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 markets 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.
# Consolidated Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>FY2006 1H ('05/4-9)</th>
<th>FY2005 1H ('04/4-9)</th>
<th>Changes (billions of yen)</th>
<th>% (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td>9,953.1</td>
<td>9,025.6</td>
<td>927.5</td>
<td>10.3</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>809.4</td>
<td>866.2</td>
<td>-56.8</td>
<td>-6.6</td>
</tr>
<tr>
<td><strong>Income before income taxes, minority interest and equity in earnings of affiliated companies</strong></td>
<td>855.9</td>
<td>913.2</td>
<td>-57.3</td>
<td>-6.3</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>570.5</td>
<td>584.0</td>
<td>-13.5</td>
<td>-2.3</td>
</tr>
</tbody>
</table>

**Forex rate**
- 110 yen/1$
- 136 yen/1Euro
- 133 yen/1Euro
- +3 yen/1Euro

(*): percentage changes year-on-year
Figures in brackets show total retail unit sales of Toyota/Lexus, Daihatsu, and Hino vehicles.

Figures in parentheses show year-on-year changes.
Contributing Factors to Consolidated Operating Income

(billions of yen)

- Cost Reduction Efforts +60.0
- Marketing Efforts (volume, mix, etc.) +70.0
- Favorable Forex Rate +20.0
- Decrease in DAIKO HENJO -9.1
- Increases in Expenses -197.7
  - R&D expenses, Depreciation and CAPEX related costs, Labor costs and Other Expenses
Geographic Operating Income: Japan

*Product Mix: Recovery from Q2 towards the 2nd half

Operating Income (billions of yen)

- '04/4-9: 490.6 billion yen
- '05/4-9: 385.9 billion yen

Consolidated vehicle sales (thousands of units)

TOYOTA

Operating Income (billions of yen)

- '04/4-6: 253.0
- '04/7-9: 237.6
- '04/10-12: 237.3
- '05/1-3: 259.3
- '05/4-6: 550
- '05/7-9: 536

Consolidated vehicle sales (thousands of units)

- '04/4-6: 538
- '04/7-9: 568
- '04/10-12: 573
- '05/1-3: 702
- '05/4-6: 550
- '05/7-9: 536
Geographic Operating Income: North America

*120,000 units increase in vehicle sales
*Shifting to compact and fuel-efficient vehicles

Operating Income (billions of yen)

- '04/4-6: 129.8
- '04/7-9: 114.9
- '04/10-12: 127.8
- '05/1-3: 75.0
- '05/4-6: 137.8
- '05/7-9: 130.7

Consolidated vehicle sales (thousands of units)

- '04/4-9: 572
- '05/4-9: 641

Operating Income (billions of yen)

- 04/4-9: 244.7 billion yen
- '05/4-9: 268.5 billion yen

TOYOTA

Operating Income (billions of yen)
Consolidated vehicle sales (thousands of units)
Geographic Operating Income: Europe

- Tough market condition
- Expansion of Lexus sales and marketing network
- Launch of Aygo

Operating Income (billions of yen)
- '04/4-9: 66.3 billion yen
- '04/4-9: 40.1 billion yen

Consolidated vehicle sales (thousands of units)
- '04/4-6: 252
- '04/7-9: 247
- '04/10-12: 249
- '05/1-3: 254
- '05/4-6: 256
- '05/7-9: 242
**Geographic Operating Income: Asia**

*Vehicle sales increased in all major countries*

*IMV Project: Start full-scale exports to Europe and M.East*

(billions of yen)

- '04/4-9: 43.5
- '05/4-9: 75.4

Operational Income (billions of yen)  Consolidated vehicle sales (thousand of units)
Geographic Operating Income: Other (Africa, South and Central America, etc.)

*Profit increased due to the IMV project

Operating Income (billions of yen)

Consolidated vehicle sales (thousand of units)
Business Segments: Financial Services

*Decrease in valuation gains from interest rate swaps of a U.S. sales financial subsidiary:  -5.2 billion yen

*Gain in FY2005 semi-annual to record prior-year adjustment by a U.S sales financial subsidiary:   -9.5 billion yen

Operating Income

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Income (billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'04/4-6</td>
<td>46.2</td>
</tr>
<tr>
<td>'04/7-9</td>
<td>56.5</td>
</tr>
<tr>
<td>'04/10-12</td>
<td>58.7</td>
</tr>
<tr>
<td>'05/1-3</td>
<td>39.4</td>
</tr>
<tr>
<td>'05/4-6</td>
<td>39.7</td>
</tr>
<tr>
<td>'05/7-9</td>
<td>43.8</td>
</tr>
</tbody>
</table>

Operating Income

<table>
<thead>
<tr>
<th>Period</th>
<th>Operating Income (billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>'04/4-9</td>
<td>102.7 billion yen</td>
</tr>
<tr>
<td>'05/4-9</td>
<td>83.5 billion yen</td>
</tr>
</tbody>
</table>
Equity in Earnings of Affiliated Companies

*Favorable performance mainly by domestic group affiliates

(billions of yen)

- '04/4-6: 34.7 billion yen
- '04/7-9: 24.1 billion yen
- '04/10-12: 39.3 billion yen
- '05/1-3: 41.3 billion yen
- '05/4-6: 35.6 billion yen
- '05/7-9: 35.1 billion yen

Source: TOYOTA
## Unconsolidated Financial Summary (JAPAN GAAP)

<table>
<thead>
<tr>
<th></th>
<th>FY2006 1H ('05/4-9) (billions of yen)</th>
<th>FY2005 1H ('04/4-9) (billions of yen)</th>
<th>Changes (billions of yen)</th>
<th>% (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>4,664.0</td>
<td>4,459.7</td>
<td>204.3</td>
<td>4.6</td>
</tr>
<tr>
<td>Operating income</td>
<td>297.6</td>
<td>392.3</td>
<td>-94.7</td>
<td>-24.1</td>
</tr>
<tr>
<td>Ordinary income</td>
<td>416.6</td>
<td>442.3</td>
<td>-25.7</td>
<td>-5.8</td>
</tr>
<tr>
<td>Net income</td>
<td>283.6</td>
<td>263.7</td>
<td>19.9</td>
<td>7.6</td>
</tr>
</tbody>
</table>

**Non-operating income:** 119.0 billion yen (+69.0 billion yen from FY2005 1H)

*+41.3 billion yen was due to the increase in dividends from subsidiaries, etc.

(*): percentage changes year-on-year
Contributing Factors to Unconsolidated Operating Income

(billions of yen)

'04/4-9: 392.3
- Increases in R&D expenses, etc: -114.7
  - R&D expenses, Depreciation and CAPEX related costs, Labor costs and Other Expenses
- Marketing Activities: -20.0
- Cost Reduction Efforts: +30.0
  - Favorable Forex Rate: +10.0

'05/4-9: 297.6 (-94.7)

TOYOTA
Interim Dividend

◆ 35 Yen Per Share
  +10 yen increase per share
  113.8 billion yen in total

◆ Dividend Payout Ratio
  Consolidated: 20.0%
  Unconsolidated: 40.2%
Activities planned for the 2\textsuperscript{nd} half:
Boost the number of vehicle sales globally with introduction of new vehicles

(Thousands of units)

\begin{tabular}{lrr}
\textbf{Japan} & \textbf{N.America} & \textbf{Europe} \\
3,841 & 471 & 447 \\
4,197 & 554 & 452 \\
\end{tabular}

Figures in parentheses show year-on-year changes.

Activities planned for the 2\textsuperscript{nd} half:
Boost the number of vehicle sales globally with introduction of new vehicles

TOYOTA

Figures in parentheses show year-on-year changes.
### Activities planned for the 2nd half: Domestic Market

**Improvements of product mix, Increases in vehicle sales and market share**

<table>
<thead>
<tr>
<th>Premium</th>
<th>Compacts</th>
<th>04/4 - 05/3</th>
<th>05/4 - 06/3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
</tr>
<tr>
<td>Majesta</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Isis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Porte</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mark X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vitz</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ractis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAV4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lexus GS, SC, IS</td>
<td>Further new model launches expected</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Harrier = RX, Kluger = Highlander, Vitz = Yaris,
Activities planned for the 2nd half:
Launch new domestic production sites

Toyota Motor Hokkaido, Inc.
Location: Hokkaido
Start of operation: End of 2005
Products: Transmission
Total Investment: 30 billion yen

Toyota Motor Kyushu, Inc.
Location: Fukuoka
Start of operation: Sep. 2005
Products: Lexus IS, Lexus ES (planned)
Total Investment: 30 billion yen

Toyota Motor Kyushu, Inc.
Location: Fukuoka
Start of operation: Jan. 2006
Products: Engine
Total Investment: 30 billion yen

Kanto Auto Works, Ltd
Location: Iwate
Start of operation: Nov. 2005
Products: Global Compact Vehicle
Total Investment: 18 billion yen

Toyota Motor Tohoku Co., Ltd
Location: Miyagi
Start of operation: Nov. 2005
Products: Torque Converter
Total Investment: 8 billion yen
FY2006 Consolidated Prospects: Vehicle Unit Sales

(Thousands of units)

<table>
<thead>
<tr>
<th></th>
<th>04/4-05/3 Actual</th>
<th>05/4-06/3 Prospects (as released in '05/8)</th>
<th>05/4-06/3 Prospects (Current)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>2,381</td>
<td>2,420</td>
<td>2,430</td>
</tr>
<tr>
<td>N.America</td>
<td>2,271</td>
<td>2,500</td>
<td>2,550</td>
</tr>
<tr>
<td>Europe</td>
<td>944</td>
<td>1,120</td>
<td>1,110</td>
</tr>
<tr>
<td>Asia</td>
<td>833</td>
<td>890</td>
<td>900</td>
</tr>
<tr>
<td>Other</td>
<td>979</td>
<td>1,040</td>
<td>1,040</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,408</strong></td>
<td><strong>7,970</strong></td>
<td><strong>8,030</strong></td>
</tr>
</tbody>
</table>

Figures in parentheses show year-on-year changes.
### FY2006 Consolidated Prospects:
**CapEx, Depreciation, R&D**

<table>
<thead>
<tr>
<th>Region</th>
<th>Capital Expenditures&lt;br&gt;(billions of yen)</th>
<th>Depreciation Expenses&lt;br&gt;(billions of yen)</th>
<th>R&amp;D Expenses&lt;br&gt;(billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated</td>
<td>(+312.8)</td>
<td>(+64.2)</td>
<td>(+44.9)</td>
</tr>
<tr>
<td>Japan</td>
<td>840.0</td>
<td>520.0</td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>(+96.3)</td>
<td>(+7.0)</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>120.0</td>
<td>80.0</td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td>110.0</td>
<td>45.0</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>80.0</td>
<td>35.0</td>
<td></td>
</tr>
</tbody>
</table>

Notes: Figures in parentheses show year-on-year changes
<table>
<thead>
<tr>
<th></th>
<th>FY2006 Prospects ('05/4-'06/3)</th>
<th>FY2005 ('04/4-'05/3)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>thousands of units</td>
<td>thousands of units</td>
</tr>
<tr>
<td>Automotive Production</td>
<td>Japan</td>
<td>3,880</td>
</tr>
<tr>
<td></td>
<td>Overseas</td>
<td>3,760</td>
</tr>
<tr>
<td>Sales (Japan)</td>
<td></td>
<td>1,830</td>
</tr>
<tr>
<td>Exports</td>
<td></td>
<td>2,100</td>
</tr>
<tr>
<td>Sales (Overseas)</td>
<td></td>
<td>5,700</td>
</tr>
<tr>
<td>Housing Sales</td>
<td></td>
<td>4,600</td>
</tr>
</tbody>
</table>
## FY2006 Unconsolidated Prospects (Japan GAAP)

<table>
<thead>
<tr>
<th>FY2006 Prospects</th>
<th>FY2005 Prospects</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>('05/4-'06/3)</td>
<td>('04/4-'05/3)</td>
<td>(billions of yen)</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>10,100.0</td>
<td>9,218.3</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>750.0</td>
<td>701.3</td>
</tr>
<tr>
<td><strong>Ordinary Income</strong></td>
<td>980.0</td>
<td>856.2</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>670.0</td>
<td>529.3</td>
</tr>
</tbody>
</table>

**Exchange Rate**
- 110 yen/ 1$
- 135 yen/ 1Euro

### Contributing factors to operating Income (billions of yen)

<table>
<thead>
<tr>
<th>Factor</th>
<th>1st Half</th>
<th>2nd Half</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ForEx Rate</td>
<td>+100</td>
<td>+50.0</td>
<td>+60.0</td>
</tr>
<tr>
<td>Marketing Efforts</td>
<td>-20.0</td>
<td>+90.0</td>
<td>+70.0</td>
</tr>
<tr>
<td>Cost Reduction Efforts</td>
<td>+30.0</td>
<td>+40.0</td>
<td>+70.0</td>
</tr>
<tr>
<td>Increase in R&amp;D expense, etc.</td>
<td>-114.7</td>
<td>-36.6</td>
<td>-151.3</td>
</tr>
</tbody>
</table>