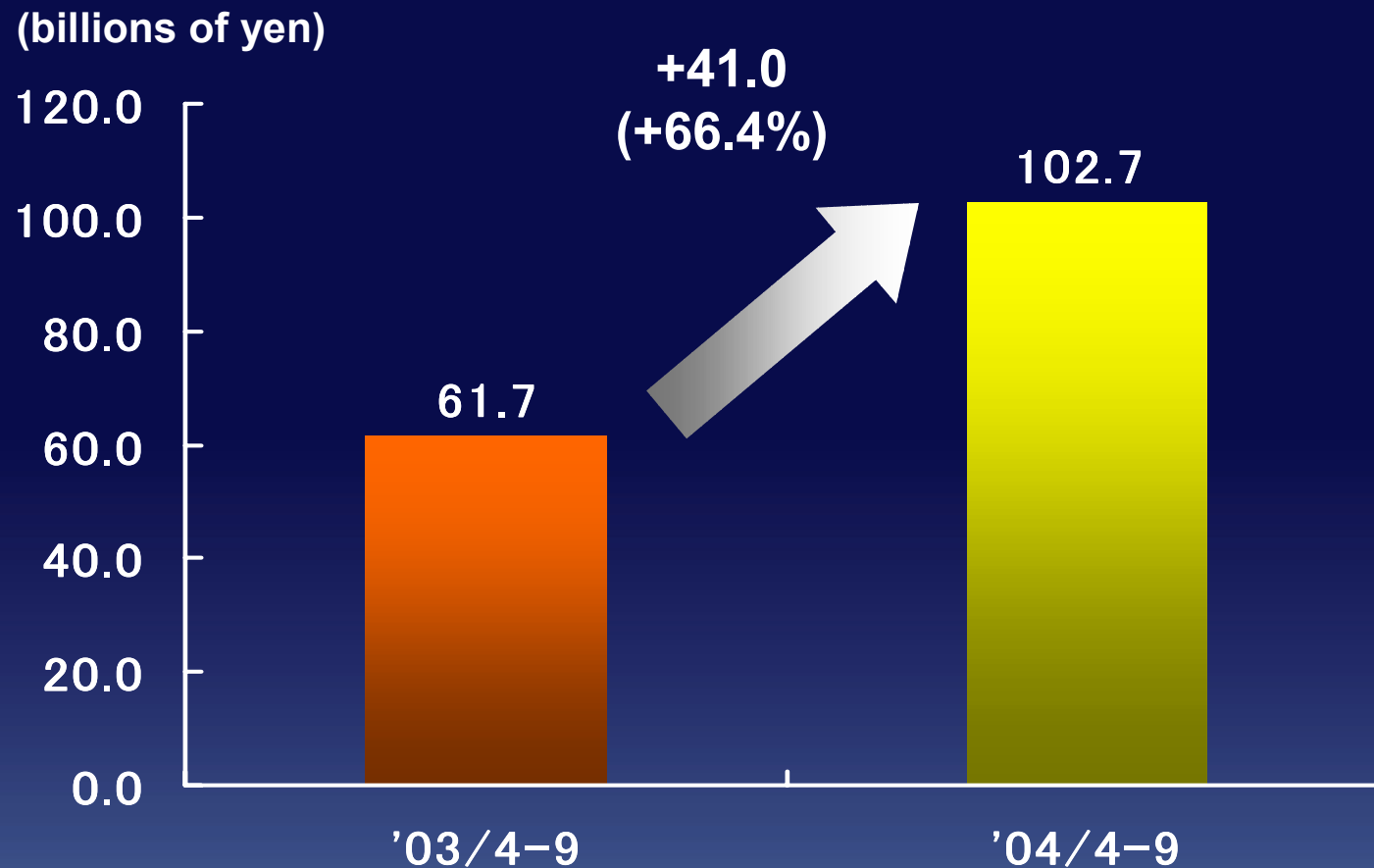
# Geographic Operating Income: Other

## Asia Leads Significant Profit Growth



## Business Segments: Financial Services

*Significant Profit Growth due to Increase in Balance of Captive Finance, etc.*

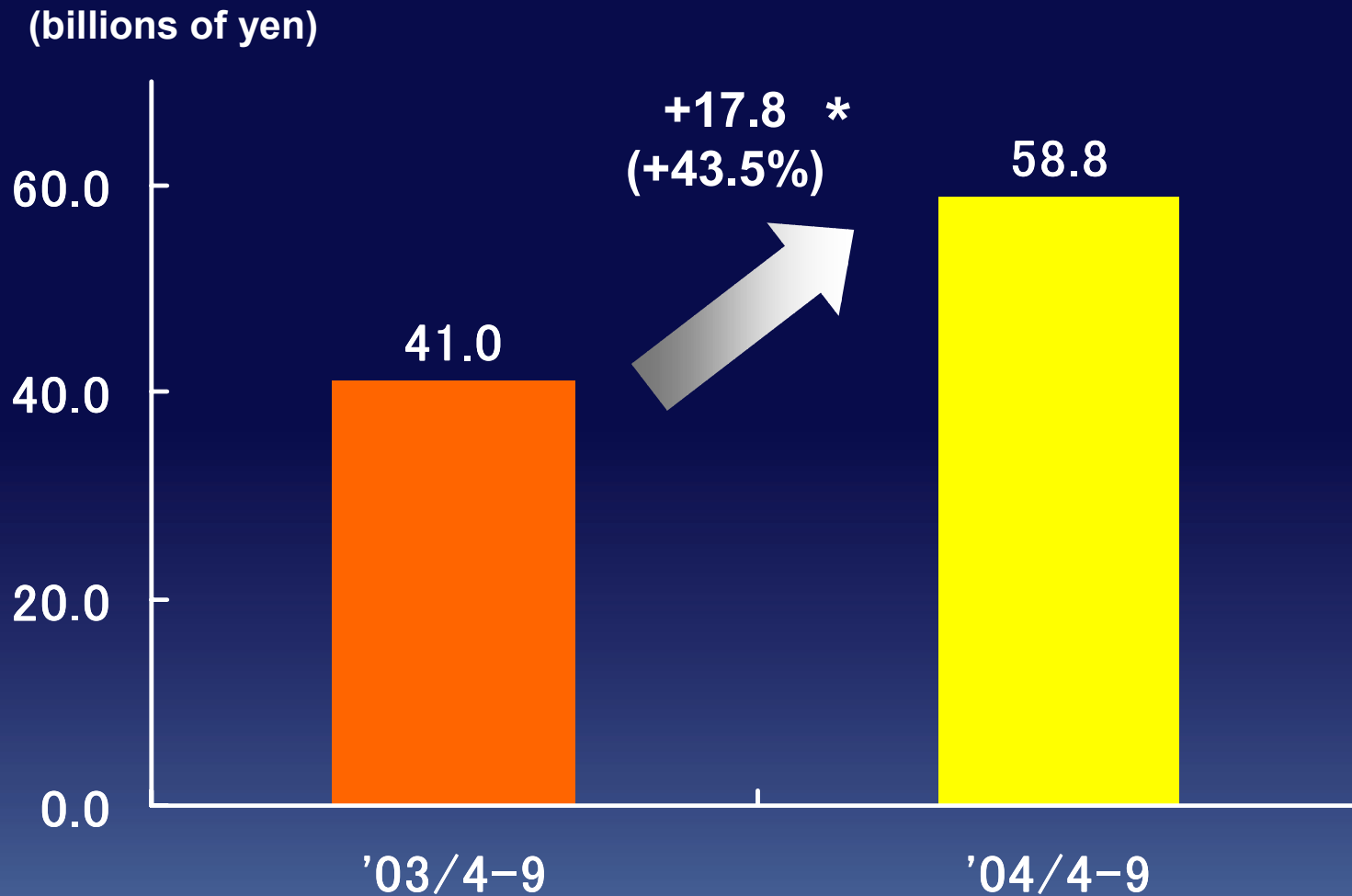


Evaluation gain from interest swap agreement of the U.S. finance subsidiary, etc.

(04/9 9.0 billion yen ← 03/9 8.4 billion yen) +0.6 billion yen

# Equity in Earnings of Affiliated Companies:

## *Increase in Japan and Overseas*



\* Profit from DAIKO-HENJO: +3.8 billion yen (3.8 ← 0)

# CapEx, Depreciation, R&D

	Capital Expenditures (billions of yen)	Depreciation Expenses (billions of yen)	R&D Expenses (billions of yen)
<b>Consolidated Total</b>	<b>500.6</b>	<b>392.1</b>	<b>351.4</b>
<b>Japan</b>	<b>281.7</b>	<b>241.9</b>	
<b>North America</b>	<b>90.6</b>	<b>88.5</b>	
<b>Europe</b>	<b>31.6</b>	<b>35.1</b>	
<b>Other</b>	<b>96.7</b>	<b>26.6</b>	

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# Unconsolidated Financial Summary

Japan GAAP

	<b>FY2005 1H</b> ( <b>'04/4-9</b> )	<b>FY2004 1H</b> ( <b>'03/4-9</b> )	<b>Changes</b>	
	billions of yen	billions of yen	billions of yen	%
<b>Net Sales</b>	<b>4,459.7</b>	<b>4,302.1</b>	<b>157.6</b>	<b>3.7</b>
<b>Operating Income</b>	<b>392.3</b>	<b>459.1</b>	<b>-66.8</b>	<b>-14.5</b>
<b>Ordinary Income</b>	<b>442.3</b>	<b>510.5</b>	<b>-68.2</b>	<b>-13.4</b>
<b>Net Income</b>	<b>263.7</b>	<b>338.0</b>	<b>-74.3</b>	<b>-22.0</b>

# Dividends: 25 Yen per Share

## Interim Dividends

◆ 25 yen per share

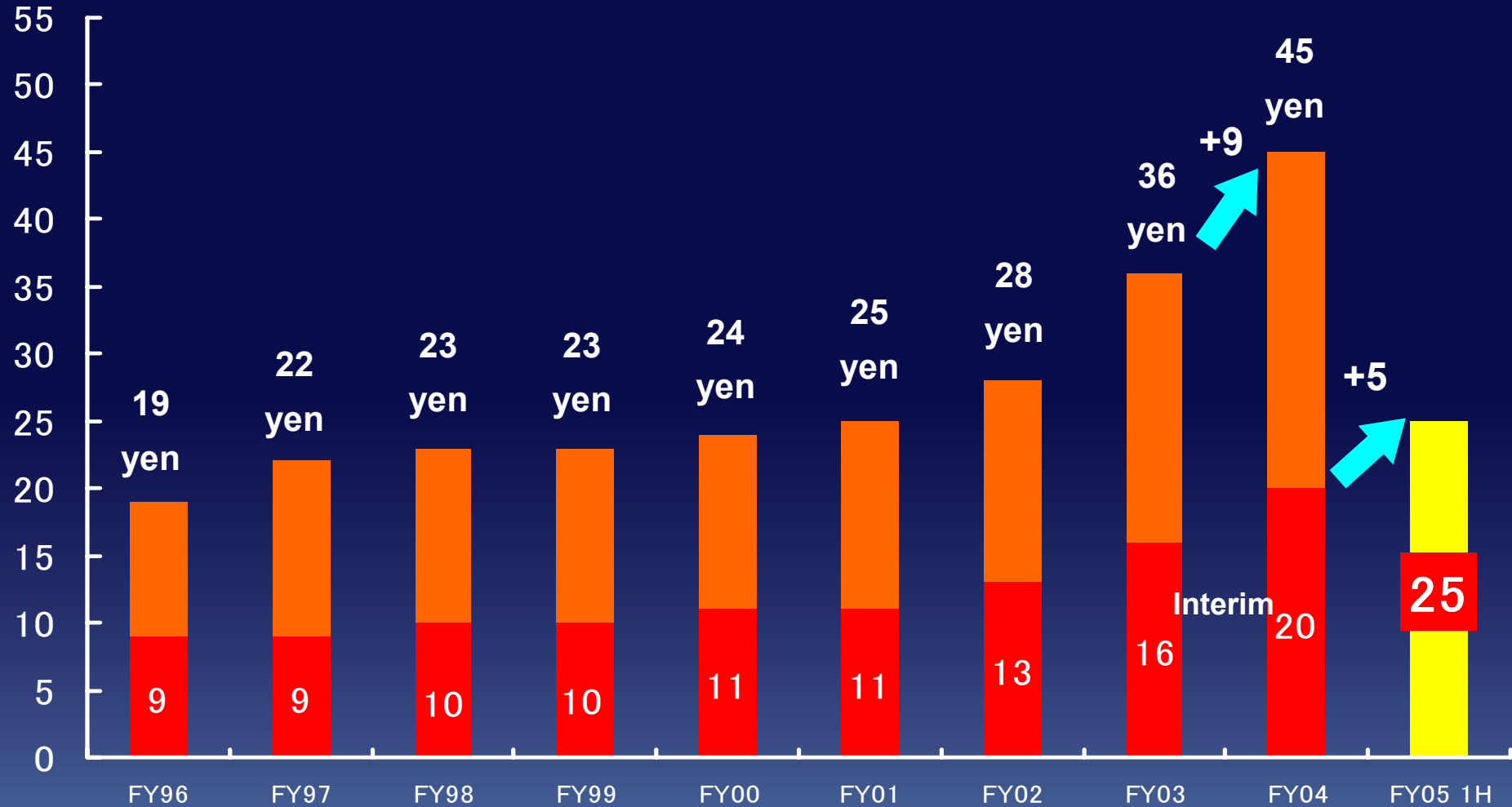
(+5 yen increase per share/  
82.0 billion yen in total)

Dividend Payout Ratio 31.1%(unconsolidated basis)



# Dividends:

(yen per share)



## Share Repurchase (Actual):

***50% of Annual Program Exercised***

### Amount Authorized for Repurchase

**Amount: Up to 250 billion yen, or 65 million share**  
(for repurchases to be made between June '04  
and June '05 shareholders meeting )



### Repurchased Amount of Toyota Shares

**Amount: 127 billion yen, 29 million shares**

\* Repurchased Shares ('04/4-'04/9): Amount: 208.4 billion yen, 49 million shares

# Agenda

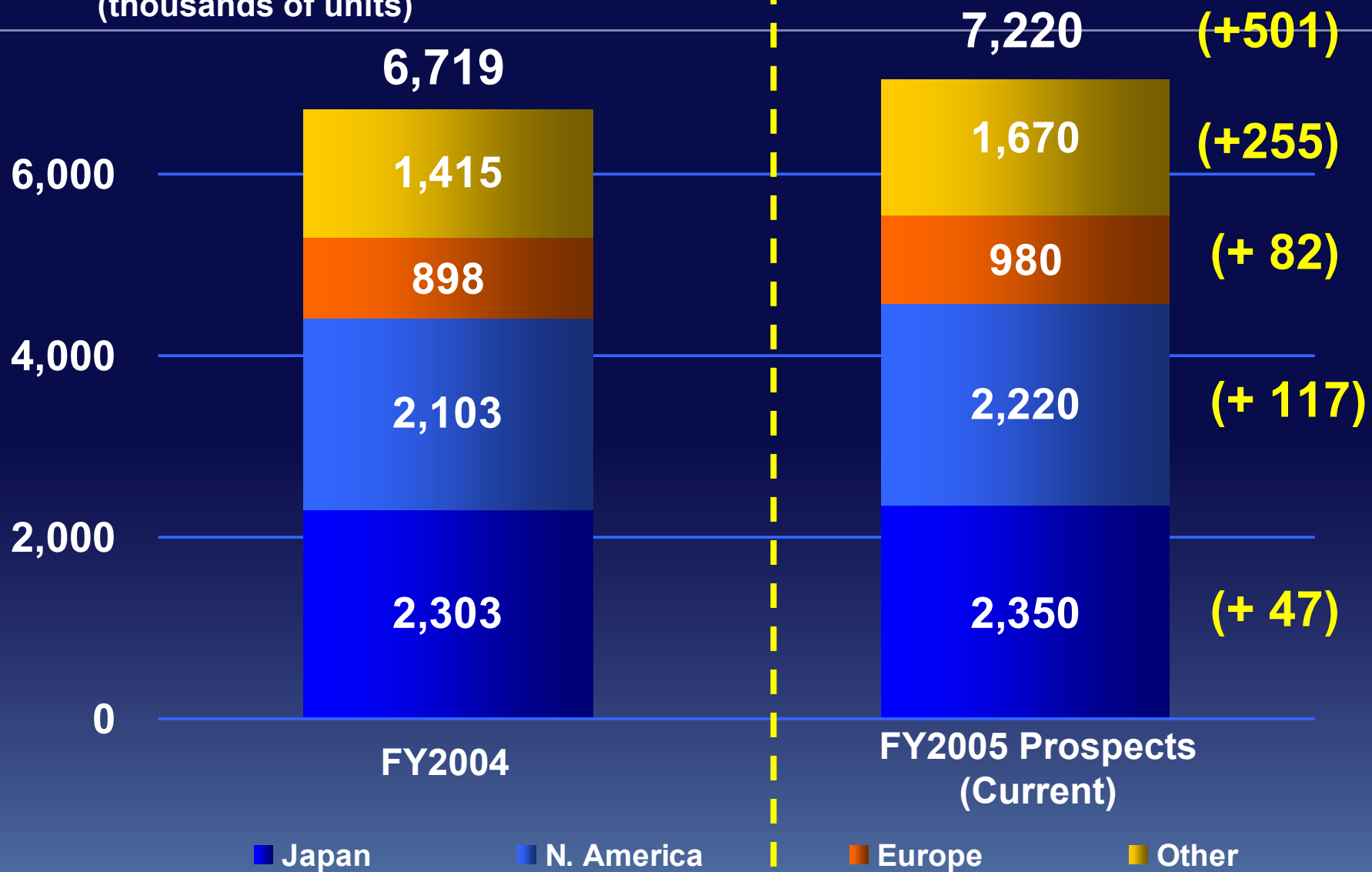
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# FY 2005 Consolidated Prospects: Vehicle Unit Sales

(thousands of units)



## FY2005 Consolidated Prospects : CapEx, Depreciation, R&D

	Capital Expenditures (billions of yen)		Depreciation Expenses (billions of yen)		R&D Expenses (billions of yen)	
<b>Consolidated</b>	<b>1,060.0</b>	<b>(+102.3)</b>	<b>810.0</b>	<b>(+21.9)</b>	<b>710.0</b>	<b>(+27.8)</b>
<b>Japan</b>	<b>640.0</b>	<b>(+75.1)</b>	<b>490.0</b>	<b>(+3.2)</b>		
<b>North America</b>	<b>140.0</b>	<b>(-69.9)</b>	<b>160.0</b>	<b>(-16.5)</b>		
<b>Europe</b>	<b>90.0</b>	<b>(+2.3)</b>	<b>80.0</b>	<b>(+13.6)</b>		
<b>Other</b>	<b>190.0</b>	<b>(+94.8)</b>	<b>80.0</b>	<b>(+21.6)</b>		

# Toyota's Operations Prospects, excluding Daihatsu and Hino

	FY2005 Prospects ( '04/4-'05/3 ) thousands of units	FY2004 ( '03/4-'04/3 ) thousands of units
<b>Automotive Production</b>		
<b>Japan</b>	<b>3,690</b>	<b>3,558</b>
<b>Overseas</b>	<b>3,080</b>	<b>2,739</b>
<b>Sales (Japan)</b>	<b>1,790</b>	<b>1,765</b>
<b>Exports</b>	<b>1,950</b>	<b>1,860</b>
<b>Sales (Overseas)</b>	<b>5,040</b>	<b>4,541</b>
<b>Housing Sales</b>	<b>4,300 units</b>	<b>4,038 units</b>

# FY2005 Unconsolidated Prospects

Japan GAAP

	FY2005 Prospects ( '04/4-'05/3)	FY2004 ( '03/4-'04/3)	Change
	(billions of yen)	(billions of yen)	(billions of yen)
<b>Net Sales</b>	<b>9,100.0</b>	<b>8,963.7</b>	<b>136.3</b>
<b>Operating Income</b>	<b>730.0</b>	<b>833.7</b>	<b>-103.7</b>
<b>Ordinary Income</b>	<b>890.0</b>	<b>915.7</b>	<b>-25.7</b>
<b>Net Income</b>	<b>540.0</b>	<b>581.4</b>	<b>-41.4</b>
<b>Forex rate</b>	<i>107yen/USD</i>	<i>113yen/USD</i>	<i>-6yen/USD</i>
	<i>132yen/Euro</i>	<i>133yen/Euro</i>	<i>-1yen/Euro</i>



# FY2005 1H Financial Results



Toyota Motor Corporation

November 1, 2004