

# **FY2008 Financial Results**

**- prepared in accordance with U.S. GAAP -**



**Toyota Motor Corporation**  
**May 8, 2008**

This presentation 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, the Canadian 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 Financial Instruments and Exchange Laws (the “Exchange Law”), 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 Exchange Law) until such material information is deemed to be made public. Under the Exchange Law, 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 Exchange Law.





**Takeshi Suzuki**

**Senior Managing Director**



# Consolidated Financial Summary

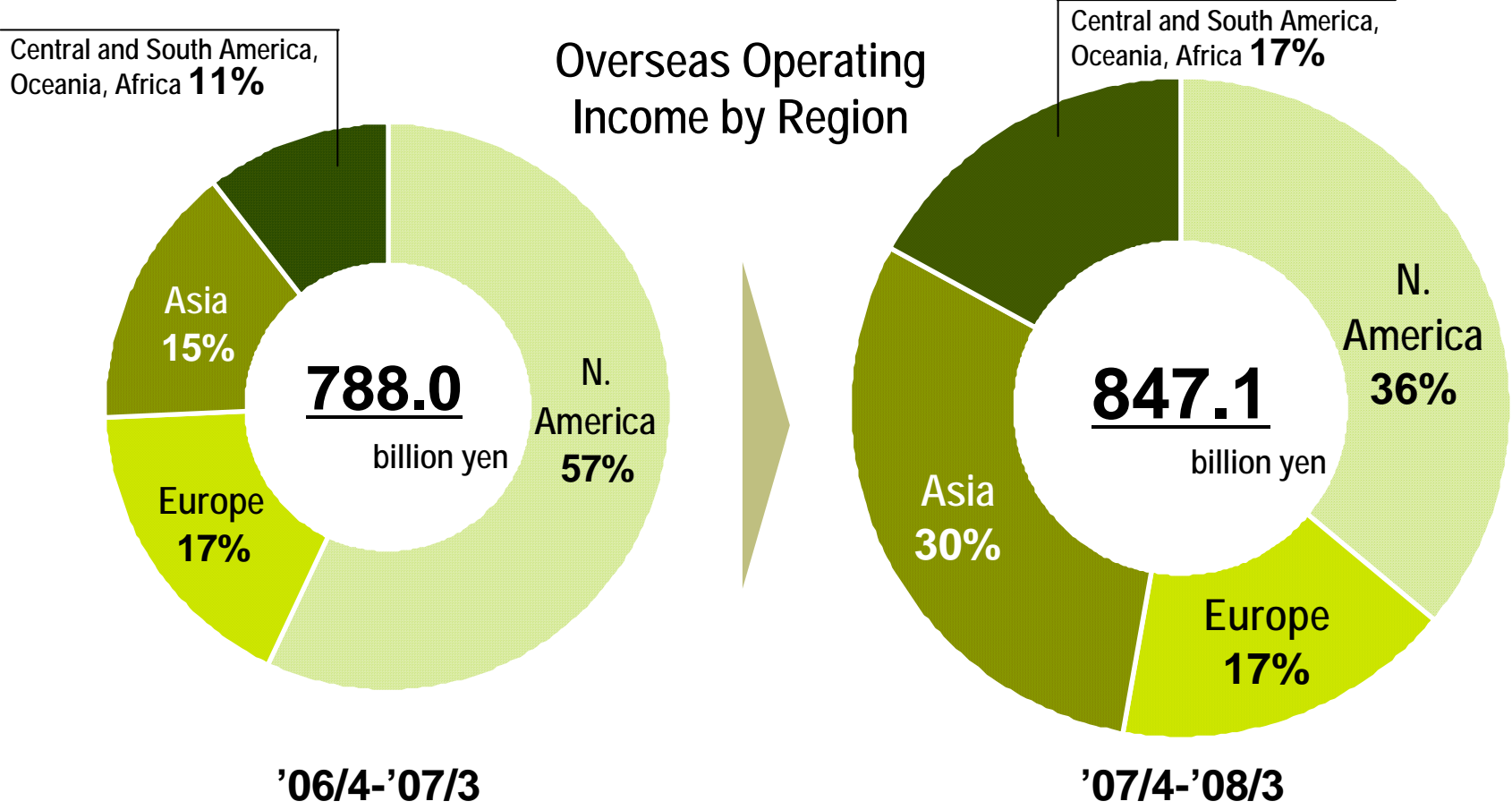
(year-on-year change)

 Net Revenues	<b>26.2892</b> trillion yen	<b>(+9.8%)</b>
 Operating Income	<b>2.2703</b> trillion yen	<b>(+1.4%)</b>
 Equity in Earnings of Affiliated Companies	<b>270.1</b> billion yen	<b>(+28.9%)</b>
 Net Income	<b>1.7178</b> trillion yen	<b>(+4.5%)</b>

- Record results from net revenues to net income

- 1. Geographically Well Balanced  
Profit Structure**
- 2. Steady Growth of Net Income**

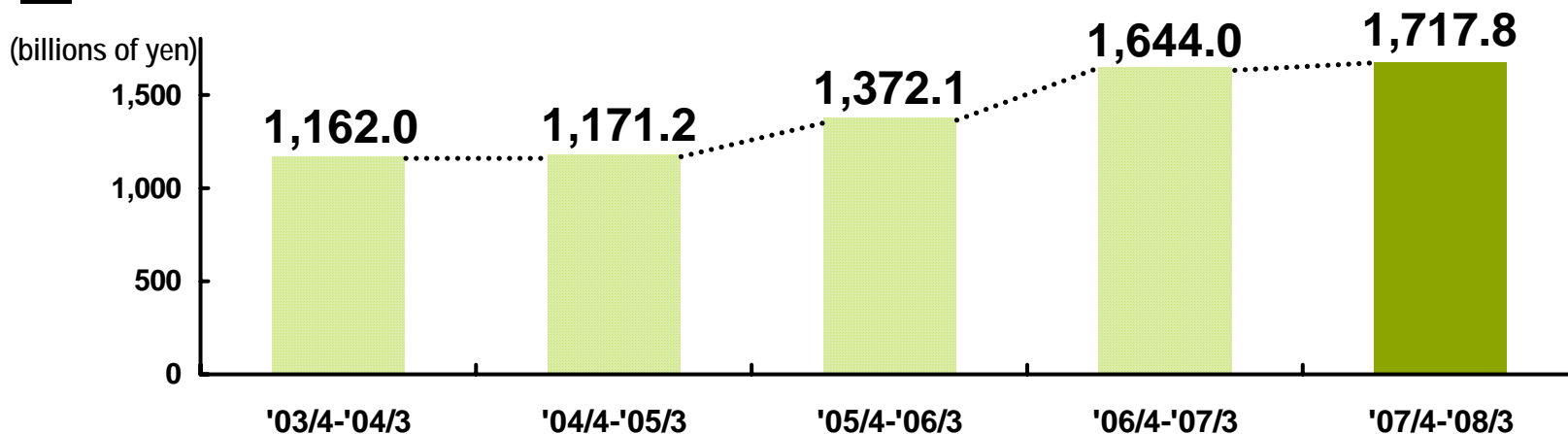
# Geographically Well Balanced Profit Structure



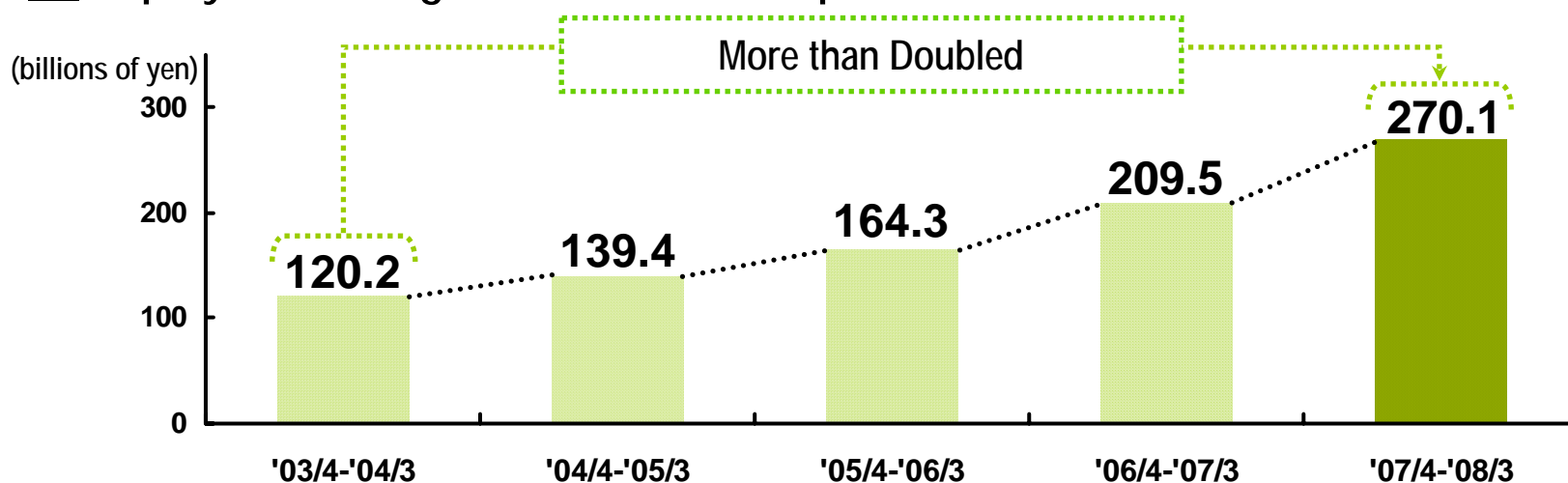
-The expansion of profit in emerging markets has contributed to a more equally balanced profit structure

# Steady Growth of Net Income

## Net Income



## Equity in Earnings of Affiliated Companies

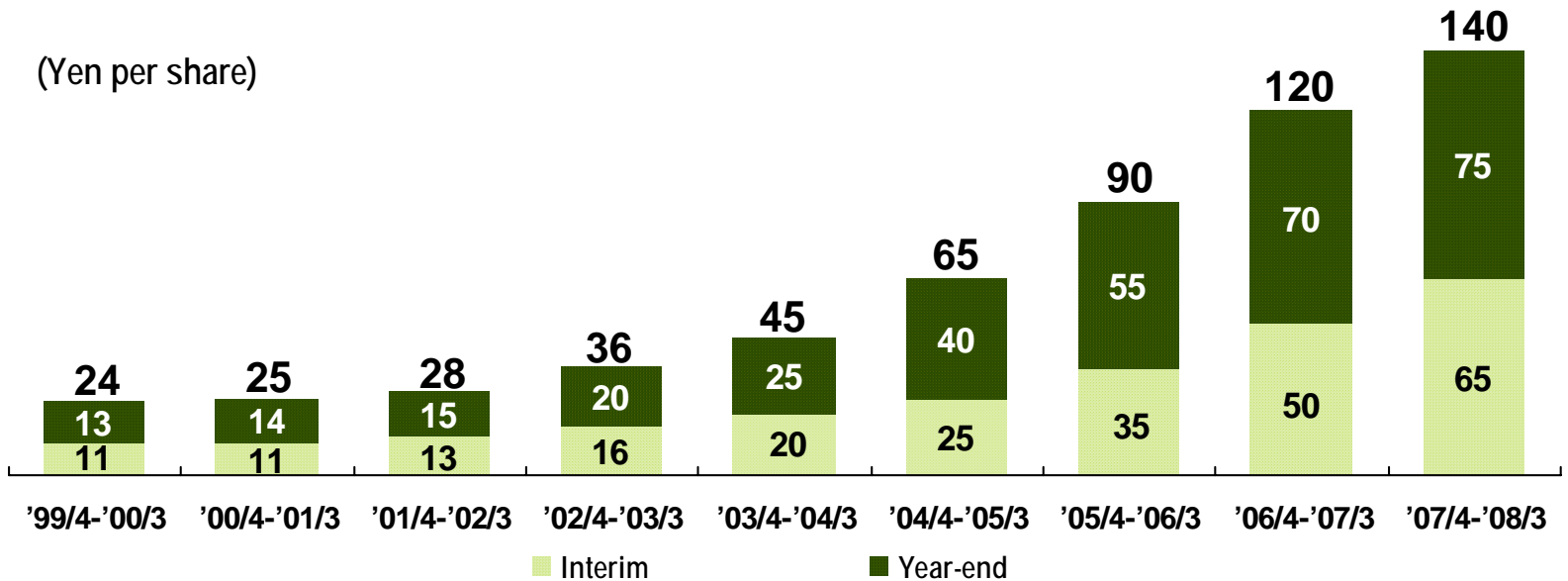


# Shareholder Return

## Dividend: **140** yen per share

- Dividend increased by **20** yen per share
- Total Amount of Payout : **443.2** billion yen  
(Consolidated Payout Ratio: **25.9%**)

(Yen per share)



-Strive for continuous growth of dividend per share

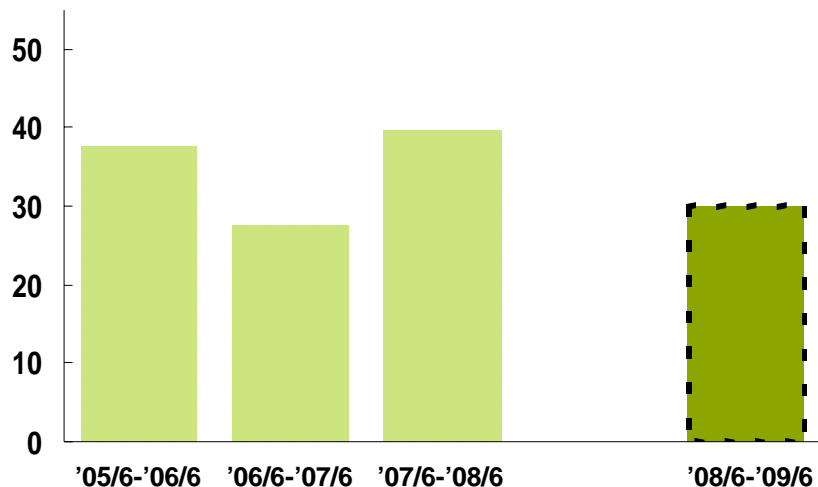
# Shareholder Return

## Share Buyback

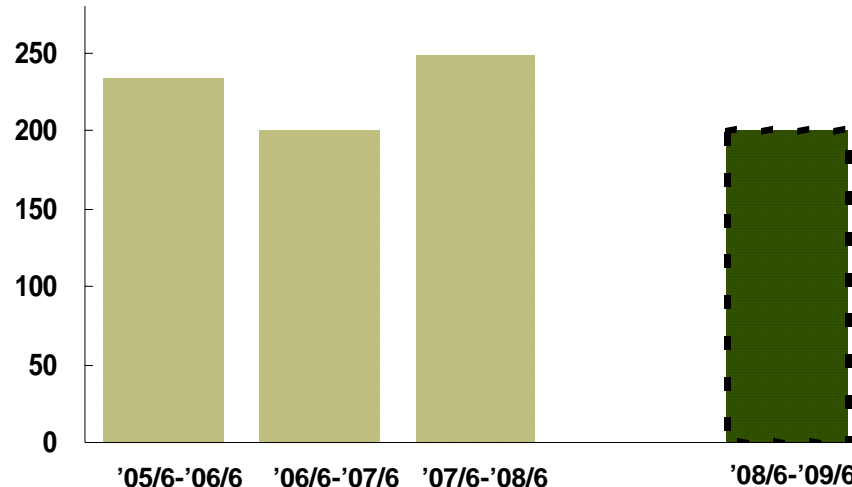
Authorized Amount (maximum limitation) **200.0 billion yen**  
**30 million shares**

### Share buyback results and Authorized Amount

Number of Acquired Shares (millions of shares)



Total Amount (billions of yen)



-Continue to engage in share buy-back in order to further improve capital efficiency

## Surrounding Business Environment

- Decelerating economy of developed countries, led by United States.
- Market expansion of resource-rich countries and emerging countries.
- Continued soaring raw material costs & drastic currency fluctuation.
- Implementation of more challenging environmental regulations worldwide.

# Business in Developed Markets

## Market Condition

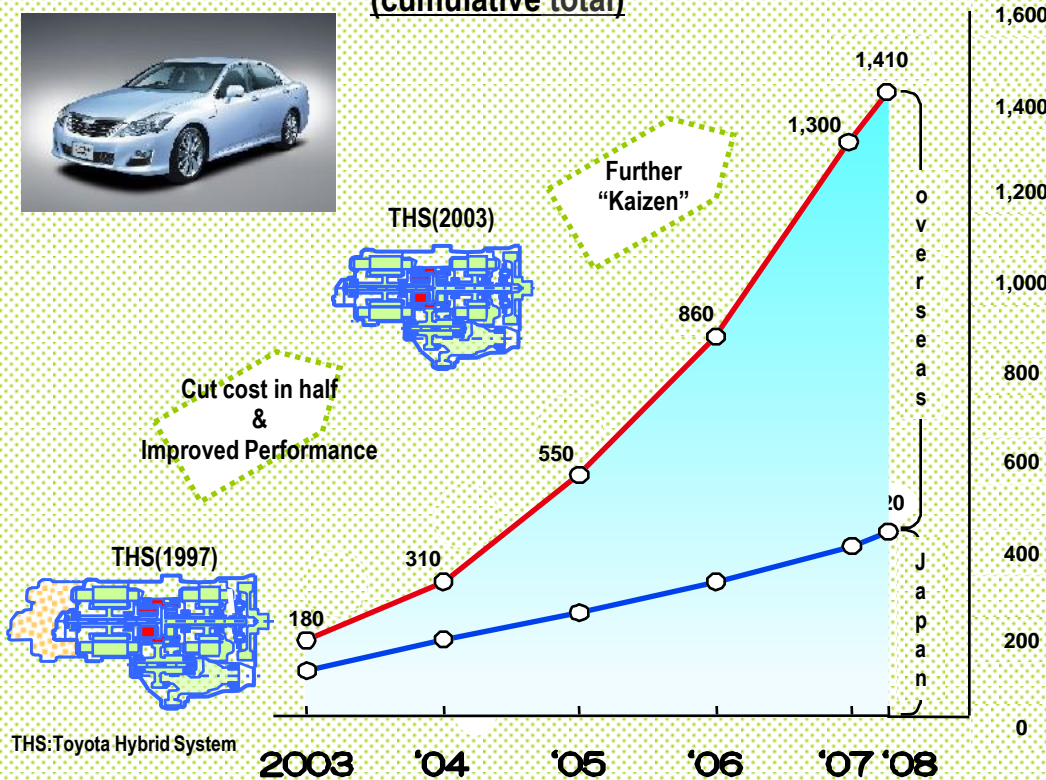
- Increasing environmental consciousness
- More diverse customer demands

## Measure

- Providing market-creating products with high added value

### Hybrid Vehicle Sales (cumulative total)

(thousands of Vehicles)



iQ: Super high efficiency package  
+  
Reduced CO<sub>2</sub> emission



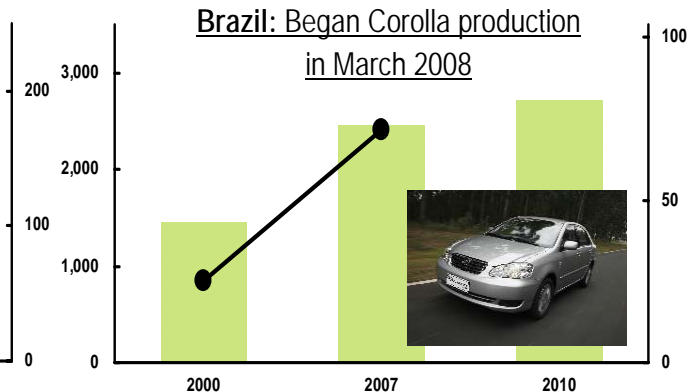
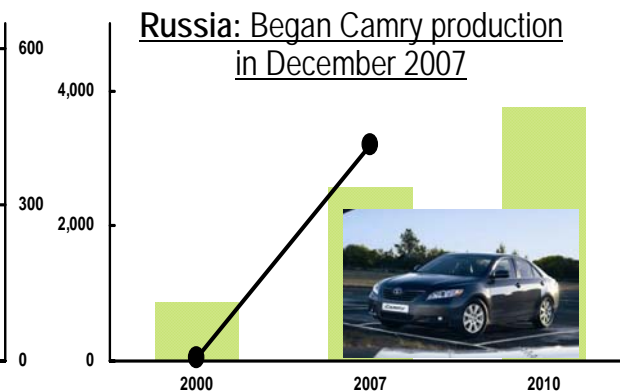
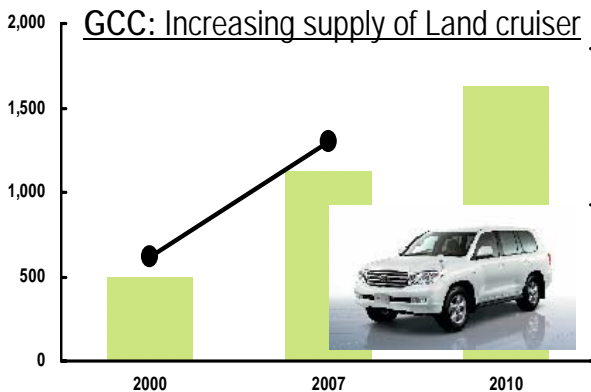
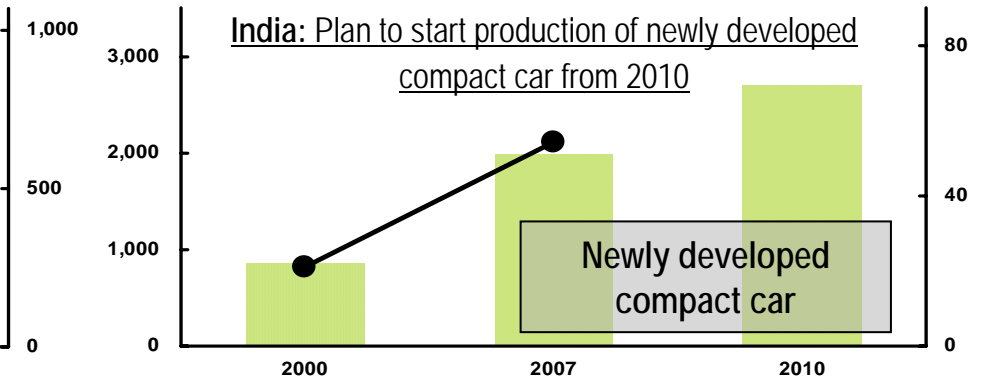
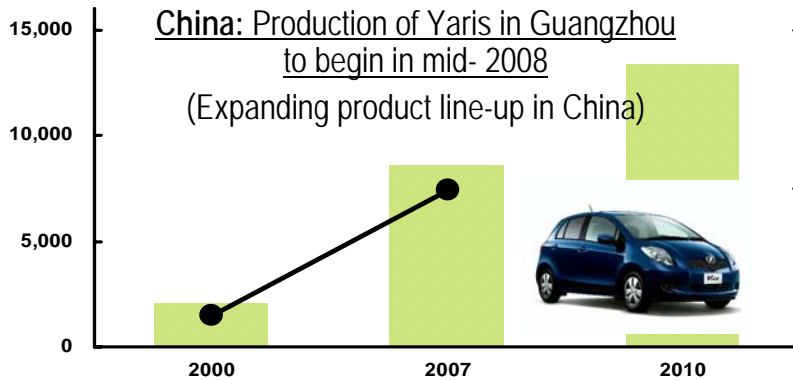
# Business in Resource-Rich and Emerging Countries

## Market Condition

- Rapid expansion of the market
- Diverse market demands

## Measure

- Introducing models that meet local demands (Full Line-up + New Models)



Market total(thousands of vehicles)/left

● Toyota Sales (thousands of vehicles)/right

# Measures for Rising Raw Material Prices

## Surrounding Factor

-Rising raw material prices

## Measure

-Various cost reduction activities

Cost reduction efforts associated with Value Innovation activities

Efforts to reduce costs starting with the development phase (example: reducing ECU\* used)

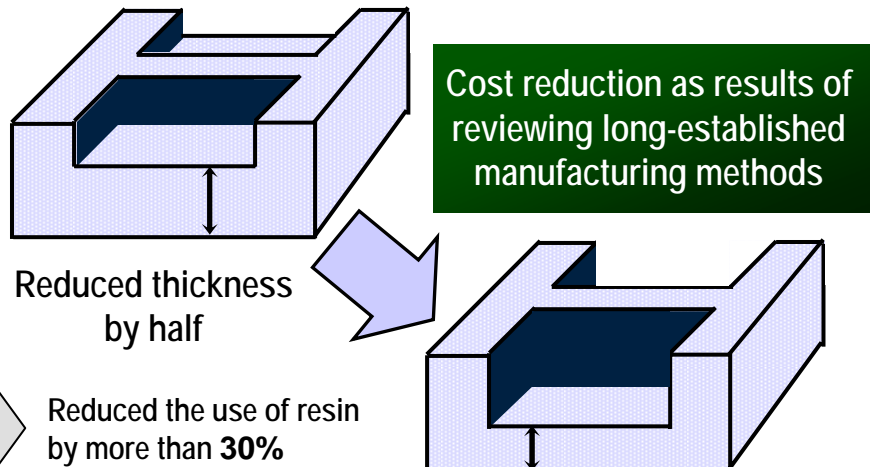
\*Electronic Control unit

Reduced the amount of material used, by thoroughly reviewing production methods (Example I)

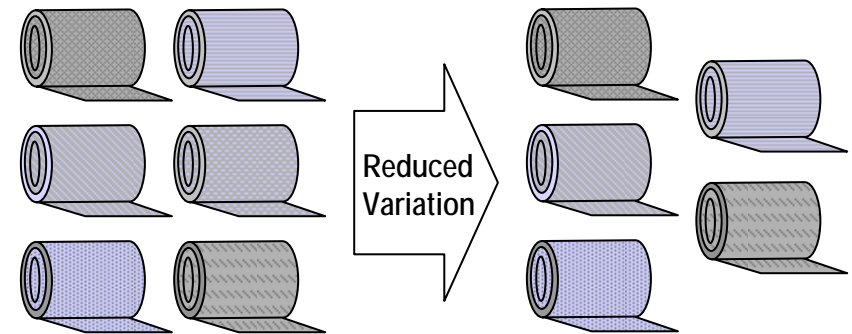
Study of sheet steel usage

Reduced types of sheet steel used for car manufacturing (Example II)

Example I: Reduced the use of Resin



Example II: Reduced variation of sheet steel



Reduced variation of sheet steel by 20%

# Measures for Environmental Regulation

## Surrounding Factor

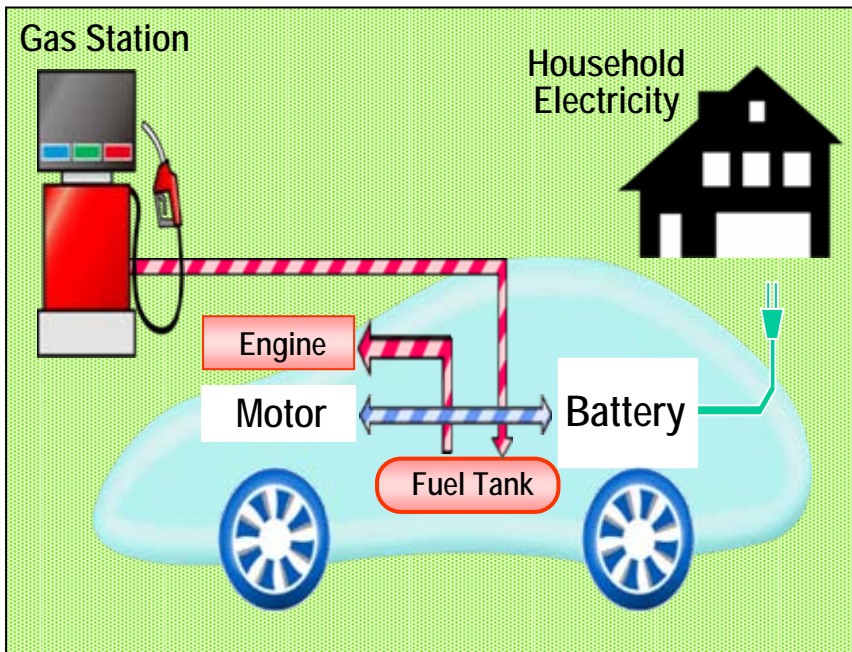
- More challenging regulations for emissions and fuel efficiency
- Aggravating environmental issues

## Measure

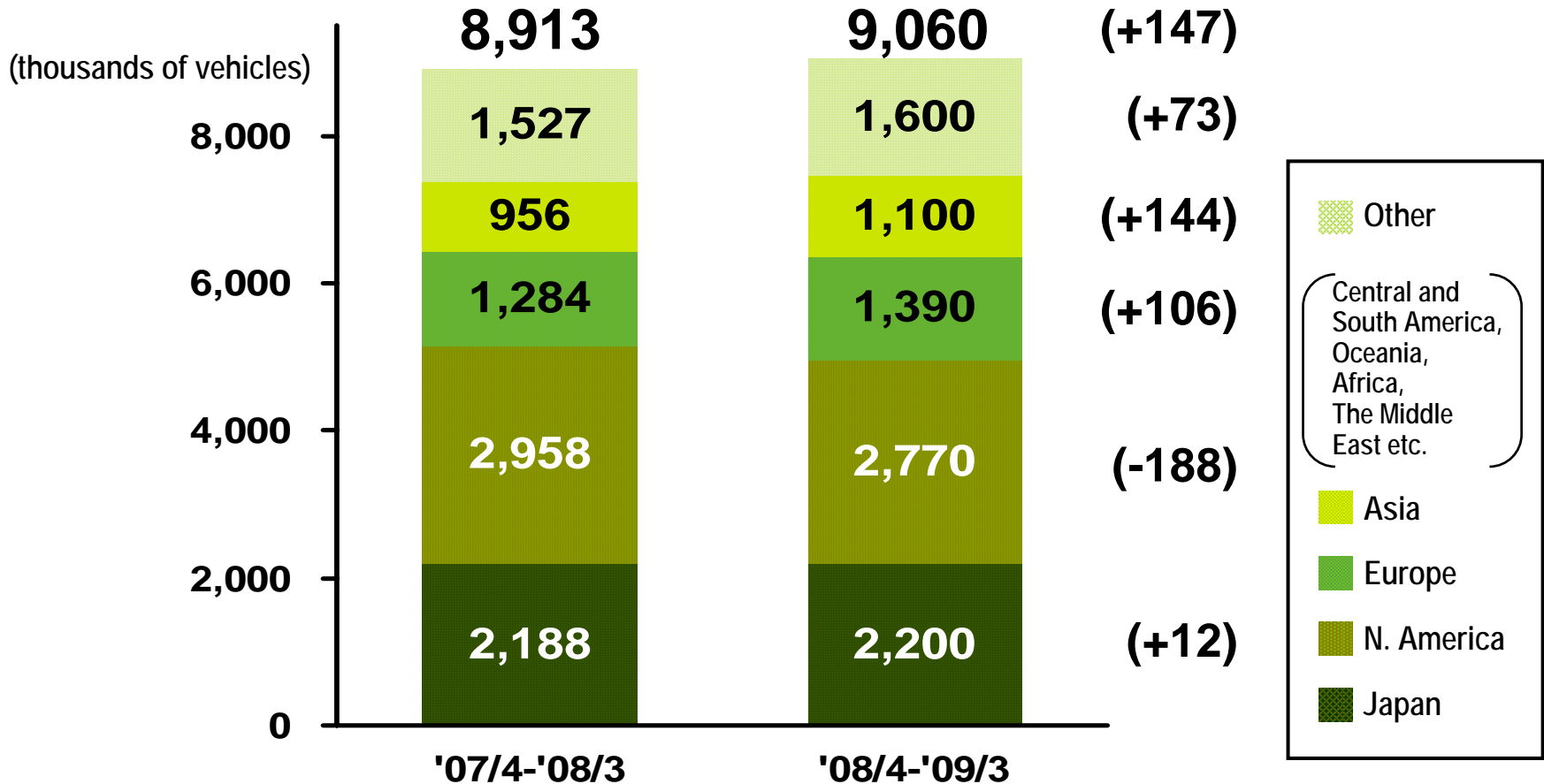
- Further pursuing Sustainable Mobility and Sustainable Plant activities

Introducing Plug-in Hybrid Vehicle to the market by 2010

- Tutsumi Plant successfully reduced CO<sub>2</sub> emissions by 50% (comparing with 1990)
- Deploying "know-how" to Thailand's Banpho plant






# Consolidated Prospects: Vehicle Sales



-Unconsolidated vehicle sales in China (excluded above) are expected to increase from 470 thousand units (FY08) to 640 thousand units (FY09)

\*Figures in parenthesis represent year-on-year change

(year-on-year change)

 Net Revenues	<b>25</b> trillion yen <b>(-4.9%)</b>
 Operating Income	<b>1.600</b> trillion yen <b>(-29.5%)</b>
 Net Income	<b>1.250</b> trillion yen <b>(-27.2%)</b>

FOREX Rates	\$	<b>100 yen</b>
	€	<b>155 yen</b>

# Consolidated Financial Summary

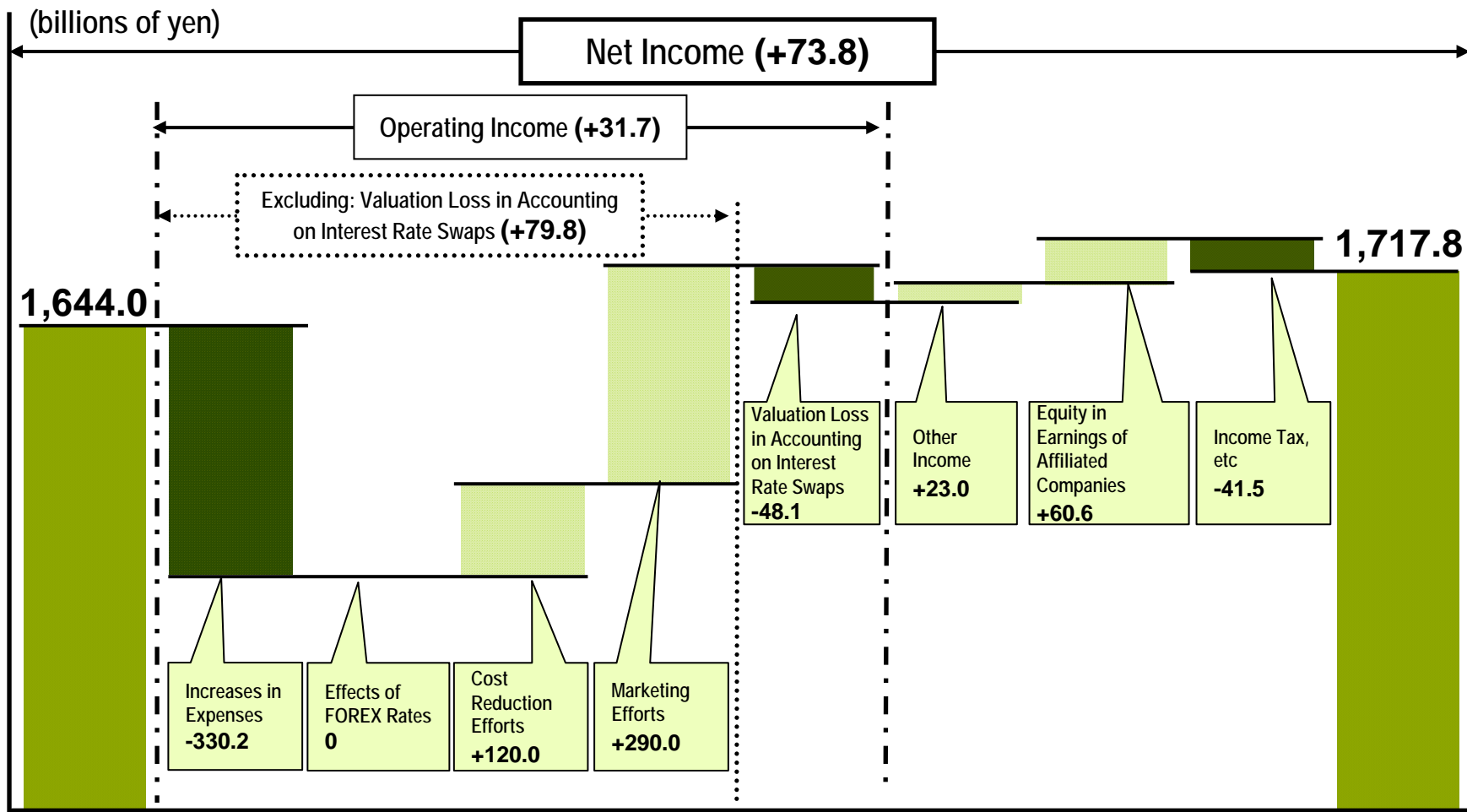
19

(billions of yen)

		<b>FY2008</b> <b>('07/4-'08/3)</b>	<b>FY2007</b> <b>('06/4-'07/3)</b>	<b>Change</b>	
Net Revenues		<b>26,289.2</b>	<b>23,948.0</b>	<b>2,341.2</b>	<b>9.8%</b>
Operating Income		<b>2,270.3</b>	<b>2,238.6</b>	<b>31.7</b>	<b>1.4%</b>
Income before income taxes, minority interest and equity earnings of affiliated companies		<b>2,437.2</b>	<b>2,382.5</b>	<b>54.7</b>	<b>2.3%</b>
Equity in Earnings of Affiliated Companies		<b>270.1</b>	<b>209.5</b>	<b>60.6</b>	<b>28.9%</b>
Net Income		<b>1,717.8</b>	<b>1,644.0</b>	<b>73.8</b>	<b>4.5%</b>
FOREX	\$	<b>114 yen</b>	<b>117 yen</b>	<b>- 3 yen</b>	
Rates	€	<b>162 yen</b>	<b>150 yen</b>	<b>+ 12 yen</b>	

**TOYOTA**

# Contributing Factors to Consolidated Net Income



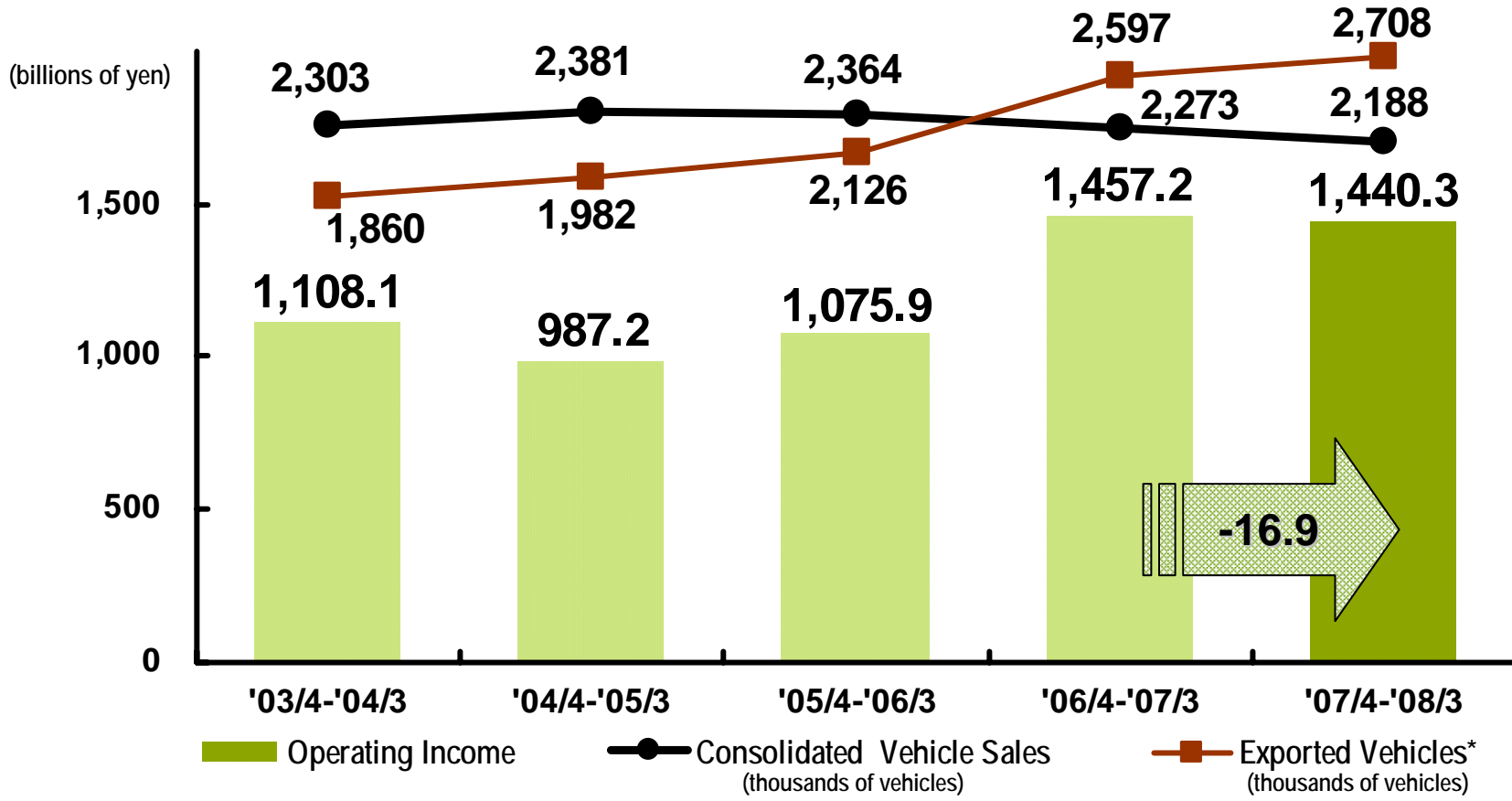
'06/4-'07/3

< Details of Increases in Expenses >

'07/4-'08/3

R&D expenses.....	-68.1	Labor costs.....	-60.2
Depreciation and CAPEX related costs.....	-99.7	Others .....	-102.2

# Geographic Operating Income: Japan

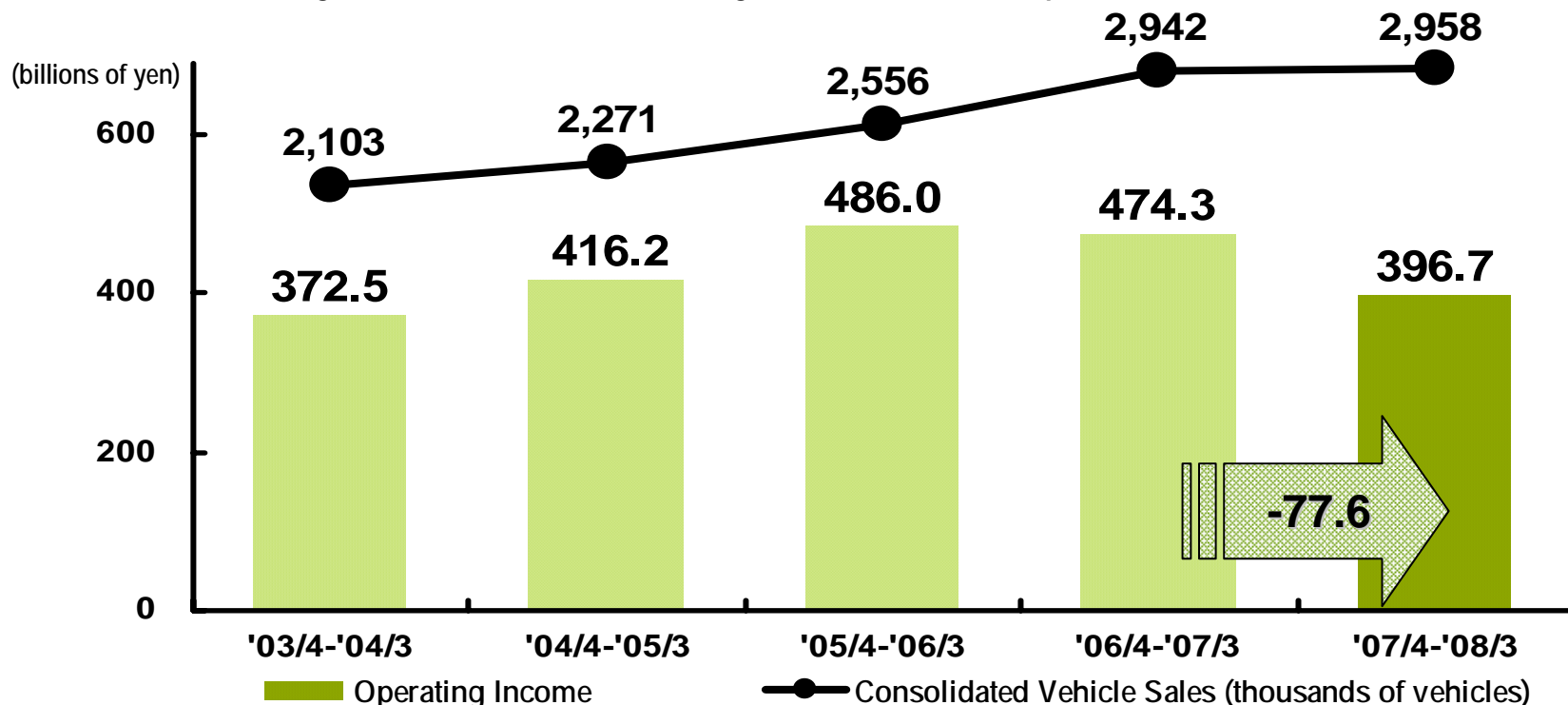


-Number of exported vehicles increased due to brisk demand in resource-rich countries and emerging countries  
 -Toyota group's market share reached a record high of 42.0% (including mini-vehicles)

\* Number of vehicle exported overseas (Unconsolidated)

# Geographic Operating Income: North America

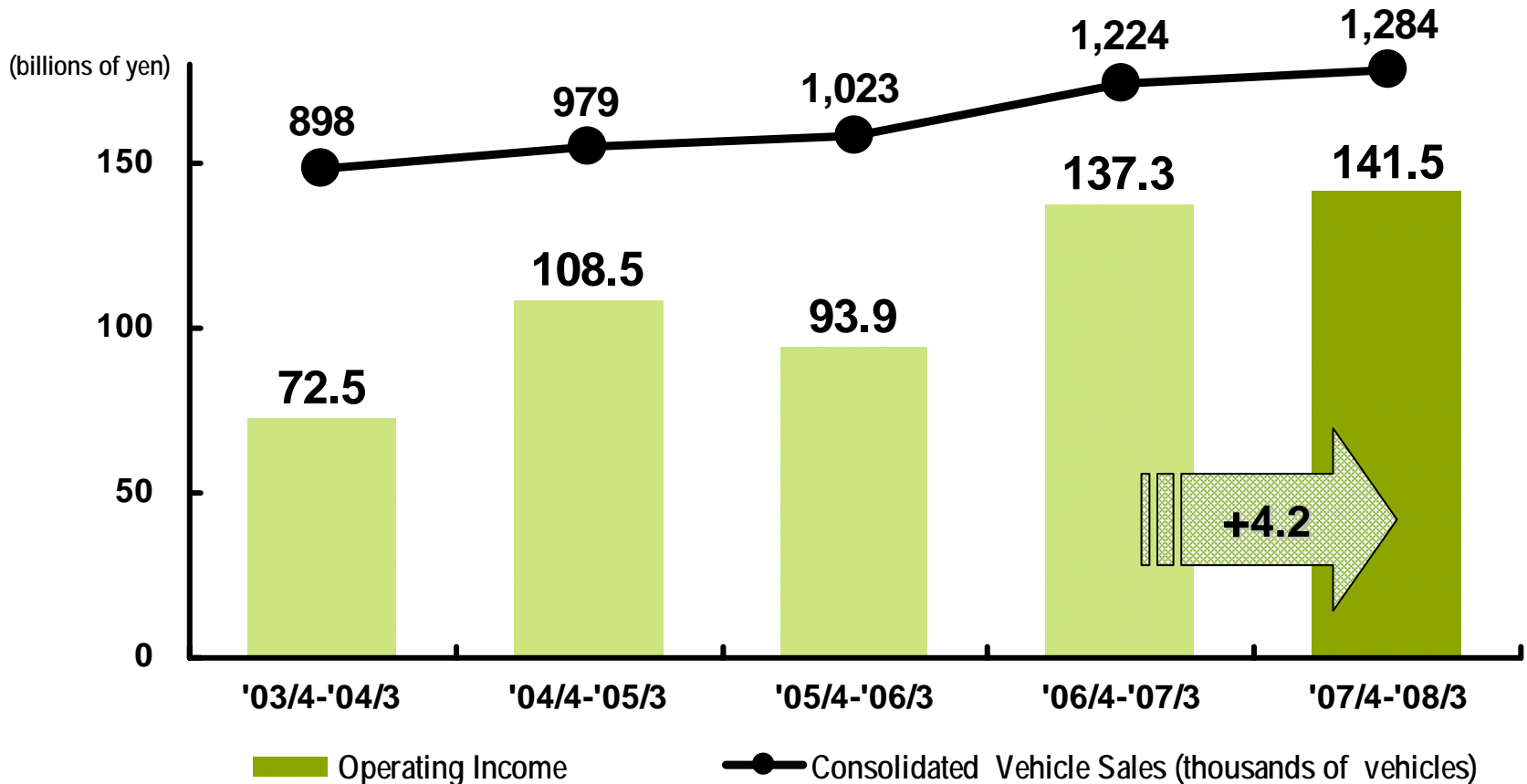
[Excluding Valuation Loss in Accounting on Interest Rate Swaps]



Valuation Loss in Accounting on Interest Rate Swaps	18.5	31.3	9.6	24.7	-91.4
Including Valuation Loss in Accounting on Interest Rate Swaps	391.0	447.5	495.6	449.6	305.3

- U.S. Market Share marked a new record high of 16.3%
- Camry has been the best selling passenger car in U.S. for six consecutive years, strong demands for Prius

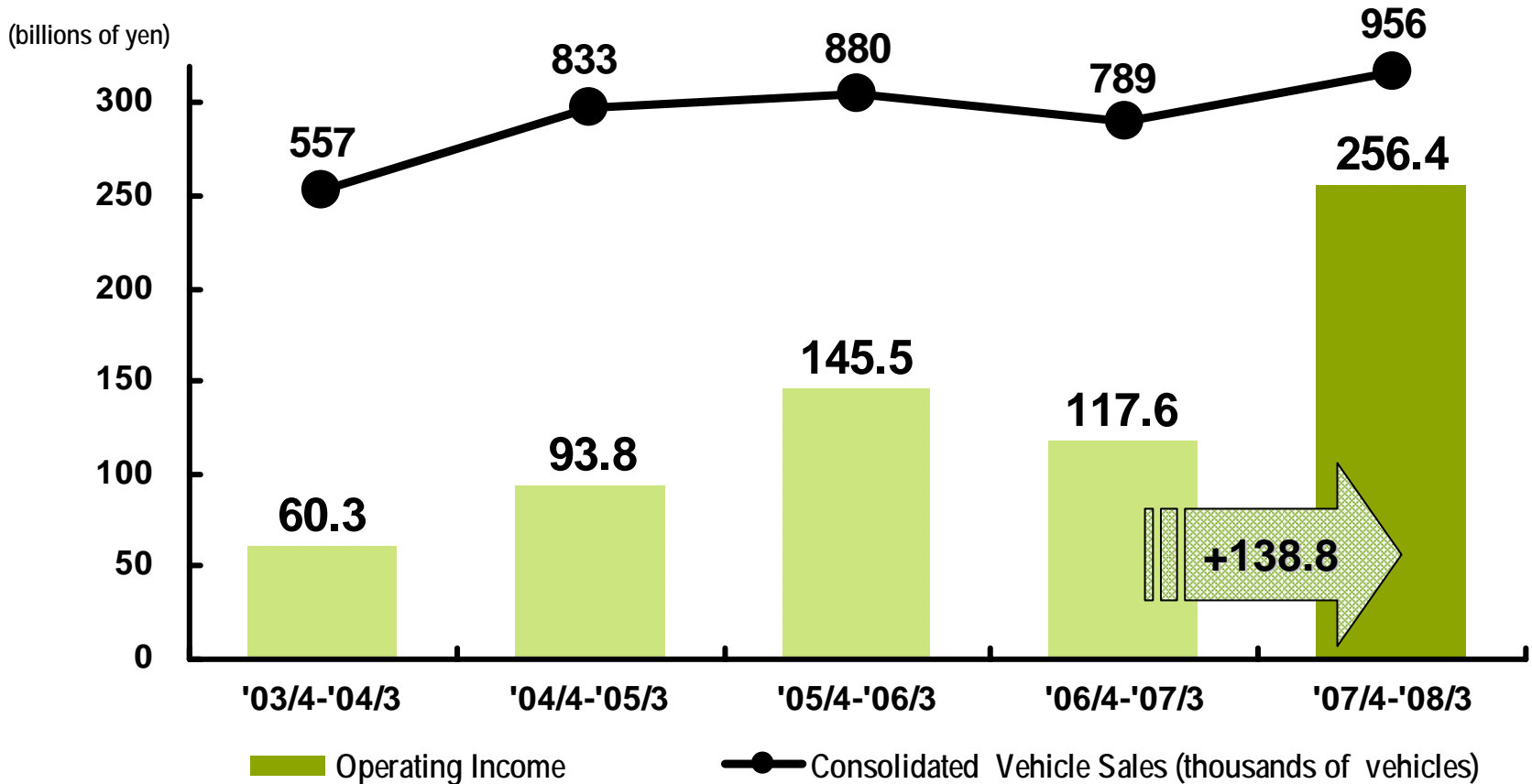
# Geographic Operating Income: Europe



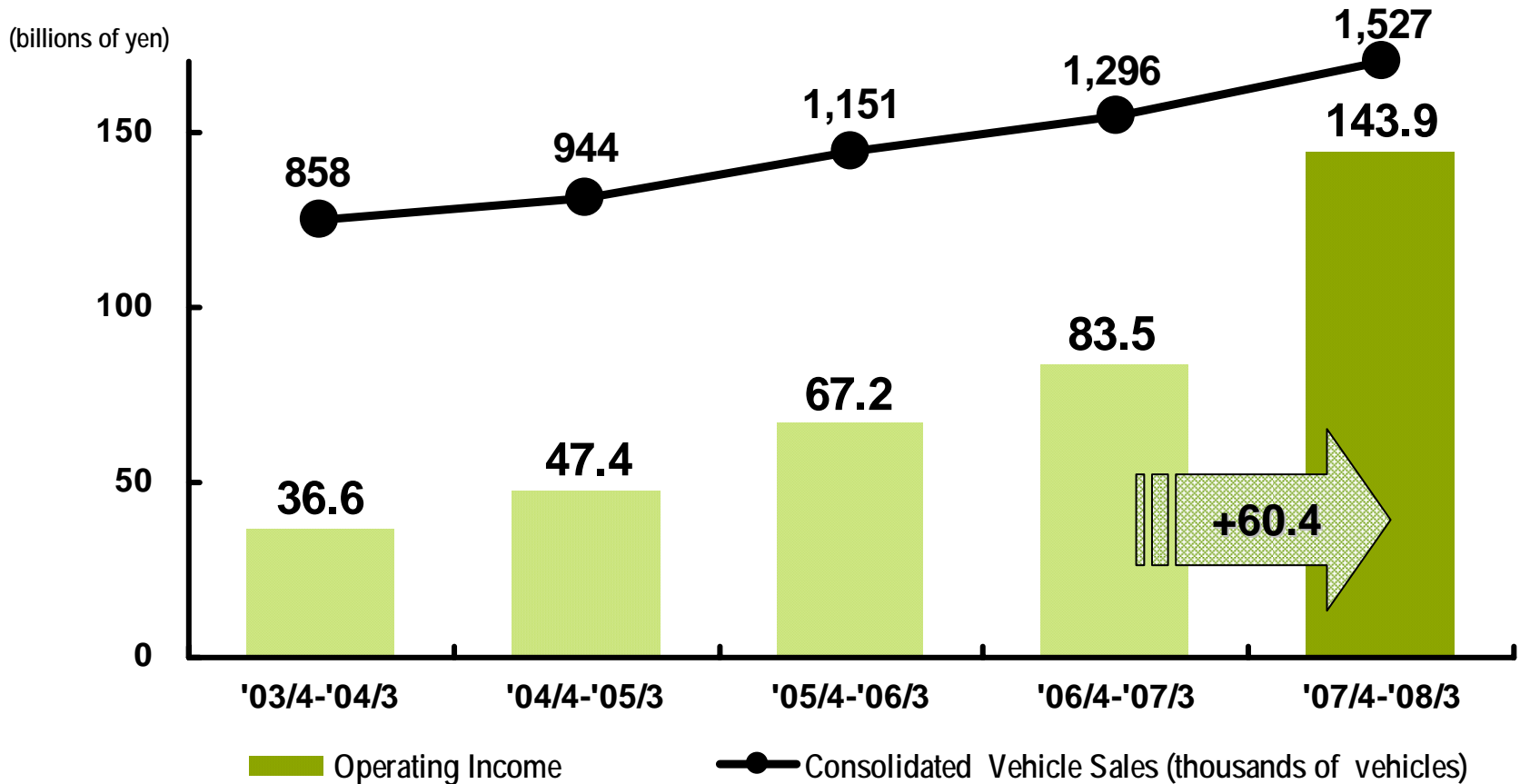
-Brisk sales of Auris and Prius in Western Europe

-Sales of Camry and Avensis have been strong in Eastern Europe, including Russia

# Geographic Operating Income: Asia



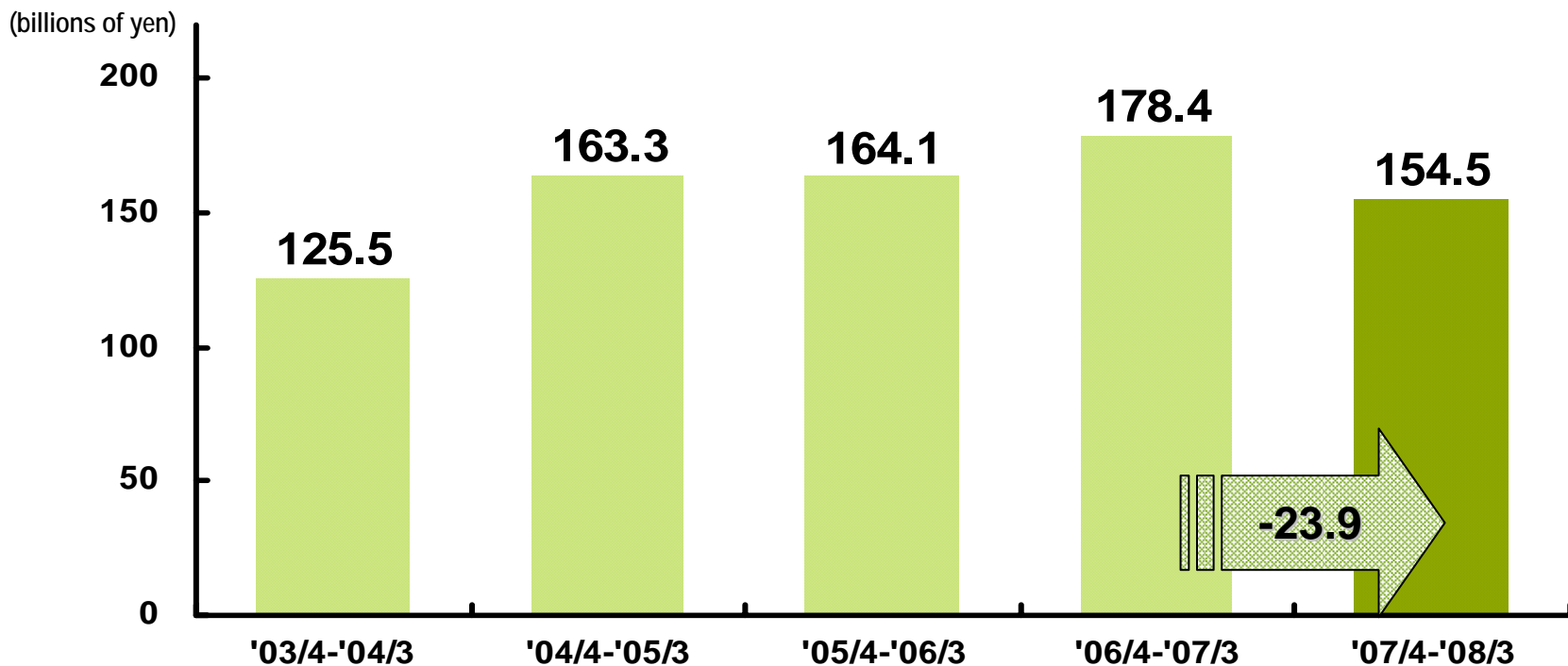
- Robust sales of IMV and Yaris in Thailand and Indonesia
- Expansion of production capacity in Thailand has contributed to increased IMV exports to other regions



-Favorable sales of vehicles that satisfied the local tastes, such as Corolla & IMV in Central and South America and Camry in Australia  
 -Strong brand value contributed to high profitability

# Business Segment: Financial Services

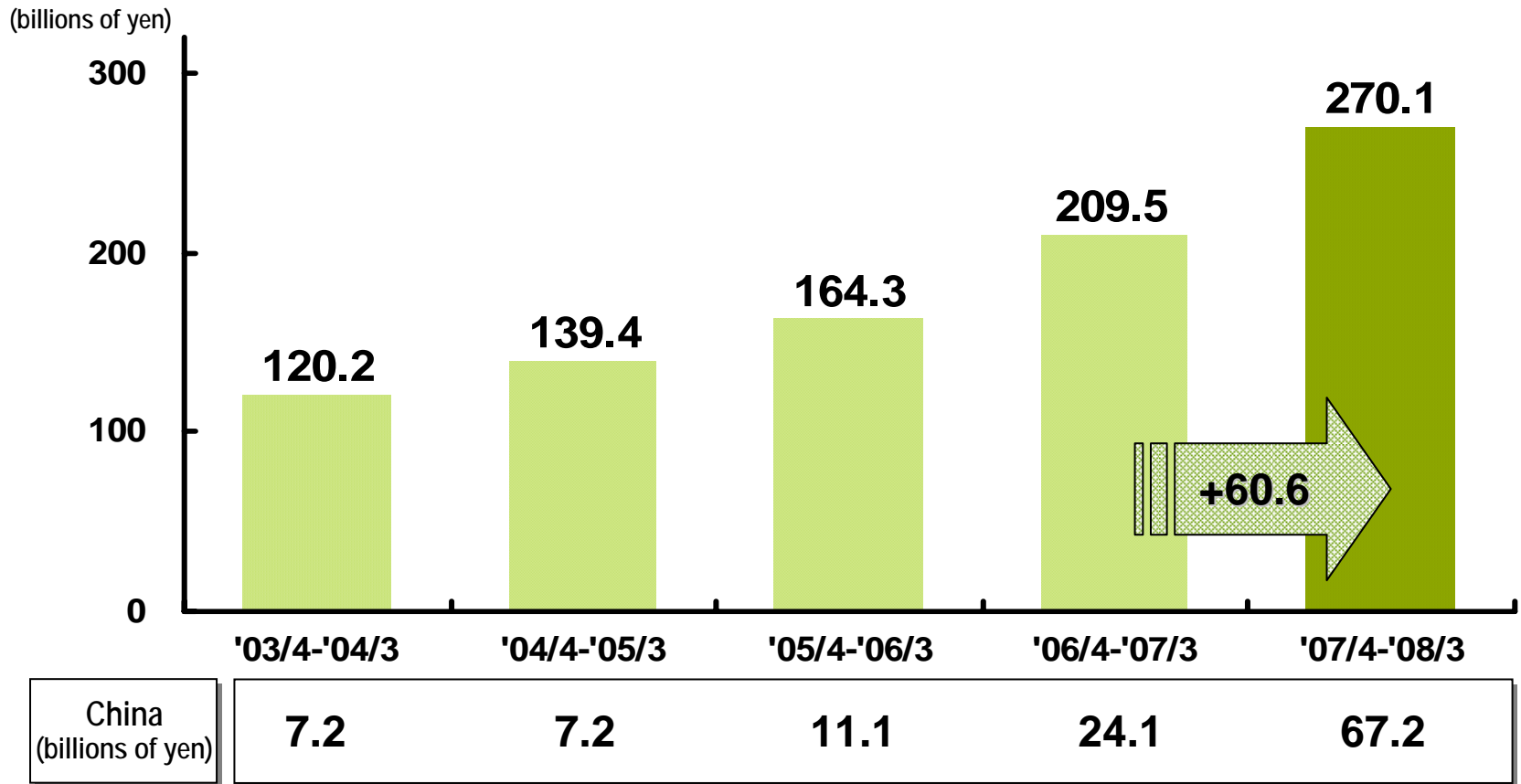
Excluding Valuation Loss  
in Accounting  
on Interest Rate Swaps



Valuation Loss in Accounting on Interest Rate Swaps	20.5	37.5	-8.3	-19.9	-68.0
Including Valuation Loss in Accounting on Interest Rate Swaps	146.0	200.8	155.8	158.5	86.5

-Further strengthening of credit control and debt collection practices  
 -Increasing outstanding loan balance and expanding margin, due to the increase of vehicle sales

# Equity in Earnings of Affiliated Companies



- Strong earnings contribution maintained by joint venture companies in China and Toyota group companies in Japan

# FY2008 Consolidated CAPEX, Depreciation, R&D

28

(billions of yen)

	Capital Expenditure		Depreciation Expenses		R&D Expenses	
Consolidated	<b>1,480.2</b>	(-2.4)	<b>1,042.4</b>	(+95.4)	<b>958.8</b>	(+68.1)
Japan	<b>863.1</b>	(+47.8)	<b>613.1</b>	(+20.6)		
N. America	<b>334.3</b>	(+15.0)	<b>203.5</b>	(+38.2)		
Europe	<b>115.9</b>	(-3.8)	<b>101.0</b>	(+11.5)		
Asia	<b>108.4</b>	(-33.2)	<b>81.2</b>	(+19.3)		
Central and South America, Oceania, Africa	<b>58.5</b>	(-28.2)	<b>43.6</b>	(+5.8)		

Figures in parenthesis represent year-on-year change

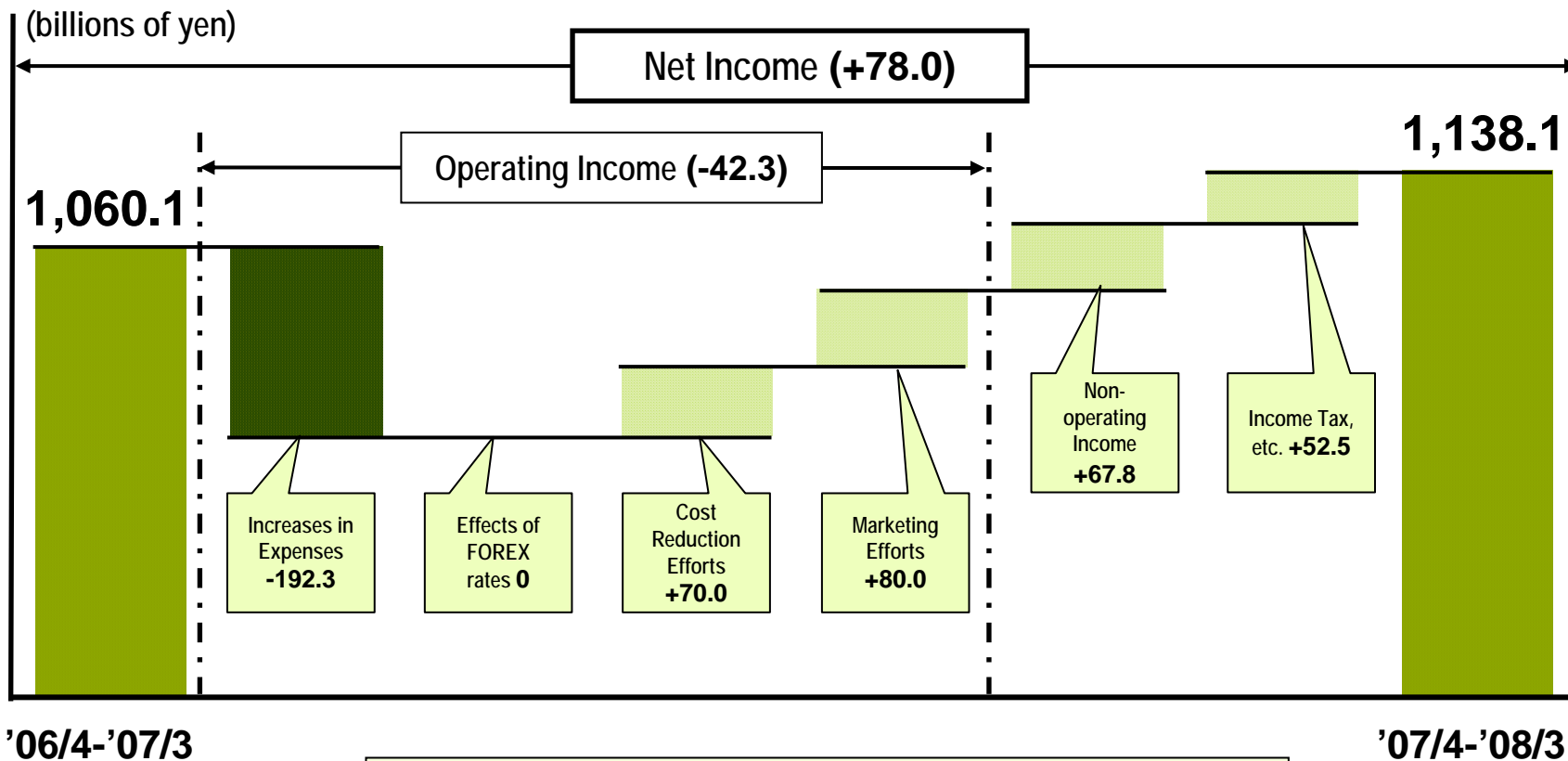
**TOYOTA**

# Unconsolidated Financial Summary (Japan GAAP) 29

(billions of yen)

	<b>FY2008</b> <b>('07/4-'08/3)</b>	<b>FY2007</b> <b>('06/4-'07/3)</b>	<b>Change</b>	
Net Revenues	<b>12,079.2</b>	<b>11,571.8</b>	<b>507.4</b>	<b>4.4%</b>
Operating Income	<b>1,108.6</b>	<b>1,150.9</b>	<b>-42.3</b>	<b>-3.7%</b>
Ordinary Income	<b>1,580.6</b>	<b>1,555.1</b>	<b>25.5</b>	<b>1.6%</b>
Net Income	<b>1,138.1</b>	<b>1,060.1</b>	<b>78.0</b>	<b>7.4%</b>

# Contributing Factors to Unconsolidated Net Income



<Details of Increases in Expenses>

R&D Expenses .....	-57.8	Others.....	-124.8
Depreciation and CAPEX related costs .....	-6.9		
Labor costs .....	-2.8		

# FY2009 Consolidated Prospects

31

(billions of yen)

	<b>FY2009</b> ( <b>'08/4-'09/3</b> )	<b>FY2008</b> ( <b>'07/4-'08/3</b> )	<b>Change</b>	
Net Revenues	<b>25,000.0</b>	<b>26,289.2</b>	<b>-1,289.2</b>	<b>-4.9%</b>
Operating Income	<b>1,600.0</b>	<b>2,270.3</b>	<b>-670.3</b>	<b>-29.5%</b>
Income before income taxes, minority interest and equity earnings of affiliated companies	<b>1,700.0</b>	<b>2,437.2</b>	<b>-7,372</b>	<b>-30.2%</b>
Net Income	<b>1,250.0</b>	<b>1,717.8</b>	<b>-467.8</b>	<b>-27.2%</b>
FOREX Rates	\$ 100yen	114yen	- 14 yen	
	€ 155yen	162yen	- 7 yen	

# Prospects for Contributing Factors to Consolidated Operating Income 32

(billions of yen)

		Operating Income
<b>FY2008 ('07/4 ~ '08/3)</b>		<b>2,270.3</b>
	Marketing Efforts	<b>+180.0</b>
	Cost Reduction Efforts	<b>0</b>
	Effects of FOREX rates	<b>-690.0</b>
	Increases in Expenses	<b>-160.3</b>
<b>Total</b>		<b>-670.3</b>
<b>FY2009 ('08/4 ~ '09/3)</b>		<b>1,600.0</b>

# FY2009 Consolidated Prospects: CAPEX, Depreciation, R&D 33

(billions of yen)

	Capital Expenditure	Depreciation Expenses	R&D Expenses
Consolidated	<b>1,400.0</b> (-80.2)	<b>1,100.0</b> (+57.6)	<b>920.0</b> ( -38.8 )
Japan	<b>820.0</b> (-43.1)	<b>690.0</b> (+76.9)	
N. America	<b>320.0</b> (-14.3)	<b>210.0</b> (+6.5)	
Europe	<b>140.0</b> (+24.1)	<b>100.0</b> (-1.0)	
Asia	<b>60.0</b> (-48.4)	<b>60.0</b> (-21.2)	
Central and South America, Oceania, Africa	<b>60.0</b> (+1.5)	<b>40.0</b> (-3.6)	

Figures in parenthesis represent year-on-year change

# FY2009 Operations Prospects <Toyota / Lexus>

34

		FY2009 ( '08/4-'09/3)	FY2008 ( '07/4-'08/3)
Automotive Production	Japan	(thousands of vehicles) <b>4,213</b>	(thousands of vehicles) <b>4,264</b>
	Overseas	<b>4,660</b>	<b>4,424</b>
	Total	<b>8,873</b>	<b>8,688</b>
Sales (Japan)		<b>1,600</b>	<b>1,595</b>
Exports		<b>2,670</b>	<b>2,708</b>
Sales (Overseas)		<b>7,250</b>	<b>6,923</b>
Housing Sales		<b>5,000</b> Units	<b>4,622</b> Units

# **FY2008 Financial Results**

**- prepared in accordance with U.S. GAAP -**



**Toyota Motor Corporation**  
**May 8, 2008**