



Annual Report 2013

Year ended March 31, 2013

True Competitiveness for Sustainable Growth



Rewarded with a smile by exceeding your expectations

Unveiled in March 2011, the Toyota Global Vision is an articulation of the kind of company we want to be. It clarifies our values; we want to be a company that people choose and to bring a smile to the face of every Toyota customer. Supported by a virtuous cycle that entails making ever-better cars, enriching communities, and ensuring a stable base of business, we will continue to pursue sustainable growth through our Global Vision.



04 President's Message



"Rewarded with a smile by exceeding your expectations," all 330,000 of us at Toyota around the world work together as one to make ever-better cars and to contribute to society.

07 **Special Feature I** Making Ever-Better Cars



The global financial crisis that began in 2008 reminded us once again that the foundation of sustainable growth is making cars that customers love. We changed direction, recommitting all of our resources to making even better cars, and over the course of the following four years we significantly improved our manufacturing methods.

17 **Special Feature II** Enriching Lives of Communities



More than just providing transportation, the cars of the future will use information technology to serve a variety of functions that benefit both people and society as a whole. This vision underpins Toyota's commitment to enriching lives of communities. Toyota is broadening its horizons as it seeks to improve day-to-day life and to bring smiles to the faces of future generations.

20 **Special Feature III** Stable Base of Business



First and foremost, we strive to make ever-better cars and enrich communities in order to achieve sustainable growth and a stable business foundation. This ever-growing stable business foundation, in turn, provides us with the strength to make ever-better cars and enrich society. It is a virtuous circle.

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"Toyota Global Vision" on the Front-lines

The following special feature outlines how the Company engages in visionary management in the words of front-line personnel.



Please read from the Special Feature page or turn to the following if accessing from the Special Content top page.

Cautionary Statement with Respect to Forward-Looking Statements

This document 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, but are not limited to:

(i) changes in economic conditions and market demand affecting, and the competitive environment in, the automotive markets in Japan, North America, Europe, Asia 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 Russian ruble, the Canadian dollar and the British pound, and interest rates fluctuations;

(iii) changes in funding environment in financial markets and increased competition in the financial services industry;

(iv) Toyota's ability to market and distribute effectively;

(v) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management;

(vi) 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 government policies relating to vehicle safety including remedial measures such as recalls, trade, environmental protection, vehicle emissions and vehicle fuel economy, as well as changes in laws, regulations and government policies that affect Toyota's other operations, including the outcome of current and future litigation and other legal proceedings, government proceedings and investigations;

(vii) political and economic instability in the markets in which Toyota operates;

(viii) Toyota's ability to timely develop and achieve market acceptance of new products that meet customer demand;

(ix) any damage to Toyota's brand image;

(x) Toyota's reliance on various suppliers for the provision of supplies;

(xi) increases in prices of raw materials;

(xii) Toyota's reliance on various digital and information technologies;

(xiii) fuel shortages or interruptions in electricity, 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; and

(xiv) the impact of natural calamities including the negative effect on Toyota's vehicle production and sales.



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Firstly, I would like to express my sincere gratitude for your continued support and understanding.

Since 2009, Toyota has faced a series of prolonged crises. Looking back, these crises allowed us to gain invaluable experience and taught us many truths that would have remained hidden if conditions had been more settled.

Particularly during the global financial crisis, when we fell into the red, we learned that a traditionally broad-based auto industry, while positioned to enjoy the fruits of rapid growth, may also be vulnerable to abrupt decline that could bring anxiety to a substantial number of people. We are now more attuned to the importance of sustainable growth and have learned the critical lesson that an increase in production does not necessarily equate to growth.

The last four years have also been an opportunity to reconnect with our roots and return to the things that we have always held dear. Toyota's roots lie in its founding principle of contributing to society by making automobiles. Put simply, our goal should ever be to make ever-better cars.

The products that are only just beginning to roll off the lines represent the first results of our groupwide emphasis on making ever-better cars. At the same time, we are making steady progress in reforming production technology and making new cars based on the Toyota New Global Architecture (TNGA).

Looking at the consolidated results for the fiscal year ended March 31, 2013, Toyota recorded substantial improvements in both revenue and earnings. This upturn was largely attributable to the increase in vehicle sales in North America and Asia and concerted efforts by the entire Toyota Group to boost profits. On a non-consolidated basis, Toyota was successful in turning a profit for the first time in five years. This achievement is entirely attributable to the backing provided by the global Toyota team, which encompasses a wide range of stakeholders such as employees, sales outlets, suppliers, and, of course, customers. I am deeply grateful for their confidence and support.

There is a growing sense that the business model set forth in the Toyota Global Vision is steadily becoming more robust. It is important, however, to remember that we have merely reached the next starting line and that every member of the Toyota Group needs to focus on ensuring true competitiveness—competitiveness that will support sustainable growth regardless of external factors. Ultimately, true competitiveness cannot be measured simply in terms of profit and loss, but rather represents a challenge that must be met on a groupwide basis. Our efforts to meet this challenge are exemplified by our adoption of TNGA and the reorganization of our business units.

Toyota celebrated its 75th anniversary in November 2012. In establishing the Company all those years ago, Kiichiro Toyoda envisioned a strong Japanese auto industry with its roots in Japanese manufacturing traditions. Today, we are entering the final quarter of the auto industry's first century. Over the next 25 years, we must set our gaze even further, and gain some insight into this industry's second century. We must then use this insight to inform our own long-term business structure. We must always bear in mind that the sustainable growth we are striving to achieve will create a better society for our children and grandchildren.

"Rewarded with a smile by exceeding your expectations," all 330,000 of us at Toyota around the world work together as one to make ever-better cars and to contribute to society. We kindly request the continued support and understanding of all our stakeholders.

July 2013

Akio Toyoda
President

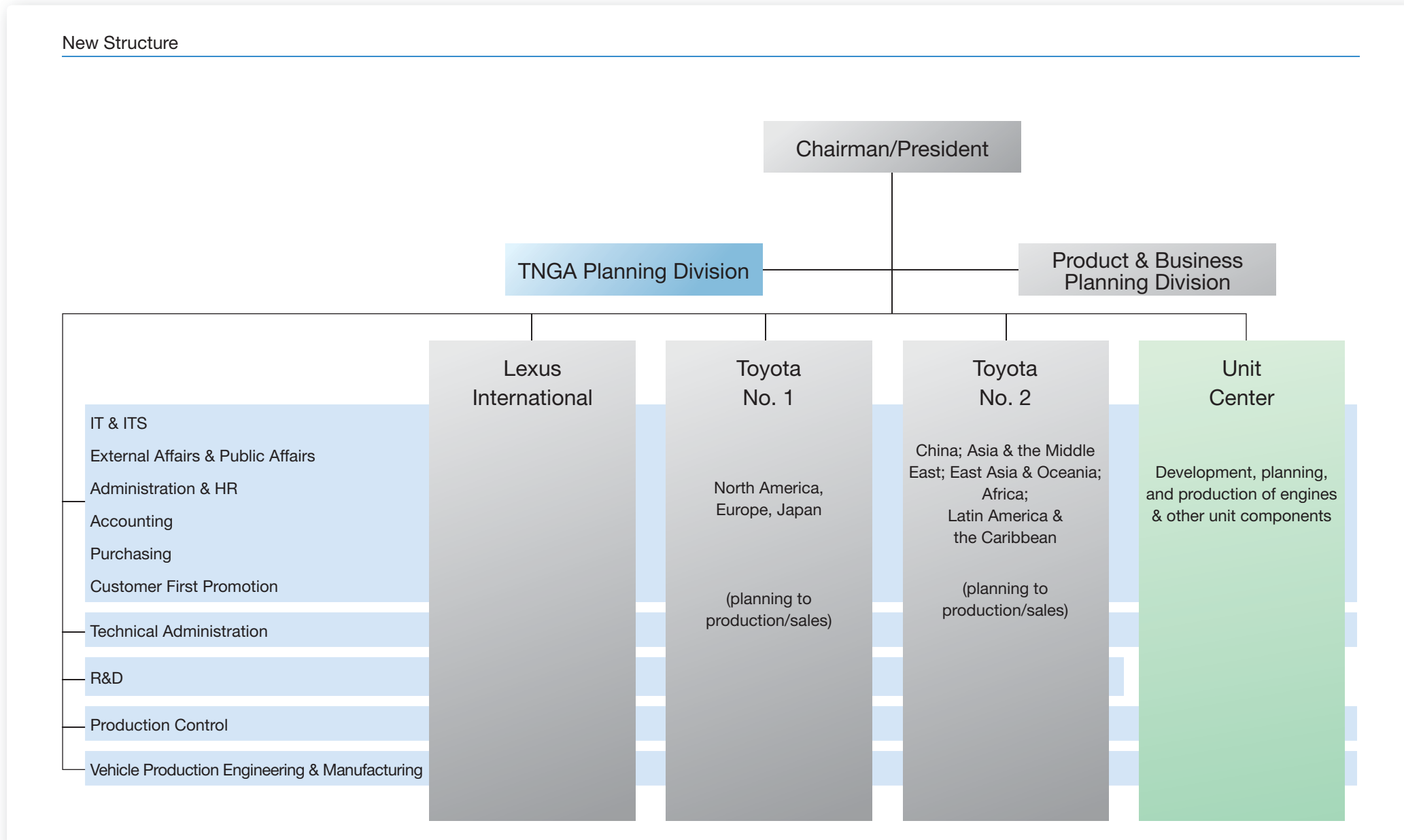


Launching a New Structure to Help Fulfill the Toyota Global Vision

In April 2013, Toyota optimized its organizational structure in an effort to better fulfill the Toyota Global Vision by manufacturing ever-better cars. Together with the four newly established units encompassing our automotive operations, the TNGA Planning Division will be responsible for driving medium- to long-term technology-based product strategies under TNGA, while the Product and Business Planning Division will focus on generating market-based product and business strategies.

Clarifying responsibility for operations and earnings while accelerating decision making

Toyota has split its automotive business into four units comprising Lexus International, which covers our Lexus brand; Toyota No. 1, which oversees operations in North America, Europe, and Japan; Toyota No. 2, which is responsible for business in China, Asia & the Middle East, East Asia & Oceania, Africa, and Latin America & the Caribbean; and the Unit Center, which covers all unit-related operations. This more agile and autonomous management structure will enable us to clarify responsibility for operations and earnings, and will allow managers in the field to make decisions more quickly based on *genchi genbutsu* (on-site, hands-on experience). Recognizing that innovation is required in order to establish Lexus as a Japanese global luxury brand, the president has taken the reins of the newly formed Lexus International unit.



President Toyoda and six executive vice presidents (from left: Ihara, Kato, Ozawa, Kodaira, Maekawa, Sudo)

Launching a New Structure to Help Fulfill the Toyota Global Vision

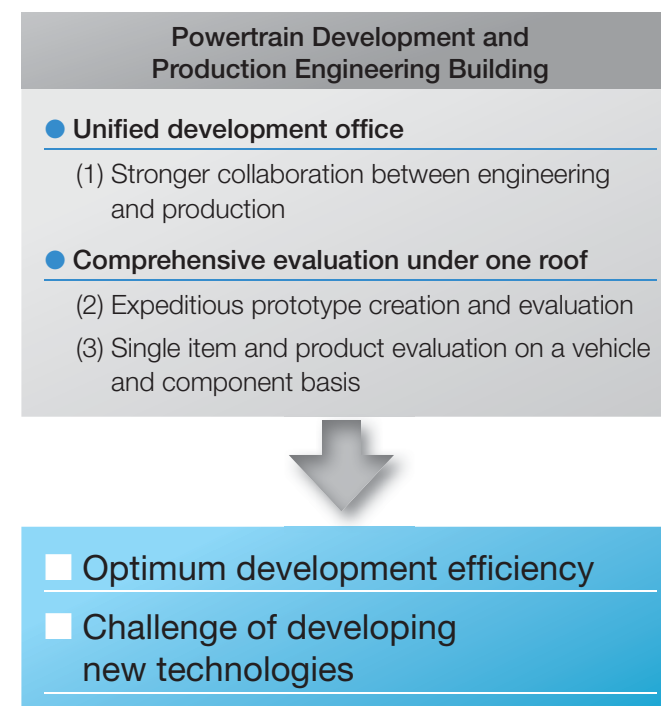
Ensuring that each unit pursues the most appropriate business model

Under the new management structure, each business unit will optimize its own business model and aim for steady improvement, an approach that is expected to contribute to across-the-board growth. Toyota has thus put in place a structure that is capable of continuously making ever-better cars and maintaining outstanding quality and profitability while further expanding vehicle sales.

In addition to the ongoing development of the Lexus business as a in-house company, the Toyota business has been split into two business units and executive vice presidents appointed to assume responsibility for operations and earnings. Just as the Lexus business has its own business model, the Toyota brand maintains two clearly distinct models covering operations in developed and emerging markets. For the developed markets in which Toyota No. 1 operates, success rests on our ability to capture replacement demand amid a market that is projected to remain stagnant in terms of scale. With this in mind, every effort will be channeled toward securing qualitative growth by expanding sales of ever-better cars that incorporate advanced technologies in such fields as the environment and safety. Meanwhile, the emerging markets in which Toyota No. 2 operates are experiencing rapid growth. In these markets it is essential to capture new customers by introducing well-timed products that fit market needs. Essentially, both Toyota No. 1 and Toyota No. 2 must work to understand the particular stage of development of their respective markets, and must expand these markets by introducing ever-better cars. They will also need to harness their accumulated know-how to address the concerns that come with expansion.

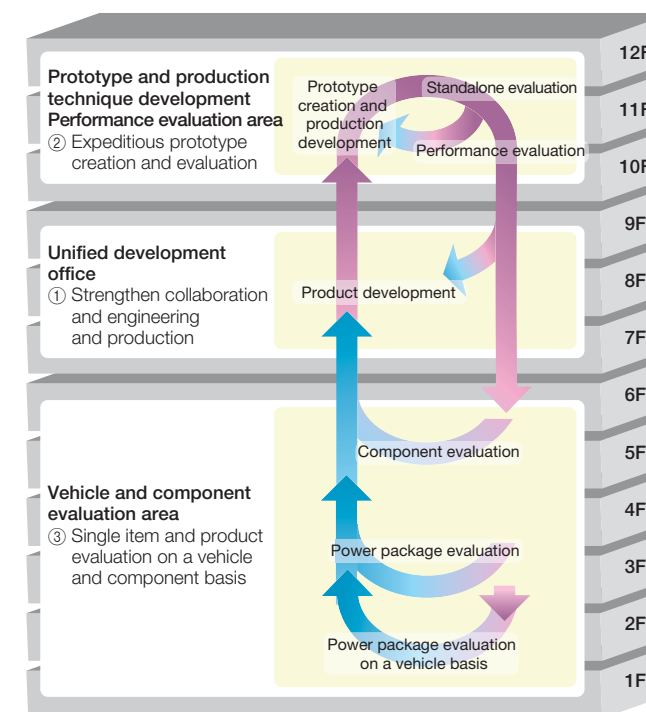
Adopting a horizontal structure, regional headquarters have been established within Toyota No. 1 and Toyota No. 2 to ensure that the unique markets of each region are handled in an attentive and appropriate manner. With

Transforming the way we work



regard to annual vehicle sales, goals have been set for the Lexus, Toyota No. 1, and Toyota No. 2 units at approximately 500,000 units, 4,000,000 units, and 3,000,000 units, respectively.

With the aim of bringing products to market in a responsive and timely manner, the Unit Center has been charged with developing globally competitive "unit" components, and its purview encompasses all operations from components planning to the development of production technologies and functions. To secure the comprehensive structure these operations entail, all related component departments, including factories, have been consolidated under the Unit Center with an executive vice president appointed to oversee operations as head of the Unit Center. While Toyota's principal products, its cars, are universally recognized as central to its



(Dimensions: 108m x 89m x 58m; total floor space: 101,228m²)



Powertrain Development and Production Engineering Building

business and management, it is possible that components will play an even more significant role. Looking ahead, it is quite possible that the fate of manufacturing companies will depend more on the competitiveness of their components than that of their finished products.

In keeping with the above, Toyota has constructed a new facility to facilitate the development of powertrains, which are expected to play an increasingly central role in the manufacture of ever-better cars. The facility, which went online in February 2013, will enable us to produce ever-better powertrains, and will play a vital role in transforming the way we work and supporting the future of the company.

In overall terms, there two overarching goals for transforming the way we work. The first is to create an environment in which powertrain research and development staff can

engage in face-to-face discussions with the staff responsible for production technologies and the development of production methods. The second is to create a system that can evaluate all stages of development, from fundamental technologies to finished vehicles and components, under one roof.

To ensure that Toyota maintains a genuine competitive advantage, we will position TNGA at the heart of our endeavors as we engage in a comprehensive review of the way we work. By making decisions in a timely manner and optimizing our business development strategies to suit markets, we will strive to make ever-better cars that meet local needs the world over. The overarching goal of the Toyota Global Vision is achieving sustainable growth, and this will remain our focus as we look to the future.

Making Ever-Better Cars

At Toyota, we believe we've worked harder than anyone else to build better cars.

The ambition of our founder, Kiichiro Toyoda, was to establish an automobile industry in Japan based on Japanese technology and skill. This drive gave us the original Crown, as well as the first-generation Toyota Prius, the world's first mass-produced hybrid car.

The global financial crisis that began in 2008 reminded us once again that the foundation of sustainable growth is making cars that customers love. We changed direction, recommitting all of our resources to making even better cars, and over the course of the following four years we significantly improved our manufacturing methods.

- >How do we create ever-better cars that delight our customers?
- >The definition of a better car varies depending on the location.
- >What is essential to building the better cars of the future?





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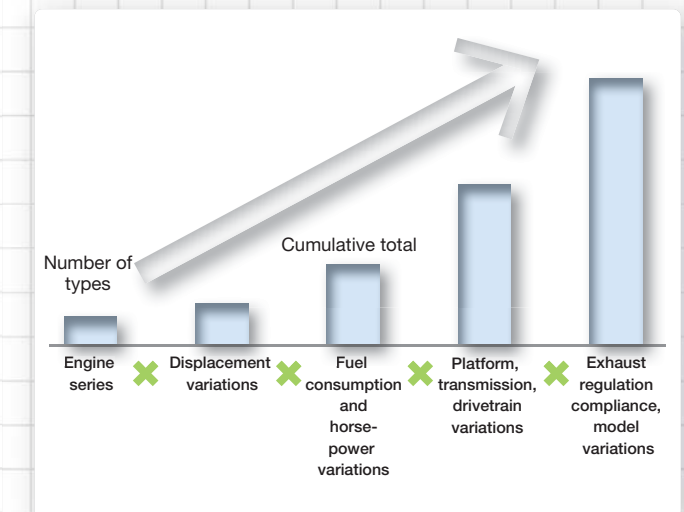


● Making Ever-Better Cars [2 of 10] ● Enriching Lives of Communities ● Stable Base of Business

How do we create ever-better cars that delight our customers?



Number of engine types



Source: Toyota Motor Corp.

What constitutes a better car?

What makes a car *better*? The answer to this question is different for each customer and it varies depending on where they are. We believe that a car that brings a smile to the face of a customer is without a doubt a better car. However, when it comes to making ever-better cars, there is no magic bullet, no finish line. This is why we are

dedicated to constantly delivering products and services that always exceed the expectations of our customers. We aim to inspire, excite, and create happiness.

INSIGHT The Toyota 86 reignited people's love of cars

All Toyota cars share the same emphasis on quality, safety, and environmental performance. At the same time, with regard to design, handling, ride, and equipment, they also have the unique characteristics that our customers expect from better cars. Toyota has always followed an optimized development process for each car model, and the number of models in each line has expanded in tandem with increasing production volume.

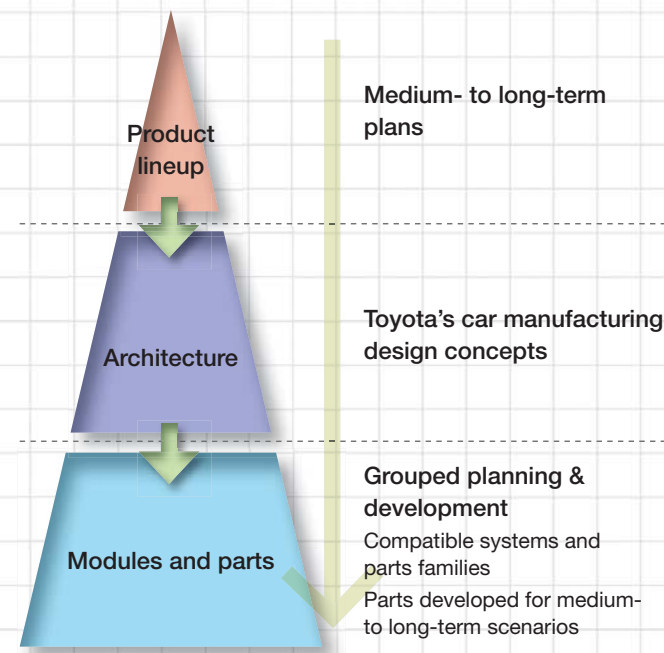
In terms of engine types, for example, this has resulted in an increasing range of specifications for displacement, horsepower, fuel consumption, platform, and drivetrain in addition to modifications in compliance with country-specific exhaust regulations. To continue making ever-better cars, we must constantly reassess the way development is optimized for each car model.

INSIGHT Each car is the product of connections between people







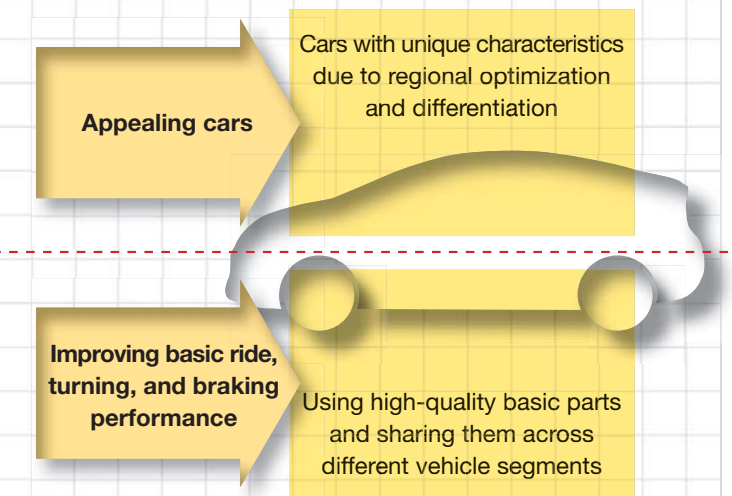
How do we create ever-better cars that delight our customers?

How to standardize parts and units



What is required of ever-better cars

Zone A	Zone B	Zone C	Zone D
<p>Focus on interests and sensibilities (particularly for sports cars)</p>  <p>LFA</p>	<p>High-volume cars for individuals and the general public</p>  <p>CROWN</p>	<p>Special-purpose vehicles, taxis, commercial vehicles</p>  <p>HIACE WELCAB</p>	<p>Next-generation vehicles (Environment-friendly cars, new concept cars)</p>  <p>PRIUS TOYOTA I-ROAD</p>
Customer expectations			
<ul style="list-style-type: none"> Individualistic designs Excitement and inspiration Superior driving performance Emotional engagement and sensory appeal 	<ul style="list-style-type: none"> Appealing designs High basic performance Ease of use Price and affordability 	<ul style="list-style-type: none"> Durability Ease of use Price and affordability 	<ul style="list-style-type: none"> New concepts New technologies Environment-friendly/energy-saving features
Common items: quality, safety, environmental performance			



Source: Toyota Motor Corp.

Consistently delivering better cars to customers

Toyota divides the vehicles it makes into four zones: exciting, high performance vehicles; appealing yet practical vehicles; commercial and heavy-duty vehicles; and next-generation vehicles. In our pursuit of ever-better cars, we listen to our customers to understand their expectations regarding design, driving performance, ride, and equipment in each of these zones.

Just as a road determines the cars that will be driven on it, collaboration between the members of marketing and R&D teams around the world, as well as staff from Japan, enables us to make cars that delight customers the world over. Toyota's design and R&D bases in nine locations outside Japan are key components of its globalized and localized operations, which integrate development, engineering, manufacturing, sales, and services.

The Toyota New Global Architecture (TNGA) is our framework for making ever-better cars for a wide variety of customers and regions in smarter and more efficient ways, with the ultimate aim of creating products that stir our customers' emotions.

INSIGHT Our engineers always keep customer expectations firmly in mind

Smarter and more efficient

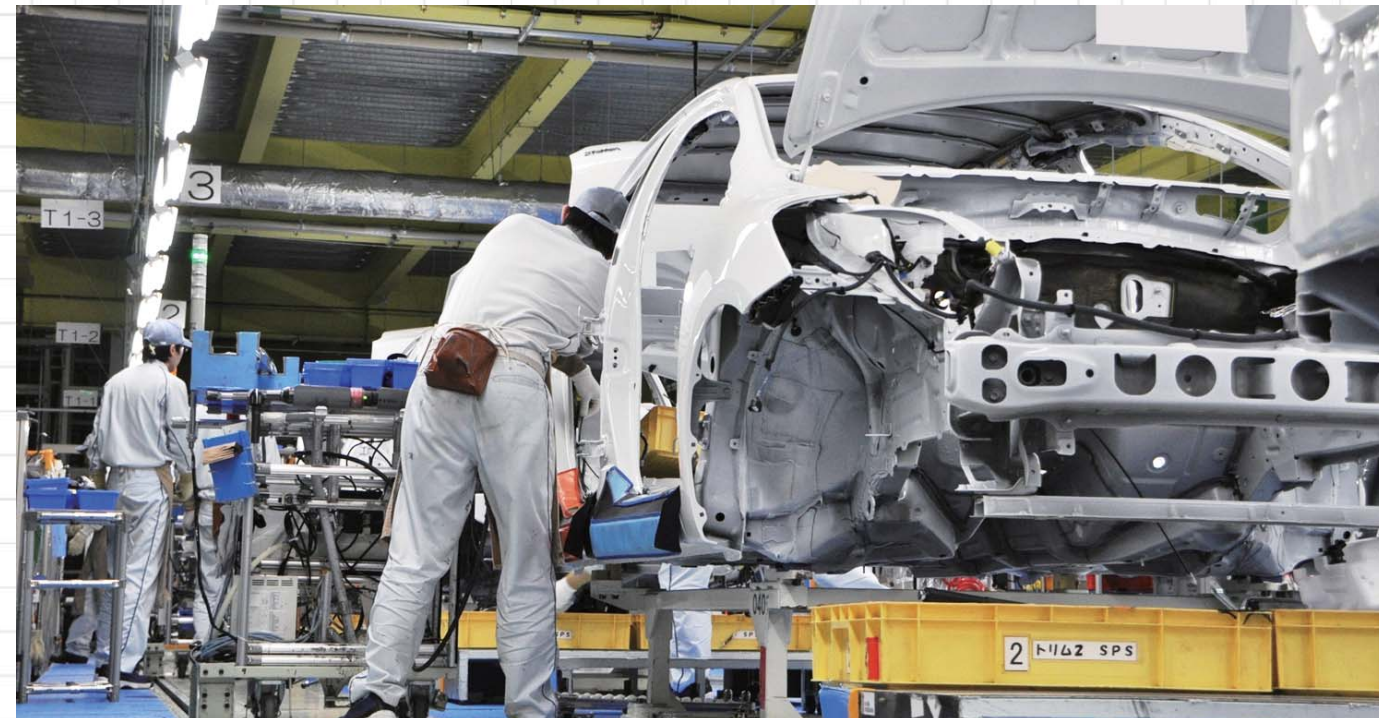
In line with TNGA, Toyota aims to make ever-better cars more efficiently by simultaneously cutting basic costs and substantially improving product appeal—which at first glance may seem to be contradictory goals. Toyota applies a distinct planning and development process with each car model, first finalizing the projected

medium- to long-term product lineup and release schedule, then grouping models within the lineup. Toyota intends to raise the competitiveness of basic parts relating to ride, turning, and braking to world-class levels, and it is now able to standardize parts and units across different models through grouped development that puts multiple models through the planning process at the same time. For example, we have separately standardized the parts and units for compact, mid-sized, and large platforms (chassis) respectively. Based on the new vehicle architecture, we aim for full optimization by standardizing even more basic parts, including platforms and powertrains, across vehicle segments. So far, Toyota has developed three front-wheel-drive platforms and plans to develop several car models based on each of these platforms. This streamlining has resulted in extra R&D capacity, which we are directing

toward optimizing processes in each region—for example, matching interior cabins, exterior designs, and driving performance to the preferences of our customers. By grouping and unifying optimal driving positions and hip-point heights, we are able to share common cockpit modules and parts across different car models and platforms. This, in turn, allows us to cut both the number of part variations and engineering man-hours.

Under TNGA, Toyota is increasing standardization while enhancing basic performance and product appeal above and beyond customer expectations. We expect TNGA to result in lower basic costs and contribute to enhanced profitability. Toyota plans to start unveiling new car models developed under TNGA from 2015.

How do we create ever-better cars that delight our customers?



Bringing out our true competitiveness

Toyota has been selling automobiles around the world ever since the first Crown was exported to the United States in 1957. Today, Toyota vehicles are driven in more than 170 countries and regions. In line with our policy of producing where there is demand, since the early 1980s Toyota has progressively increased its car production in countries where its vehicles are sold. From 2001 onward, Toyota expanded production outside Japan in accordance with sharp growth in sales, and in 2007 its overseas production exceeded its production in Japan for the first time. Toyota now has 51 manufacturing bases in 26 countries and regions. Having learned a great deal from the recent global financial crisis, however, Toyota has now begun to transition to a sustainable growth model, shifting its focus away from volume-driven growth.

We believe that sustainable growth can only be achieved by focusing on areas where we are truly competitive over the longer term, both inside and outside Japan. In Japan, for example, because of its long history in the country, Toyota has a robust manufacturing foundation replete with advanced technologies, manufacturing expertise, talented human resources, and a multilayered supply network. It is this foundation that has supported Toyota's global ambitions. Japan is and always will be central to the Company's ability to make competitive cars and create innovative manufacturing technologies. To be truly competitive, we think it is crucial to further increase Japan's competitiveness as a global base. Toyota has been producing three million cars annually in Japan for more than 30 years, and this production structure has laid the foundation of the manufacturing competitiveness of the Toyota Group, including its network of suppliers.

Competitiveness cannot be created overnight, nor should it be regarded as a measurement derived from short-term profits and costs, which fluctuate depending on prevailing business conditions. Competitiveness is a multifaceted challenge that cannot be measured with data or numbers; it is the sum of countless factors, such as a company's ability to nurture human resources, a corporate culture that pursues greater productivity through better quality and shorter lead times, the ability to innovate, and marketing skills, including after-sales services. The current degree of our competitiveness varies by country and region. Looking at the situation from both the medium- and long-term perspectives, Toyota is poised to refine and improve its competitiveness. We have put in place groupwide systems that will enable us to continue making ever-better cars that are profitable and excel in quality.

INSIGHT The QC team's job is to deliver zero defects

Continuing to concentrate investments in growth areas

With further growth in sales volume likely, Toyota is working hard to improve productivity. We are placing top priority on maximizing capacity utilization and making effective use of our existing plants and manufacturing facilities from a global perspective. Over the next three years we plan to concentrate on modernizing existing facilities rather than building new plants (excluding those for which construction is already planned or in progress).

We will continue to make capital investments that are necessary to sustain growth, and will focus on investing more efficiently. Toyota has made significant progress toward its goal of reducing the basic unit of capital invested in model redesigns by 40% compared to the levels seen before the global financial crisis. While keeping total investment at an optimal level, Toyota will continue its policy of concentrating investment in regions that are expected to grow—particularly in emerging markets, where we will step up investments substantially.



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How do we create ever-better cars that delight our customers?



AVALON



CROWN



LEXUS ES 350



Toyota Motor Manufacturing Kentucky



INSIGHT Our teams design appealing cars that turn heads

Strengthening manufacturing competitiveness

The latest Crown model, inspired by the slogan "Taking on the challenge of innovation," has emerged as a symbol of Toyota's "ReBORN" campaign. Representing the pinnacle of Japanese manufacturing, the Crown is in the vanguard of our drive to make ever-better cars. Sales of the new Crown surged from the start—in the first three months of its release we sold double our target volume of 4,000 cars a month (the expected average over the life of the model). The new Crown was created with the goal of making ever-better cars in mind, and required us to make major changes in the way everyone worked. For example, the distinctive side

profile of the Crown, with lines that leap forward, evolved out of intense discussions and collaboration between designers and manufacturing technology engineers. These discussions led to major advances in design and production techniques, giving the car an undeniable sense of presence. To create a better car, we overhauled our previous approach of simply discarding aesthetic improvements on the basis that they were "inefficient."

A prime example of TNGA's approach to development process reforms can be seen at the new Powertrain Development and Production Engineering Building, where employees involved in the development of new technologies and units are brought into close contact

with one another to facilitate the development and engineering processes. This facility is playing a key role in shortening development times and standardizing designs, with the ultimate aim of creating innovations that exceed the expectations of our customers.

We aim to strengthen our competitiveness and enable sustainable growth through the provision of high-quality products in areas where we are truly competitive. In the United States, for example, we continue to pursue the true competitiveness symbolized by the words "Made by Toyota." Nowhere is this commitment better demonstrated than at Toyota Motor Manufacturing, Kentucky, Inc. (TMMK), which has been focusing on improving quality since it started production more than 25 years

ago in 1988. TMMK now produces half a million cars a year, including the Camry and Avalon, for the U.S. market, and is a core manufacturing base, having produced a significant portion of the 25 million cars made by Toyota in North America as of the end of October 2012. In addition, the fourth-generation Avalon, which first rolled off the production line in October 2012, was designed and developed entirely by U.S. teams. In light of this enhanced competitiveness in the United States, Toyota has decided to start making the Lexus ES 350 at TMMK in the summer of 2015. With the start of ES 350 production, TMMK plans to expand its annual production capacity to 550,000 vehicles from its current 500,000.

The definition of a better car varies depending on the location.

<h2>Etios</h2> <h3>India</h3> <ul style="list-style-type: none"> • Steel plates protecting the underbody of the car from loose rocks on rough roads • Beverage holder capable of carrying seven one-liter bottles • Air conditioner vents arranged side-by-side to circulate cool air to the rear seats • Best-in-class fuel economy with 17.6 kilometers per liter of gasoline (calculated according to Indian standards) • Optimizations based on 101 factors specific to the Indian market 	<h2>Etios</h2> <h3>Brazil</h3> <ul style="list-style-type: none"> • Bioethanol-compatible flex fuel specifications • Stability while driving on highways, and a comfortable ride on rough roads • Dust proofing specifically for customers in Brazil, where dust can be a problem 	<h2>Etios Valco</h2> <h3>Indonesia</h3> <ul style="list-style-type: none"> • A cut above the rest, with an elegant design that evokes status • One-touch power windows and other extras in high demand locally • Extremely roomy interior and plenty of storage space • Smooth ride and comfort on rough roads • Best-in-class fuel economy 	<h2>Vios</h2> <h3>Thailand</h3> <ul style="list-style-type: none"> • Compact car developed from the ground up for emerging markets • Dynamic, elegant and clean exterior; pleasant interior offering value for money • Optional package offering superior comfort in rear seats • Best-in-class fuel economy 
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Accelerating the development of compact cars in emerging markets

Toyota has reorganized its automotive operations into four business units to propel the company toward achieving the Toyota Global Vision. The Lexus brand is now independent, and Toyota brand operations are divided into those in emerging markets and those in North America, Europe, and Japan to reflect their markedly different business models and to accelerate decision making in tune with local market needs.

Toyota has progressively expanded its operations in emerging markets (especially in ASEAN countries) since the 1960s. In Southeast Asia, Toyota has endeavored for years to build relationships of trust, weathering the Asian currency crisis to steadily deliver cars that match customer preferences. These efforts have culminated in the development of compact cars designed specifically

for emerging markets, with the launch of the Innovative International Multipurpose Vehicle (IMV) series in 2004 heralding a particularly important turning point. The IMV series was developed for sale in more than 140 countries, and Toyota began manufacturing five base models in five countries simultaneously. A local parts procurement ratio of 100% was targeted, thereby keeping car body prices competitive. At present, the IMV series is manufactured in 12 countries and regions, with Thailand, Indonesia, Argentina, and South Africa positioned as four global supply bases. Diesel engines are made in Thailand, gasoline engines are made in Indonesia, and transmissions are made in the Philippines and India. These components are then supplied to the countries that make the car bodies. IMV series vehicles are sold in 170 countries and regions throughout Asia, Europe, Africa, Oceania, Latin America,

and the Middle East, and as of March 2012 a cumulative total of 5 million IMVs have been sold worldwide.

The IMV series was developed as a globally integrated model for all regions; however, starting in 2010 with the launch of the Etios compact car, Toyota began to manufacture a range of cars that better reflect the needs of each region. With the launch of sedan and hatchback versions of the Etios, Toyota now has a total of eight compact cars designed for emerging markets and plans to sell them in more than 100 countries.

Production of the Etios commenced in India (2010), followed by Brazil (2012), and most recently Indonesia (2013), at Toyota's second plant in Karawang. The Etios Valco hatchback has quickly become the "national car of Indonesia."

Toyota also manufactures the Vios, a compact car designed as a step up from the Etios, in emerging

markets. The Vios is currently produced and sold in Thailand, Toyota's largest production base in the ASEAN region, and there are plans to export it to more than 80 countries.

Toyota's guiding philosophy since its foundation has been to contribute to communities the world over through localized operations. Our desire to exceed the expectations of each and every customer has led us to promote the development of the automotive industry around the world.



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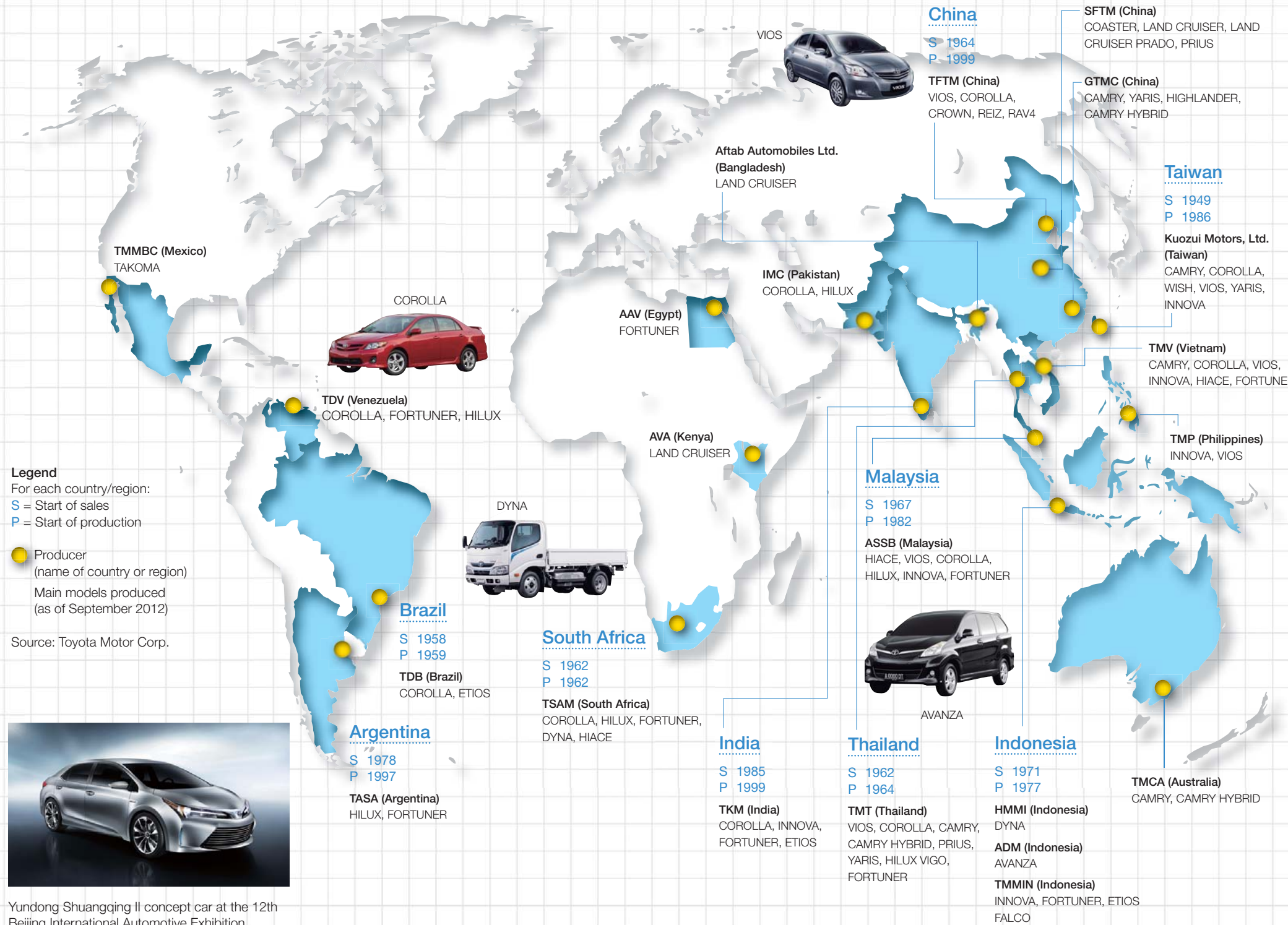
The increasing importance of localized R&D

Our R&D bases allow us to make ever-better cars that are competitive in each region. They develop car bodies and parts in line with local needs, optimize powertrains to comply with local regulations, and expand the local procurement of parts in cooperation with local suppliers.

As a core base in the Asia/Oceania region, Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. (TMAP-EM) collaborates with nearby R&D bases to develop cars specifically for emerging markets. To put the finishing touches on its local development structure, TMAP-EM plans to add to its team of roughly 600 employees to bolster its product planning, testing, and prototyping capabilities.

Toyota Motor Engineering & Manufacturing (China) Co., Ltd. (TMEC), located in Changshu City, Jiangsu Province, conducts research and development in collaboration with the R&D centers of two joint ventures engaged primarily in the development of car bodies. To develop cutting-edge fundamental technologies, TMEC oversees the development of engines for cars produced in China, tests and conducts performance evaluations on a large-scale test course, and develops environmental technologies. Since the widespread use of eco-cars benefits the environment, TMEC is working toward the production of eco-cars in China. At the Beijing International Automotive Exhibition in April 2013, TMEC showcased its accomplishments by exhibiting the Yundong Shuangqing II concept car, which features hybrid components that are currently in development.

Toyota's presence in emerging markets



Yundong Shuangqing II concept car at the 12th Beijing International Automotive Exhibition

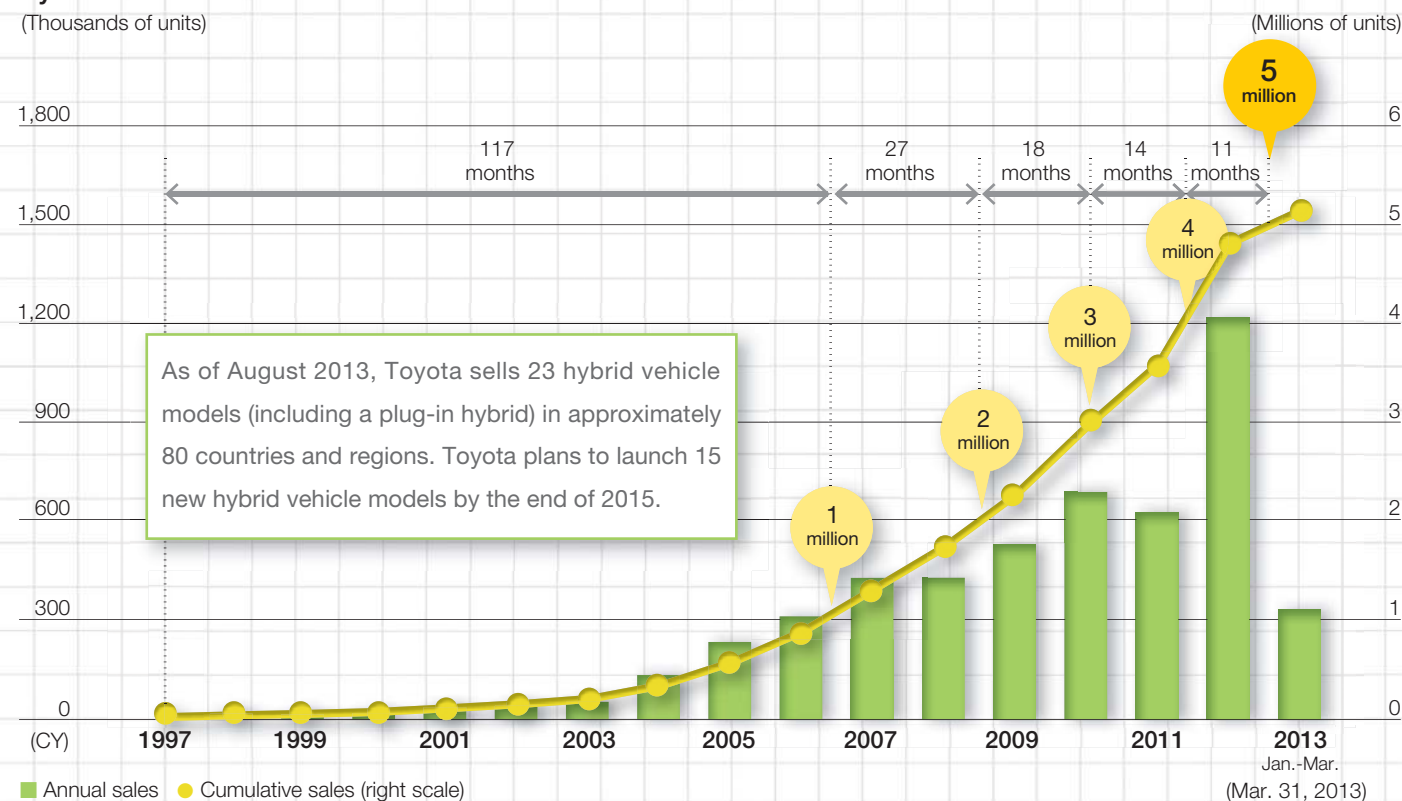


What is essential to building the better cars of the future?



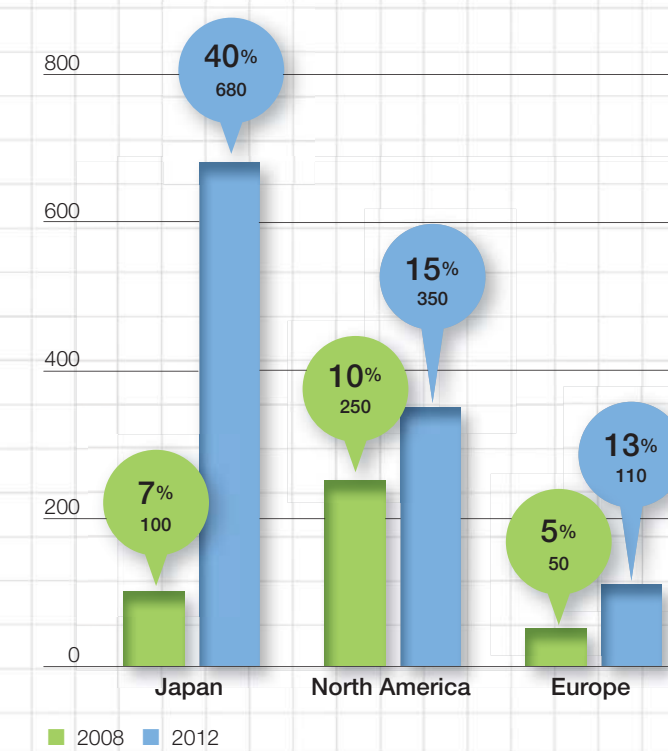
Lineup of hybrid vehicles in all categories

Hybrid vehicle sales volume
(Thousands of units)



As of August 2013, Toyota sells 23 hybrid vehicle models (including a plug-in hybrid) in approximately 80 countries and regions. Toyota plans to launch 15 new hybrid vehicle models by the end of 2015.

Hybrid vehicle share of Toyota product mix by region
(Thousands of units)



Source: Toyota Motor Corp.

Hybrid vehicles are no longer “niche” products

The environment is one of Toyota's top management priorities. We have promoted the proliferation of hybrid vehicles since the introduction of the original Prius in 1997 because we believe that the widespread use of eco-cars will benefit the environment. To encourage more customers to choose hybrid vehicles (the most popular type of eco-car on the market), we have been focusing on enhancing performance, reducing costs, and expanding our lineup. In addition, we believe that

creating ever-better cars will require us to focus our efforts on a wide range of technological initiatives, such as the development of non-hybrid eco-cars that are compatible with other types of fuels.

In March 2013, 15 years and seven months since the first hybrid vehicle was launched in August 1997, the number of hybrid vehicles sold by Toyota topped the five million mark. As of August 2013, Toyota sells 23 hybrid vehicles, including one plug-in hybrid, in about 80 countries and regions. In 2012, hybrid vehicles accounted for around 40% of all cars sold by Toyota in Japan, and

about 14% on a global basis. Hybrid vehicles are no longer “niche” products, and Toyota considers hybrid technology to be the core environmental technology of the 21st century. As a result, the Company is focusing on hybrid technology, which can work in tandem with a wide variety of fuel types and which includes all of the fundamental technologies necessary to make eco-cars, as well as developing eco-cars other than hybrid vehicles.

Impact of the widespread use of hybrid vehicles

As of March 31, 2013, Toyota estimates that the combined effect of all the hybrid vehicles it has sold is an approximately 34 million ton reduction in CO₂ emissions (assuming that gasoline engine cars of an equivalent class, size, and horsepower would have been sold instead). Toyota estimates that the amount of gasoline saved is equivalent to about 12 million kiloliters (using an equivalent class of gasoline engine car as a benchmark).



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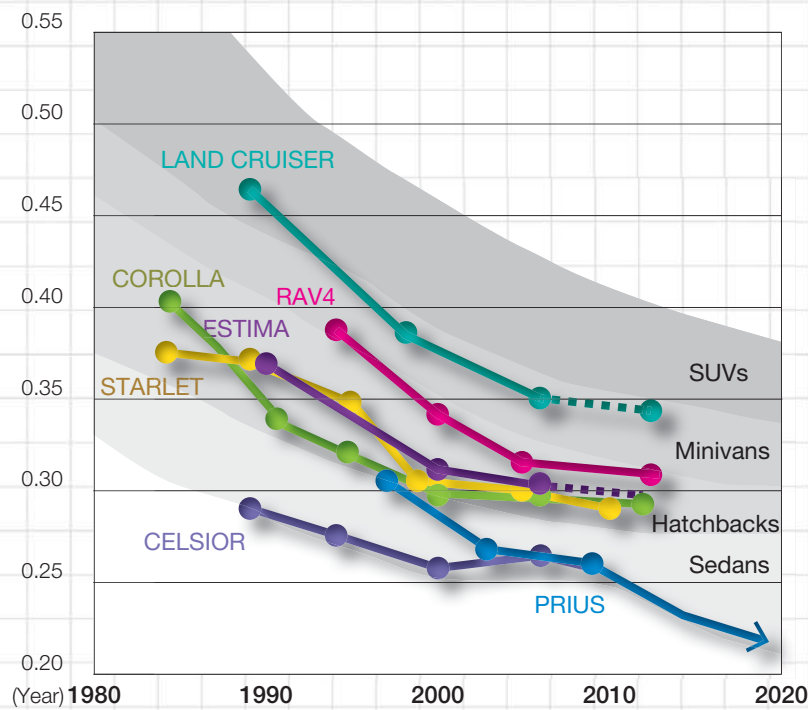


● Making Ever-Better Cars [9 of 10] ● Enriching Lives of Communities ● Stable Base of Business

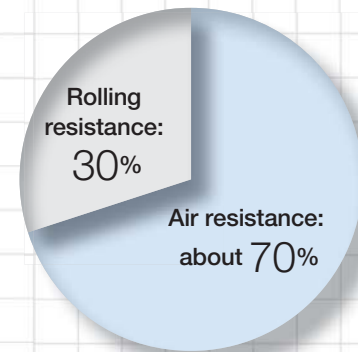
What is essential to building the better cars of the future?

Measures to reduce air resistance

Unit: Coefficient of drag



Resistance to vehicle motion when driving at 100km/h



[Overview of the Aerodynamics Laboratory]

Wind tunnel type:	Circuit, low-noise driving simulation wind tunnel
Maximum wind speed:	250 km/h
Fan:	9m fan diameter; 8,000kW output
Air portal dimensions:	7m wide x 4.5m high
Tunnel dimensions:	110m long, 52m wide, 27m high
Main equipment:	Six-component balance with 5-belt moving belt system, sound analysis system, wide-area, three-dimensional flow analysis system

Source: Toyota Motor Corp.



Aerodynamics Laboratory



Vehicle testing at the Aerodynamics Laboratory



Large wind tunnel fan

Promoting the further uptake of hybrid vehicles

Toyota aims to make hybrid vehicles more appealing to a wider range of customers by improving performance, reducing costs, and expanding its lineup.

Toyota is improving aerodynamic performance by reducing the vehicles' air resistance. Air resistance accounts for approximately 70% of the resistance to vehicle motion at 100 kilometers per hour. If the coefficient of

drag for a compact hybrid vehicle is reduced from 0.30 to 0.25 at this speed, fuel economy improves by about 8%. Toyota has already achieved a high level of aerodynamic performance in its cars, with the Prius as a prime example. Nevertheless, Toyota continues to develop technologies to enhance aerodynamic performance even further by improving the exterior shape, vehicle package, ventilation, airflow around the tires, and airflow under the body of the car. The Head Office Technical

Center contains a newly constructed Aerodynamics Laboratory for conducting research into reducing air resistance, improving driving performance, and reducing wind noise, all of which will enable us to develop ever-better cars.

With regard to cost reductions, Toyota has substantially reduced the cost of hybrid systems while significantly improving fuel economy by optimizing the hybrid system with each successive generation of the Prius.

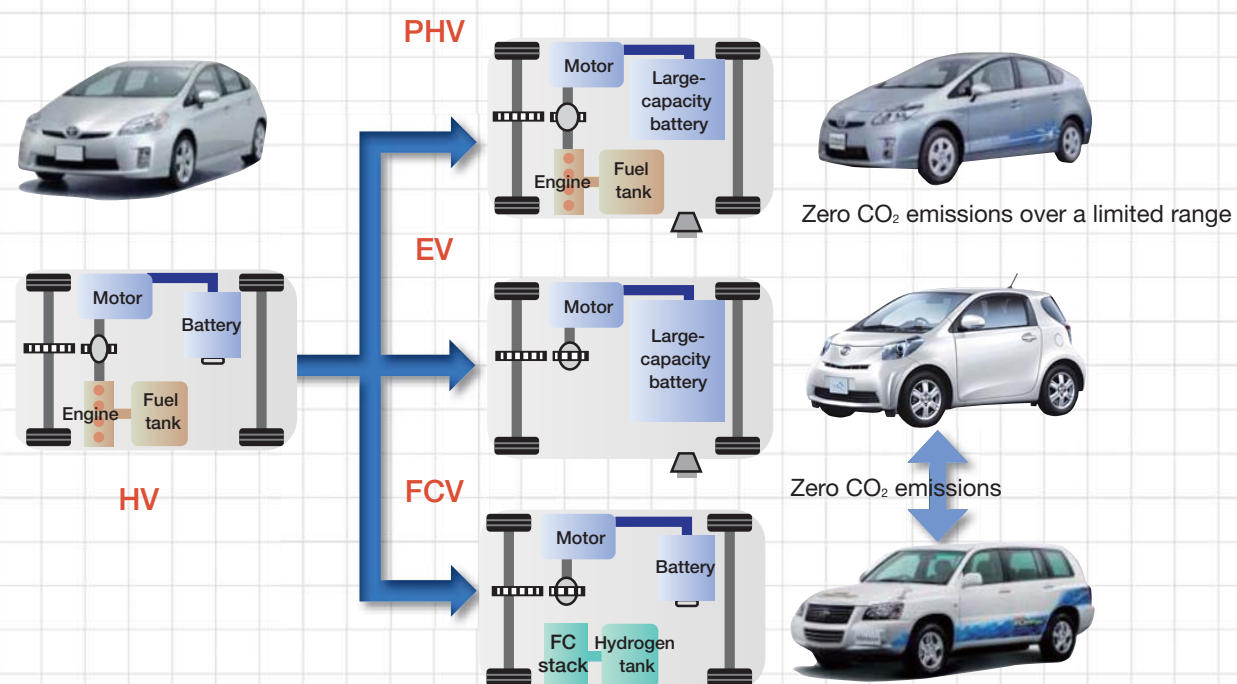
During the 12 years between the launch of the first Prius and the launch of today's third-generation Prius, Toyota managed to reduce the cost of the hybrid system to only one-third of the original cost.

Toyota plans to launch 15 new hybrid vehicle models globally between August 2013 and December 2015.

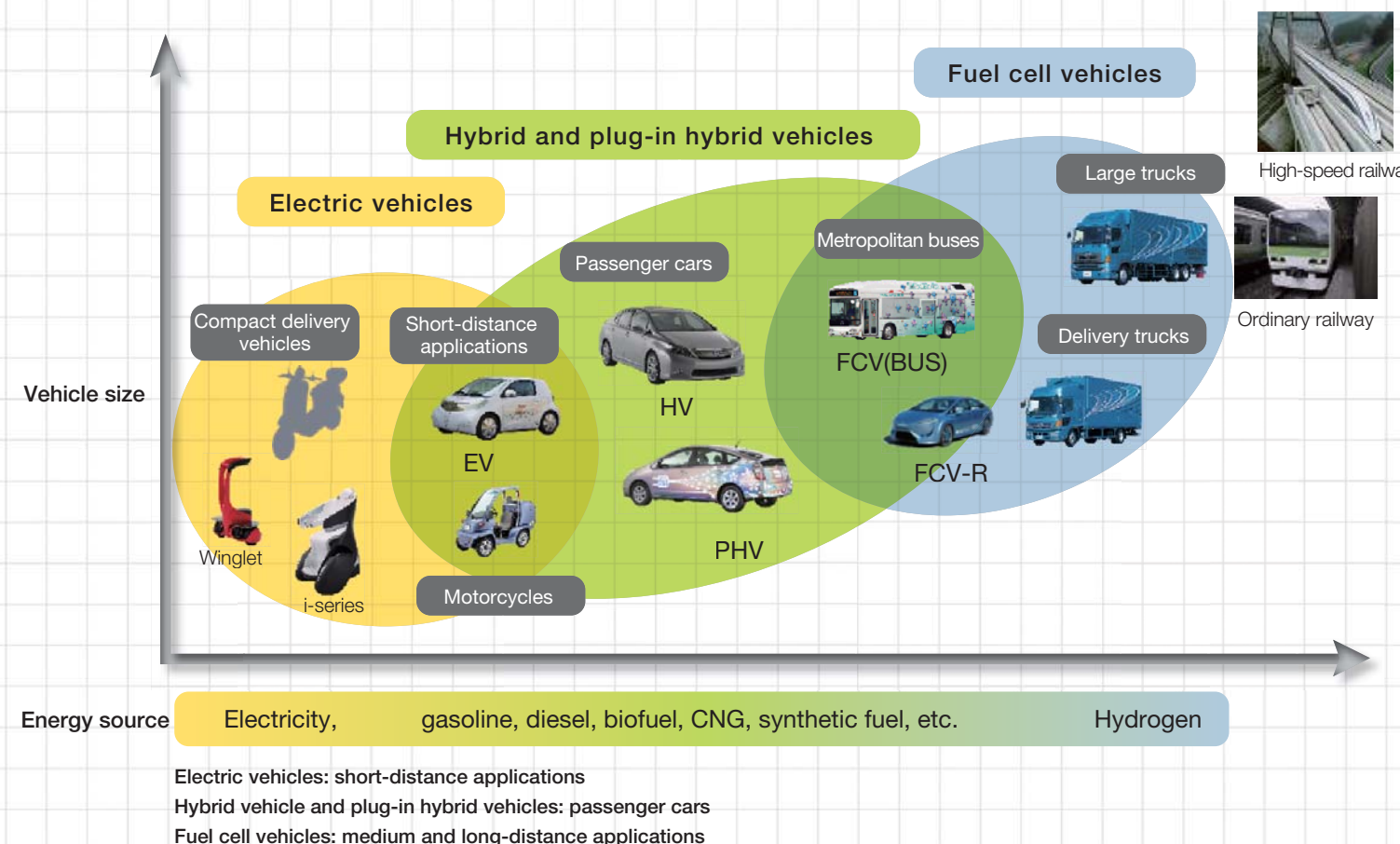


What is essential to building the better cars of the future?

Toyota is developing a variety of next-generation eco-cars that leverage its advanced hybrid technologies.



Breakdown of mobility in the future



Source: Toyota Motor Corp.

What will be the next winner among eco-cars?

Toyota believes that next-generation eco-cars will use plug-in hybrid technology, a new concept that combines the benefits of hybrid and electric vehicles. The batteries of plug-in hybrid vehicles can be recharged directly from household electrical outlets, and charging batteries allows vehicles to operate primarily in EV mode over short ranges. Plug-in hybrid vehicles operate as conventional hybrid vehicles once their batteries have been depleted. As the driving range of electric vehicles increases, the amount of CO₂ emitted and gasoline consumed decreases accordingly. This will not only help

prevent atmospheric pollution but also provide economic benefits in the form of lower fuel and electricity costs. Moreover, if electricity generated by solar power is used to recharge car batteries, CO₂ emissions can be reduced to significantly lower levels. This is why we believe that plug-in hybrid vehicles will be the winner among next-generation eco-cars. Generating, conserving, and storing energy at the household level will become possible through the skillful management of electricity used to recharge electric or plug-in hybrid vehicles and electricity used inside homes. Toyota is conducting R&D in this area.

Fuel cell vehicles (FCVs) also represent a key technology of the future. These vehicles are powered by electricity generated by the chemical reaction between oxygen in the air and hydrogen, and have numerous potential benefits, including zero CO₂ emissions while driving, a range comparable to a similar gasoline-powered car, and the fact that hydrogen can be produced from a variety of primary energy sources. The hybrid technologies honed by Toyota to date are vitally important to the development of FCVs. However, the necessary infrastructure (i.e., hydrogen refueling stations) has yet to be put in place.

Toyota is working to create compact, high-performance fuel cell systems at lower cost with the aim of introducing a sedan-type FCV around 2015 in major cities where it would be relatively easy to build the necessary infrastructure.



FCV-R concept car on display at the 2011 Tokyo Motor Show

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Enriching Lives of Communities

More than just providing transportation, the cars of the future will use information technology to serve a variety of functions that benefit both people and society as a whole. This vision underpins Toyota's commitment to enriching lives of communities. In addition to supporting efforts aimed at realizing a low-carbon society through the development and promotion of eco-cars, Toyota is broadening its horizons as it seeks to improve day-to-day life and to bring smiles to the faces of future generations. To this end, we are engaging in the development of "smart communities," environment-conscious cities featuring smart grids that link people with their cars and homes. We aim to help create a responsible and safe automobile society that emphasizes IT-based infrastructure.



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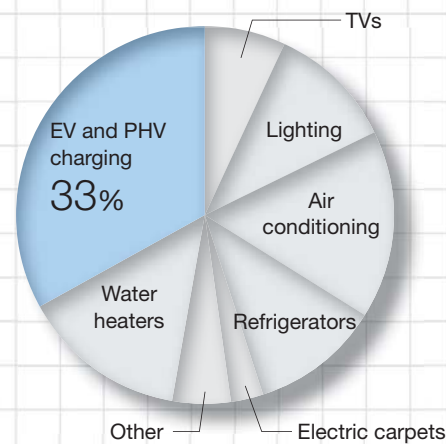
● Making Ever-Better Cars ● Enriching Lives of Communities [2 of 3] ● Stable Base of Business

How Toyota Plans to Enrich Communities



Charging the PHV PRIUS at home

Estimates of household electric power consumption in Japan by application following growth in EV and PHV use



Source: Toyota Motor Corp.



TOYOTA i-ROAD, an EV concept car



Telematics service

Toyota believes that promoting the widespread use of eco-cars will benefit the environment greatly. In addition, we recognize the importance of finding new ways to link people, the cars they drive, and the communities they live in. This includes meeting the power and recharging needs of drivers of plug-in hybrid (PHV) and electric vehicles (EVs).

Enriching communities entails contributing to their development and welfare worldwide. This fundamental conviction has been key to Toyota's growth over the years and is essential to its future sustainability.

Toyota participates in testing and demonstrations around the world to get closer to its goal of achieving smart communities and a smart, high-mobility society. This is why the TOYOTA i-ROAD, a twin-seater EV concept car designed to provide "exhilarating motion," is one of two EVs selected for an experimental car sharing program that will provide ultra-compact EVs for short-distance travel in and around the city of Grenoble, France. This project aims to determine the viability of providing an alternative means of transport for short distances of a few kilometers (often referred to as "last

mile" transfer needs) while offering clues to resolving inner-city transportation issues.

Toyota is also contributing to society in the transportation information field. Our Big Data platform, for example, monitors traffic conditions using telematics services which gather information through in-car navigation and mobile communication units. The Big Data platform achieved outstanding results in the aftermath of the Great East Japan Earthquake.

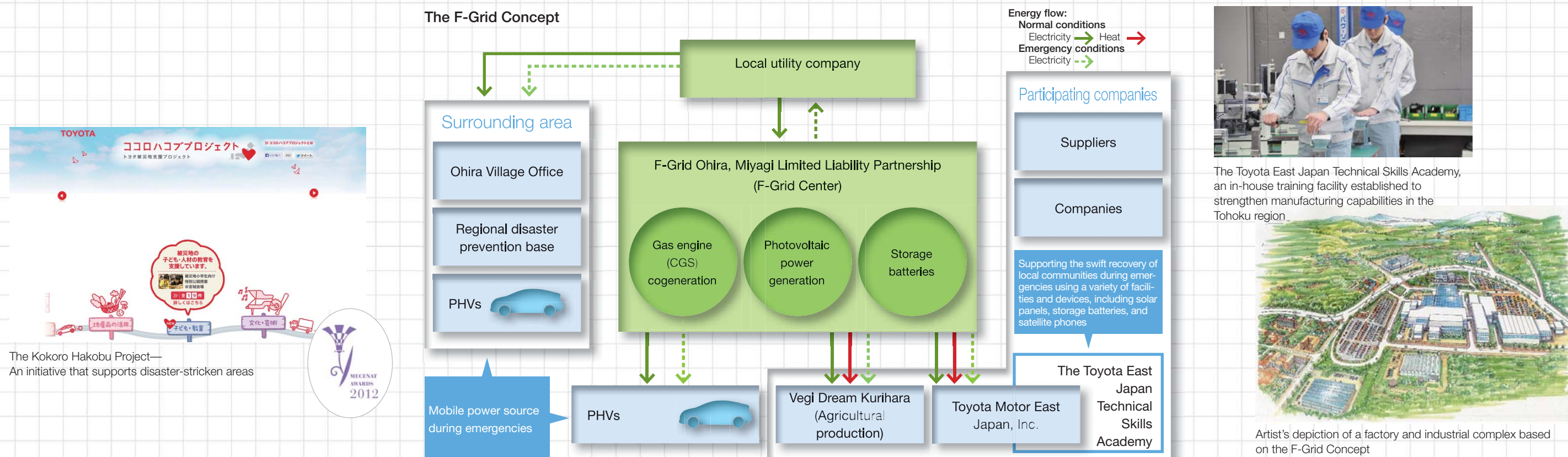
In addition to the above, Toyota is contributing to society and communities through the development

of partner robots. To this end, we are leveraging the considerable technological know-how we have cultivated in the industrial robotics field since the 1970s. Toyota aims to improve quality of life by developing robots for nursing, medical, and home care purposes.

- INSIGHT Taking a "three are better than one" approach
- INSIGHT We aim to make driving more fun
- INSIGHT Robots can improve our quality of life



Contributing to Society through the Manufacture of Cars



Toyota aims to be a good corporate citizen, and contributes to society through a range of unique projects. From global perspectives, we channel our energies toward key fields, such as the environment, traffic safety, and human resource development. In Japan, we place considerable emphasis on society and culture and have been recognized for our efforts. We received the 2012 Mécénat Award for Supporting Hearts in recognition of our efforts under the Company's Kokoro Hakobu Project, which aims to support reconstruction and revitalization efforts in disaster-stricken areas. Organized by the Association for Corporate Support of the Arts, the award presented to the Company was specifically for

INSIGHT We see the global environment as a core customer

INSIGHT A crisis is emerging in one of the world's most forested countries

the support activities carried out in the immediate aftermath of the Great East Japan Earthquake.

Since its foundation, Toyota has worked diligently to uphold the principle of contributing to society by making ever-better cars. In an effort to position the Tohoku region as the Company's third major production base in Japan after the Chubu and Kyushu regions, Toyota established Toyota Motor East Japan, Inc. (TMEJ). The Aqua, Japan's top-selling hybrid hatchback in fiscal 2013, is manufactured by TMEJ. Of the approximately 8,700,000 vehicles produced by Toyota worldwide in fiscal 2013, around 500,000 were produced in the Tohoku region, and TMEJ is becoming a major compact car production center and exporter.

The Great East Japan Earthquake, which devastated the Tohoku region of Japan on March 11, 2011, was

a major tipping point for us. The earthquake and its aftermath made us realize the considerable amount of time a full recovery requires, and we asked ourselves what we could do on a more permanent basis to work with and support society. We realized that we could best help the region by expanding local manufacturing activities, which, in turn, led to the establishment of TMEJ. Moreover, we have launched the Factory Grid (F-Grid) Concept, which aims to facilitate safe, responsible, and comfortable lifestyles. Spearheaded by TMEJ, the project will create a smart community through comprehensive energy management that encompasses the entire industrial area as well as the surrounding area. Under the F-Grid Concept, efforts will be made to secure an energy self-sufficiency ratio of approximately 70%. Compared with industrial complexes of a similar size



The Toyota East Japan Technical Skills Academy, an in-house training facility established to strengthen manufacturing capabilities in the Tohoku region.



Artist's depiction of a factory and industrial complex based on the F-Grid Concept

and scale, the F-Grid is expected to achieve energy savings of 20% and reduce emissions by nearly 30%. The project also aims to provide electricity (together with local power companies) to the local community during emergencies. Hybrid vehicles such as the Aqua and Prius can also generate and store power.

By leveraging its manufacturing strengths, Toyota intends to position its factories at the heart of its efforts to reenergize communities and provide society with unique and innovative services. Moving forward, Toyota will continue to contribute to local communities through conscientious manufacturing.

INSIGHT The "F-Grid" shows us what future communities could look like

INSIGHT Cars will change the lifestyles of the future



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● Making Ever-Better Cars ● Enriching Lives of Communities ● Stable Base of Business [1 of 4]



Stable Base of Business

First and foremost, we strive to make ever-better cars and enrich communities in order to achieve sustainable growth and a stable business foundation. This ever-growing stable business foundation, in turn, provides us with the strength to make ever-better cars and enrich society. It is a virtuous circle. In 2011, we unveiled the "Toyota Global Vision." We feel confident that we are now within sight of ensuring sustainable profitability, a key tenet of the vision. Toyota's business environment, however, changes from moment to moment, meaning that we must constantly strive to secure forward-looking human resources and improve efficiency. In this context, we realize that crucial intangible attributes, such as a corporate ethos that is conducive to innovation, cannot be ignored in our quest for sustainable growth.

Message from the Executive Vice President Responsible for Accounting



We aim to achieve sustainable growth by maintaining and building on a strong earnings base.

Fiscal 2013 Business Results

On a consolidated basis for the fiscal year ended March 31, 2013, vehicle sales increased 1.519 million units to 8.871 million units compared with the previous fiscal year. Net revenues expanded ¥3.4805 trillion to ¥22.0641 trillion, operating income grew ¥965.2 billion to ¥1.3208 trillion, and net income rose ¥678.6 billion to ¥962.1 billion.

Factors that contributed to operating income included ¥650.0 billion from marketing efforts, ¥450.0 billion from cost reduction efforts, ¥150.0 billion due to exchange-rate fluctuations, and ¥15.2 billion due to other factors. Factors that were detrimental to operating income included a ¥300.0 billion rise in expenses. With regard to marketing, the volume of sales was higher in all regions owing to supply shortages in the previous fiscal year caused by the Great East Japan Earthquake and flooding in Thailand. In Japan, sales increased during fiscal 2013 due in part to the invigorating effect of eco-car subsidies on the market. In North America, sales of such mainstay models as the Corolla and Camry remained strong amid robust demand. In Asia, sales volumes grew substantially as the company rode market growth in each country, especially in Thailand and Indonesia. Operating income also received a significant boost from a drive to reduce costs undertaken together with our suppliers throughout the fiscal year as well as a weakening of the yen in the second half of the fiscal year.

I believe these results have positioned the company within reach of accomplishing its objective of creating a strong earnings base under the Toyota Global Vision announced in 2011.

Consolidated Financial Forecasts for Fiscal 2014

For the fiscal year ending March 31, 2014, we forecast vehicle sales of 9.1 million units, net revenues of ¥23.5 trillion, operating income of ¥1.8 trillion and net income of ¥1.37 trillion on a consolidated basis. Our exchange rate assumptions are ¥90 per US\$1 and ¥120 per €1.

In our forecast for consolidated operating income, we expect exchange-rate fluctuations (¥400 billion), cost reduction efforts (¥160 billion), and marketing efforts (¥80 billion) to be contributing factors. We also expect a ¥160.8 billion rise in expenses that will negatively affect operating income. However, the expected increase will be largely attributable to forward-looking expenditures, such as R&D aimed at making ever-better cars. As such, we view these expenses as necessary investments for future growth. Meanwhile, we will continue working to steadily improve earnings in our daily operations, including through companywide value analysis (VA) activities and other cost reduction efforts as well as measures to promote sales efficiency.

We have been aiming to establish a cycle of developing cars that delight our customers and benefit society while fulfilling our duty to increase sales and consequently profits that are then reinvested in developing ever-better cars. To support this cycle, we aim to maintain and build on a strong earnings base through marketing, suitable controls on fixed costs and thorough cost reductions.

Financial Strategy

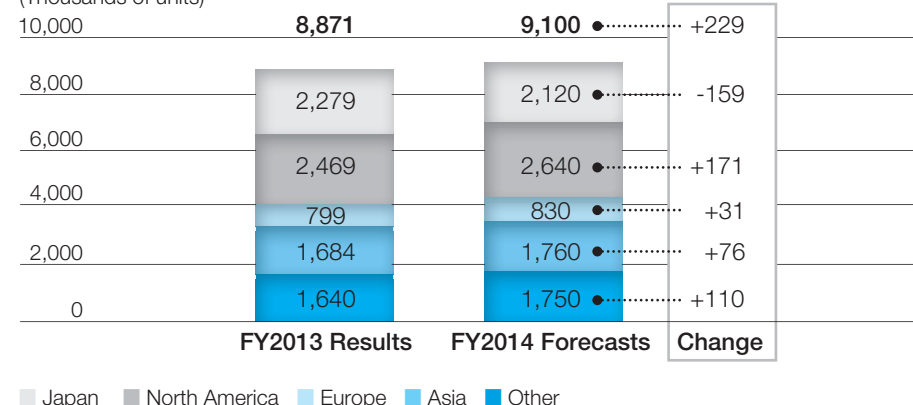
The three key priorities of our financial strategy are growth, efficiency and stability.

We believe that the balanced pursuit of these three priorities over the medium to long term will allow us to achieve steady and sustainable growth, as well as increase corporate value.

Message from the Executive Vice President Responsible for Accounting

FY2014 Forecast: Consolidated Vehicle Sales

(Thousands of units)



FY2014 Forecast: Consolidated Financial Summary

(Billions of yen)

	FY2014 Forecasts (Apr. 1, 2013– Mar. 31, 2014)	FY2013 Results (Apr. 1, 2012– Mar. 31, 2013)	Change
Net Revenues	¥23,500.0	¥22,064.1	¥1,435.9
Operating Income	1,800.0	1,320.8	479.2
Income before Income Taxes and Equity in Earnings of Affiliated Companies	1,890.0	1,403.6	486.4
Net Income Attributable to Toyota Motor Corporation	1,370.0	962.1	407.9
FOREX Rates			
Yen/US\$	¥ 90	¥ 83	¥ +7
Yen/Euro	120	107	+13

FY2014 Forecast: Consolidated Operating Income Analysis (vs. FY2013)

(Billions of yen)

		Operating Income
FY2013 Results		1,320.8
Positive Factors	Effects of FOREX Rates	+400.0
	Cost Reduction Efforts	+160.0
	Marketing Efforts	+80.0
	Financial Services	-30.0
	Subtotal	+640.0
Negative Factors	Increase in Expenses, etc.	-160.8
	FX Effects at Overseas Subsidiaries (Translational)	+60.0
	Subtotal	-160.8
Total		+479.2
FY2014 Forecasts		1,800.0

1. Growth: Sustainable growth through continuous forward-looking investments

We believe that automotive markets worldwide will grow over the medium to long term. As they expand, the focus of market growth is likely to shift toward emerging markets and such fuel-efficient options as hybrid and compact vehicles. We plan to invest efficiently and actively in these areas to meet structural shifts in demand and to ensure long-term sustainable growth. For example, we will prioritize the investment of management resources in the development of next-generation environmental technologies, such as fuel cells. We will also expand our lineup of hybrids and other eco-cars and sell them globally while increasing sales in emerging markets by strengthening locally produced models and building an optimized supply structure. I believe we should work to realize a balanced business structure as stated in the Toyota Global Vision, i.e., the "50:50 sales ratio," with half of our sales coming from developed markets such as Japan, the United States, and Europe and the other half from emerging markets.

2. Efficiency: Improving profitability and capital efficiency

Toyota will continue its push forward with the Toyota New Global Architecture (TNGA), an initiative to overhaul the way we work with the goal of facilitating the timely launch of appealing products globally. Under TNGA, we are improving development efficiency and making ever-better cars by standardizing parts and components through grouped development. Moreover, Toyota has improved its ability to invest capital efficiently and is aiming to obtain the same results with less outlay. We will strive to further improve our earnings structure through efficient investment that emphasizes the areas in which we want to advance, including hybrids, other eco-cars, and emerging markets.

3. Stability: Maintaining a solid financial base

To ensure a solid financial base, we secure sufficient liquidity and stable shareholders' equity. This allows us to maintain capital expenditure and R&D investment at levels conducive to future growth as well as to maintain working capital at a level sufficient for operations, even when business conditions are difficult due to such factors as steep increases in raw materials prices or volatility in foreign exchange rates. We plan to refine and implement measures to improve business continuity planning in the event of a major disaster. Toyota anticipates

growth in automotive markets, propelled by a recovery in the United States and expansion in emerging markets. We believe that, in addition to putting crisis measures into place, maintaining adequate liquidity is essential to the implementation of forward-looking investment aimed at improving product appeal and the development of next-generation technologies as well as to the establishment of global production and sales structures. We will continue to pursue improvements in capital efficiency and cash flow.

Dividends and Share Acquisitions

Toyota considers the enhancement of shareholder value a priority management policy and to this end is aiming for sustainable growth through corporate reorganization to increase corporate value. We aim to pay stable, ongoing dividends, targeting a consolidated payout ratio of 30%, while giving due consideration to such factors as performance each term, investment plans, and cash and cash equivalents. To succeed in this highly competitive industry, we plan to use retained earnings to quickly commercialize environment- and safety-related next-generation technologies, with emphasis on customer safety and peace of mind. Within this context, Toyota declared an annual dividend payment of ¥90 per share for the fiscal year ended March 31, 2013.

Toyota did not acquire its own shares in the fiscal year ended March 31, 2013.

We will continue striving to further improve profits and meet the expectations of our shareholders.

July 2013

Nobuyori Kodaira
Executive Vice President



What Sets Toyota Apart

Toyota has grown from a single core concept that is still shared by the entire Group: contributing to society by making ever-better cars.

Some of the values and ideas that have defined Toyota over its 75-year history are listed below.

INSIGHT We want to build a sense of unity

The Toyota Production System (TPS)

TPS encourages the complete elimination of waste, overburdening, and irregularities from the production process. The system, originally employed in the textile industry, is based on two fundamental concepts: *jidoka*, which can be loosely translated as "automation with a human touch," and the Just-in-Time (JIT) principle. Under these concepts, if a problem occurs, the equipment immediately stops running, preventing the manufacture of defective products, and at each stage production is limited to only what is needed, when it is needed, and in the amount needed.

- > Establish the facts through *genchi genbutsu* (on-site, hands-on experience)
- > Stop production lines when a problem occurs and implement corrective and improvement measures

> The improvement process is infinite, and after-the-fact improvements are in essence forward-looking improvements

These directives, which form part of Toyota's management philosophy, are by no means limited to the production front-line. They apply universally to all endeavors. In effect, TPS represents the building blocks of Toyota's human resource development endeavors.

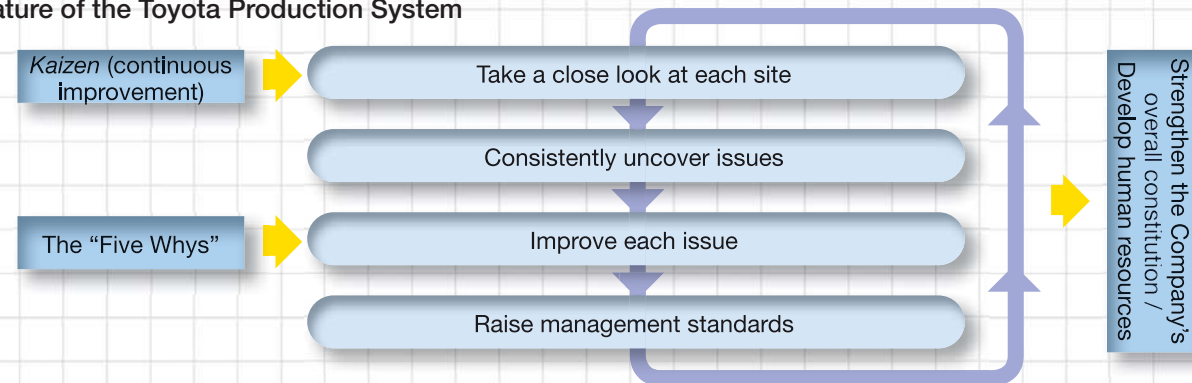
Genchi Genbutsu (On-Site, Hands-On Experience)

The *genchi genbutsu* principle refers to much more than merely visiting a site to examine something in situ. It entails understanding and respectfully considering the opinions of on-site individuals as well as of individuals who have extensive relevant knowledge. *Genchi genbutsu* is thus a key concept in the improvement process. Furthermore, the notion of "respect for people" is consistent with Toyota's founding philosophy, and is underpinned by the concept of thoroughgoing and direct communication.

INSIGHT We continue to improve the traditional process of sintering

INSIGHT We are striving to cut energy use in half

The nature of the Toyota Production System



Kaizen (Continuous Improvement)



Representing a never-ending cycle of progress, the word *kaizen* encapsulates a spirit of striving for continuous improvement and a refusal to accept the idea that something cannot be made better. Toyota believes that acknowledging the possibility of continuous improvement can make tasks easier and more enjoyable. From an organizational standpoint, *kaizen* involves the entire workforce while relying on the extensive knowledge, skills, and experience of the people working directly on the process. The concept is based on individuals taking ownership of their work and focusing on what should be done rather than on what can be done. At the same time, the *kaizen* process is underpinned by thoroughgoing and direct communication. It is essential to follow through once a decision has been made upon thorough deliberation with the participation of all. We consider this a valuable part of our corporate culture. Taiichi Ono (1912-1990), a former Toyota executive vice president and founder of the Toyota Production System, once commented that while the wisdom of humankind was infinite, that wisdom tended to emerge only during periods of adversity. When things are not going well and a better method is discovered, it is critical that

suggestions be made openly, discussed, and put into practice to ensure continuous improvement.

INSIGHT We aim to be valued for our trustworthiness

Building "true competitiveness"



To consistently deliver a higher level of quality and competitive products to its customers, Toyota must continue to nurture a corporate culture that places the utmost value on quality, productivity, and cost efficiency. In addition to an unwavering commitment to JIT that underscores our commitment to the development of a short and efficient supply chain, we realize that we must also provide customers with a wide-ranging, comprehensive, and well-organized after-sales service network. From a long-term perspective, we can only stay competitive if we continue to focus on developing human resources, fostering relationships of trust between management and labor, and ensuring that each employee remains committed to conscientious manufacturing. For its part, Toyota will continue to hone its true competitiveness, which provides the underlying strength for its manufacturing platform over the medium to long term. By doing so, we hope to ensure sustainable growth.

INSIGHT A smile from a customer is the sign of a job well done

Consolidated Performance Highlights

Consolidated Performance (U.S. GAAP)

	Millions of yen					U.S. dollars*1 in millions	% change
	2009	2010	2011	2012	2013	2013	2013 vs. 2012
Fiscal years ended March 31							
Net Revenues:	¥20,529,570	¥18,950,973	¥18,993,688	¥18,583,653	¥22,064,192	\$234,601	+18.7
Automotive	18,564,723	17,197,428	17,337,320	16,994,546	20,419,100	217,109	+20.2
Financial Services	1,377,548	1,245,407	1,192,205	1,100,324	1,170,670	12,447	+6.4
All Other	1,184,947	947,615	972,252	1,048,915	1,066,461	11,339	+1.7
Inter-Segment Elimination	(597,648)	(439,477)	(508,089)	(560,132)	(592,039)	(6,294)	—
Operating Income (Loss):	(461,011)	147,516	468,279	355,627	1,320,888	14,045	+271.4
Automotive	(394,876)	(86,370)	85,973	21,683	944,704	10,045	+4,256.9
Financial Services	(71,947)	246,927	358,280	306,438	315,820	3,358	+3.1
All Other	9,913	(8,860)	35,242	42,062	53,616	570	+27.5
Inter-Segment Elimination	(4,101)	(4,181)	(11,216)	(14,556)	6,748	72	—
Net Income (Loss) Attributable to Toyota Motor Corporation**	(436,937)	209,456	408,183	283,559	962,163	10,230	+239.3
ROE	-4.0%	2.1%	3.9%	2.7%	8.5%	—	—
ROA	-1.4%	0.7%	1.4%	0.9%	2.9%	—	—
As of March 31							
Total Assets	¥29,062,037	¥30,349,287	¥29,818,166	¥30,650,965	¥35,483,317	\$377,281	+15.8
Toyota Motor Corporation Shareholders' Equity	10,061,207	10,359,723	10,332,371	10,550,261	12,148,035	129,166	+15.1
Short-Term Debt, Including Current Portion of Long-Term Debt	6,317,184	5,497,997	5,951,836	5,963,269	6,793,956	72,237	+13.9
Long-Term Debt, less Current Portion	6,301,469	7,015,409	6,449,220	6,042,277	7,337,824	78,020	+21.4
	Yen					U.S. dollars*1	% change
	2009	2010	2011	2012	2013	2013	2013 vs. 2012
Per Share Data:							
Net Income (Loss) Attributable to Toyota Motor Corporation**	¥ (139.13)	¥ 66.79	¥ 130.17	¥ 90.21	¥ 303.82	\$ 3.23	+236.8
Annual Cash Dividends	100.00	45.00	50.00	50.00	90.00	0.96	+80.0
Shareholders' Equity	3,208.41	3,303.49	3,295.08	3,331.51	3,835.30	40.78	+15.1
Stock Information (March 31)							
Stock Price	¥ 3,120	¥ 3,745	¥ 3,350	¥ 3,570	¥ 4,860	\$ 51.67	+36.1
Market Capitalization (Yen in millions, U.S. dollars in millions)	¥10,757,752	¥12,912,751	¥11,550,792	¥12,309,351	¥16,757,268	\$178,174	+36.1

*1: U.S. dollar amounts have been translated at the rate of ¥94.05=US\$1, the approximate current exchange rate at March 31, 2013.

*2: "Net Income attributable to Toyota Motor Corporation", equivalent to "Net Income" up to 2009.

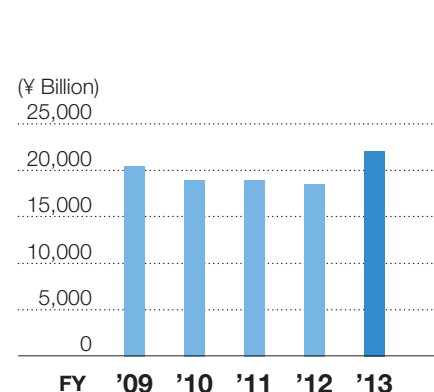


[2 of 3]

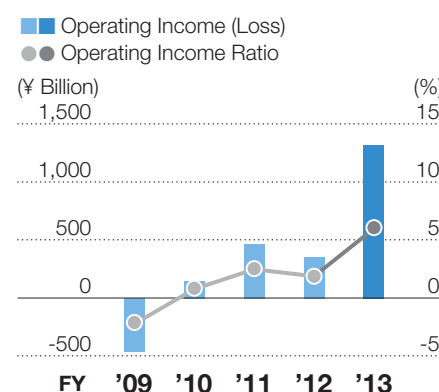
Consolidated Performance Highlights

Consolidated Performance (U.S. GAAP)

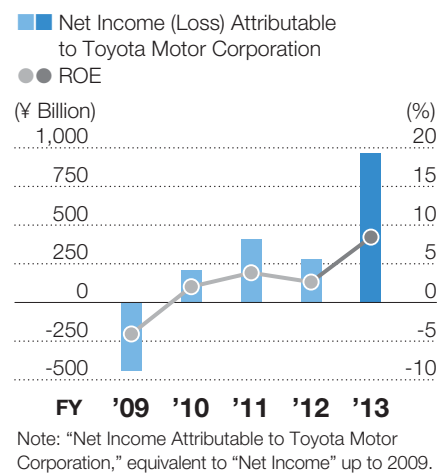
Net Revenues



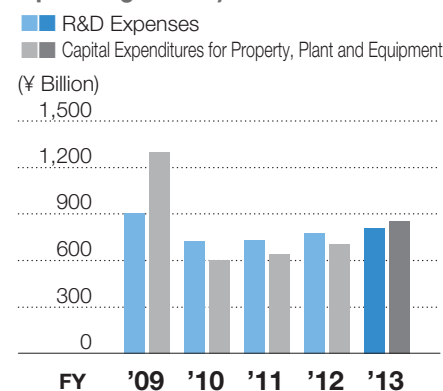
Operating Income (Loss)/ Operating Income Ratio



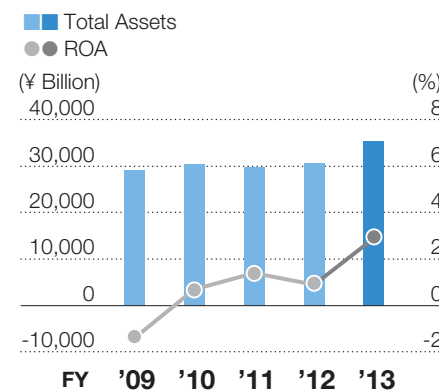
Net Income (Loss) Attributable to Toyota Motor Corporation/ROE



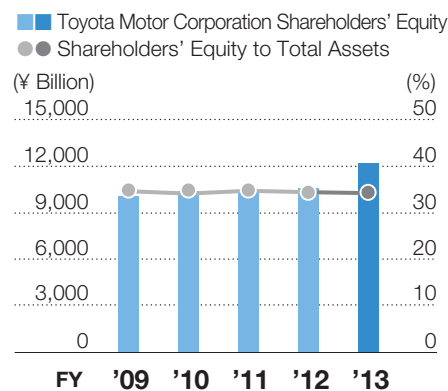
R&D Expenses/Capital Expenditures for Property, Plant and Equipment (excluding vehicles and equipment operating leases)



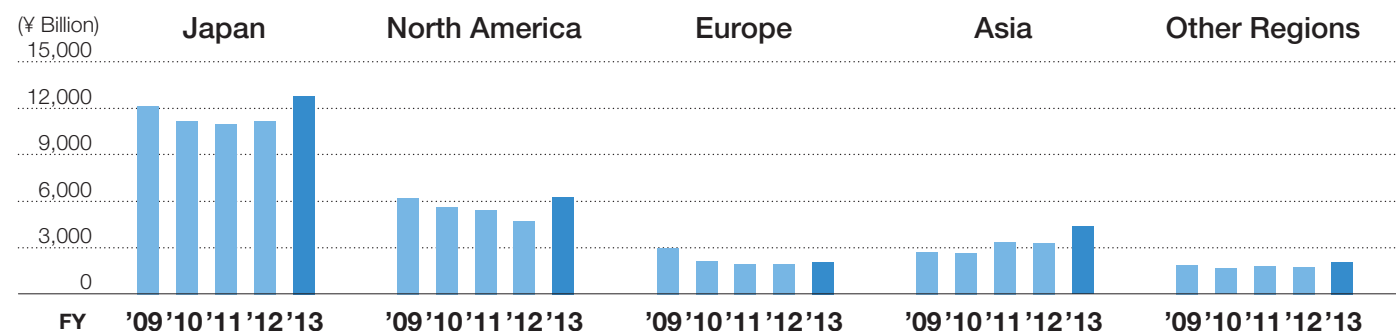
Total Assets/ROA



Toyota Motor Corporation Shareholders' Equity/ Shareholders' Equity to Total Assets

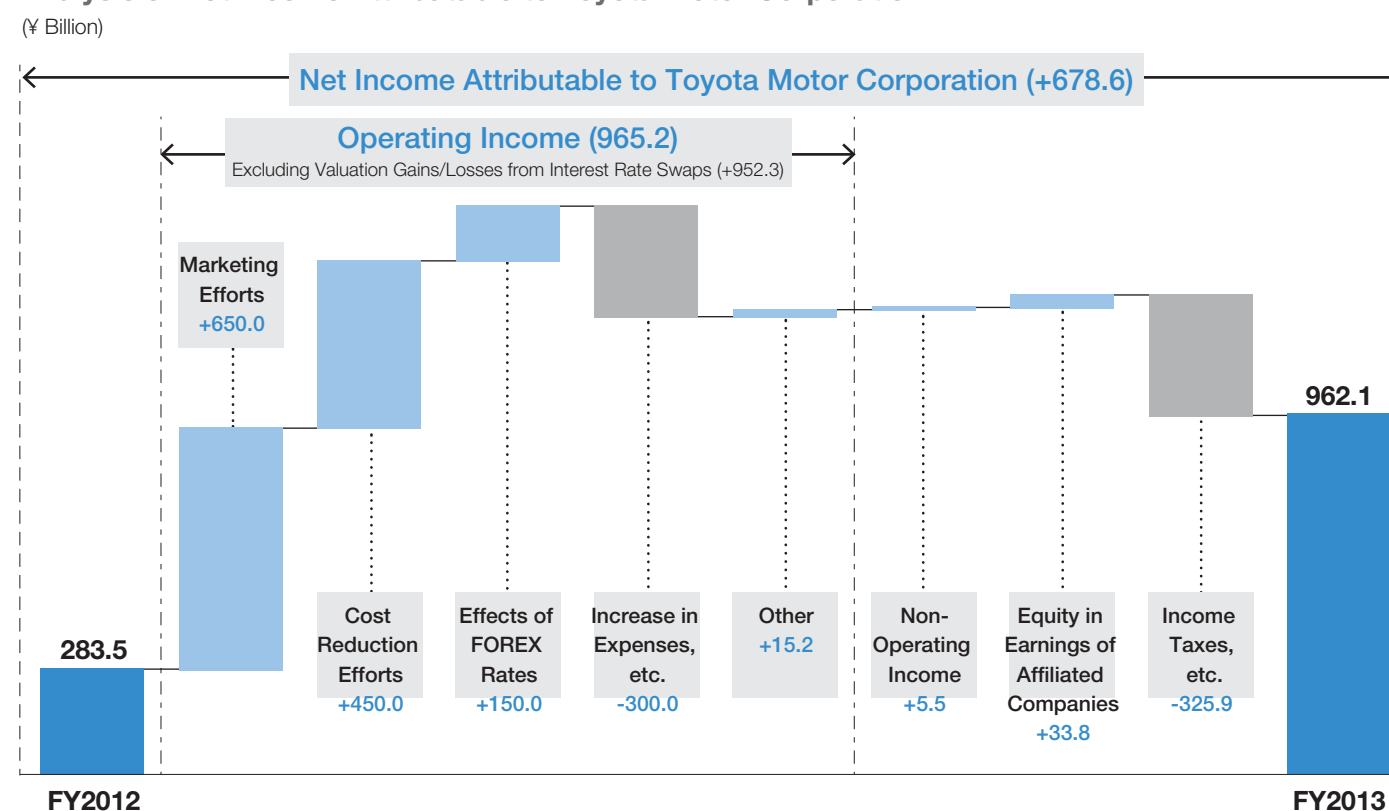


Net Revenues by Region

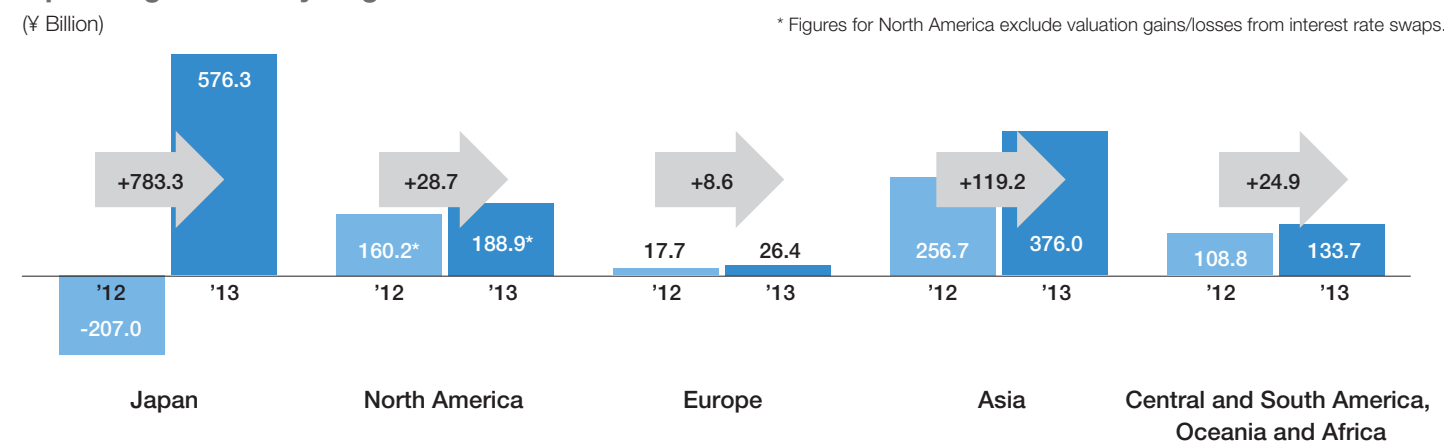


- **Net Revenues:** **¥22,064.1 billion (+18.7%)**
- **Operating Income** **1,320.8 billion (+271.4%)**
- **Net Income Attributable to Toyota Motor Corporation** **962.1 billion (+239.3%)**

Analysis of Net Income Attributable to Toyota Motor Corporation



Operating Income by Region





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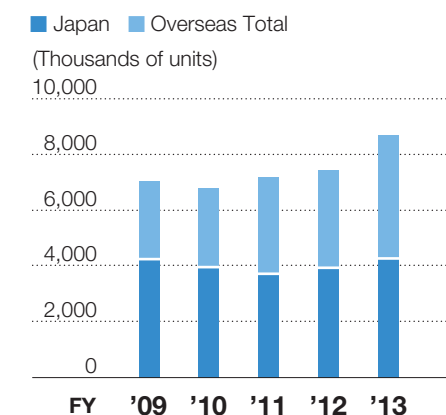
[3 of 3]

Consolidated Performance Highlights

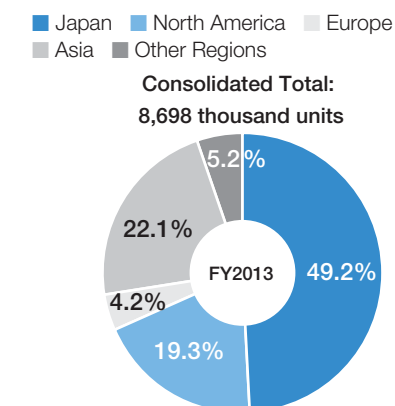
Consolidated Vehicle Production and Sales

Fiscal years ended March 31	Thousands of units					% change 2013 vs. 2012
	2009	2010	2011	2012	2013	
Vehicle Production by Region:						
Japan	4,255	3,956	3,721	3,940	4,276	+8.5
Overseas Total	2,796	2,853	3,448	3,495	4,422	+26.5
North America	919	1,042	1,338	1,275	1,677	+31.5
Europe	482	433	372	383	368	-3.9
Asia	947	1,021	1,344	1,441	1,924	+33.5
Central and South America	151	146	148	152	205	+34.9
Oceania	130	106	113	93	100	+7.5
Africa	167	105	133	151	148	-2.0
Consolidated Total	7,051	6,809	7,169	7,435	8,698	+17.0
Vehicle Sales by Region:						
Japan	1,945	2,163	1,913	2,071	2,279	+10.0
Overseas Total	5,622	5,074	5,395	5,281	6,592	+24.8
North America	2,212	2,098	2,031	1,872	2,469	+31.9
Europe	1,062	858	796	798	799	+0.1
Asia	905	979	1,255	1,327	1,684	+26.9
Central and South America	279	231	281	289	364	+26.0
Oceania	261	251	248	223	271	+21.5
Africa	289	184	209	214	259	+21.0
Middle East	606	466	569	550	741	+34.7
Other	8	7	6	8	5	-37.5
Consolidated Total	7,567	7,237	7,308	7,352	8,871	+20.7

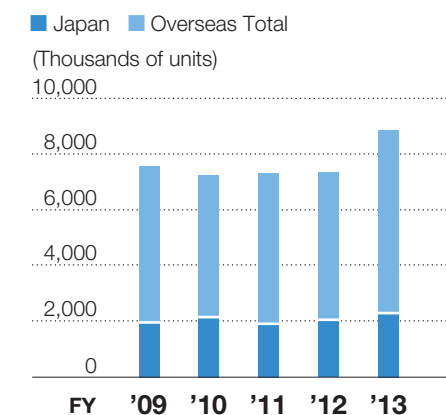
Vehicle Production by Region



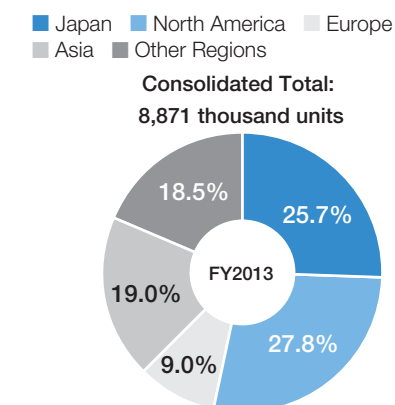
Breakdown of Vehicle Production by Region



Vehicle Sales by Region



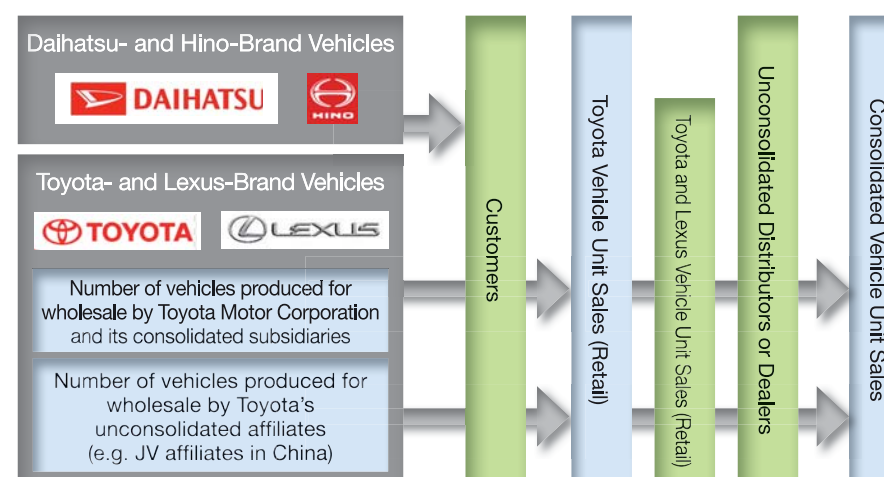
Breakdown of Vehicle Sales by Region



[Reference] Vehicle Sales

- > Consolidated vehicle unit sales in Japan and overseas came to 8,871,000 in the fiscal year ended March 31, 2013, up 1,519,000, or 20.7%, compared with the previous fiscal year.
- > Consolidated vehicle unit sales in Japan were 2,279,000, an increase of 208,000, or 10.1%, year on year. Excluding mini-vehicles, Toyota and Lexus vehicle unit sales (retail) was 1,612,000, up 162,000, or 11.2%, representing a record market share of 48.4%.
- > Total vehicle unit sales (retail), including the Daihatsu and Hino brands, was also a historic high, reaching 9,692,000, a year-on-year increase of 1,358,000, or 16.3%.
- > Consolidated Lexus vehicle unit sales came to approximately 500,000, around 85,000, or 20.6%, higher than the previous fiscal year. By geographic region, Lexus vehicle unit sales in Japan, North America, Europe, Asia, and other were about 42,000, 270,000, 43,000, 92,000, and 49,000, respectively.

Vehicle Sales



* There are certain exceptional cases that do not follow the aforementioned flow.



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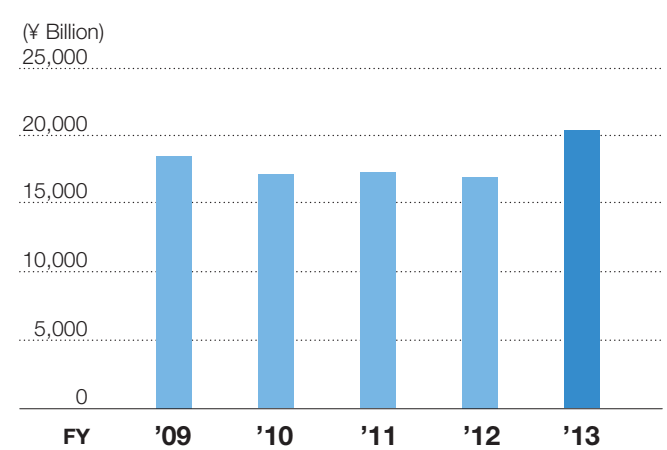
● Automotive Operations ● Financial Services Operations ● Non-Automotive Business Operations

Automotive Operations

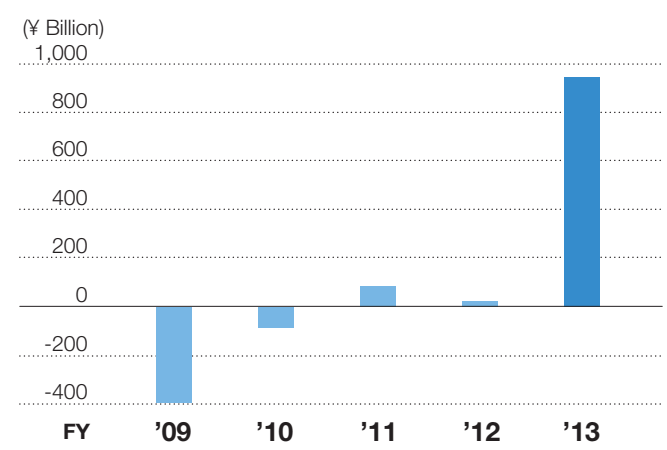
The Company works diligently to produce ever-better cars that exceed expectations in order to deliver products that bring smiles to the faces of people who choose Toyota.

In the fiscal year under review, net revenues from automotive operations totaled ¥20,419.1 billion, an increase of ¥3,424.5 billion, or 20.2%, compared with the previous fiscal year. Operating income also climbed by ¥923.0 billion, year on year to ¥944.7 billion.

Net Revenues



Operating Income (Loss)



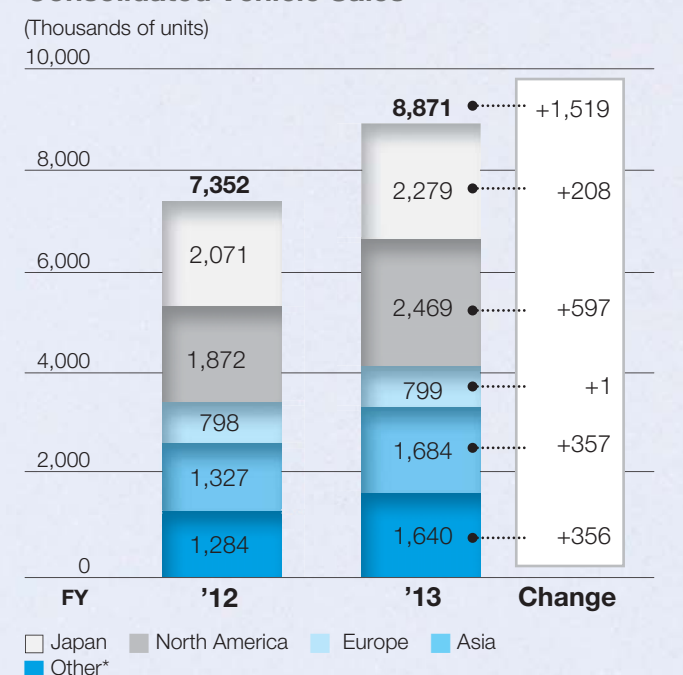
Note: Fiscal years ended March 31

Looking at conditions in the automotive market, trends mainly in the United States and emerging regions including Asia were firm. Against this backdrop, Toyota aggressively introduced new products in Japan and successfully expanded sales thanks to the efforts of dealers nationwide. Outside Japan, the Company boosted vehicle sales across all regions.

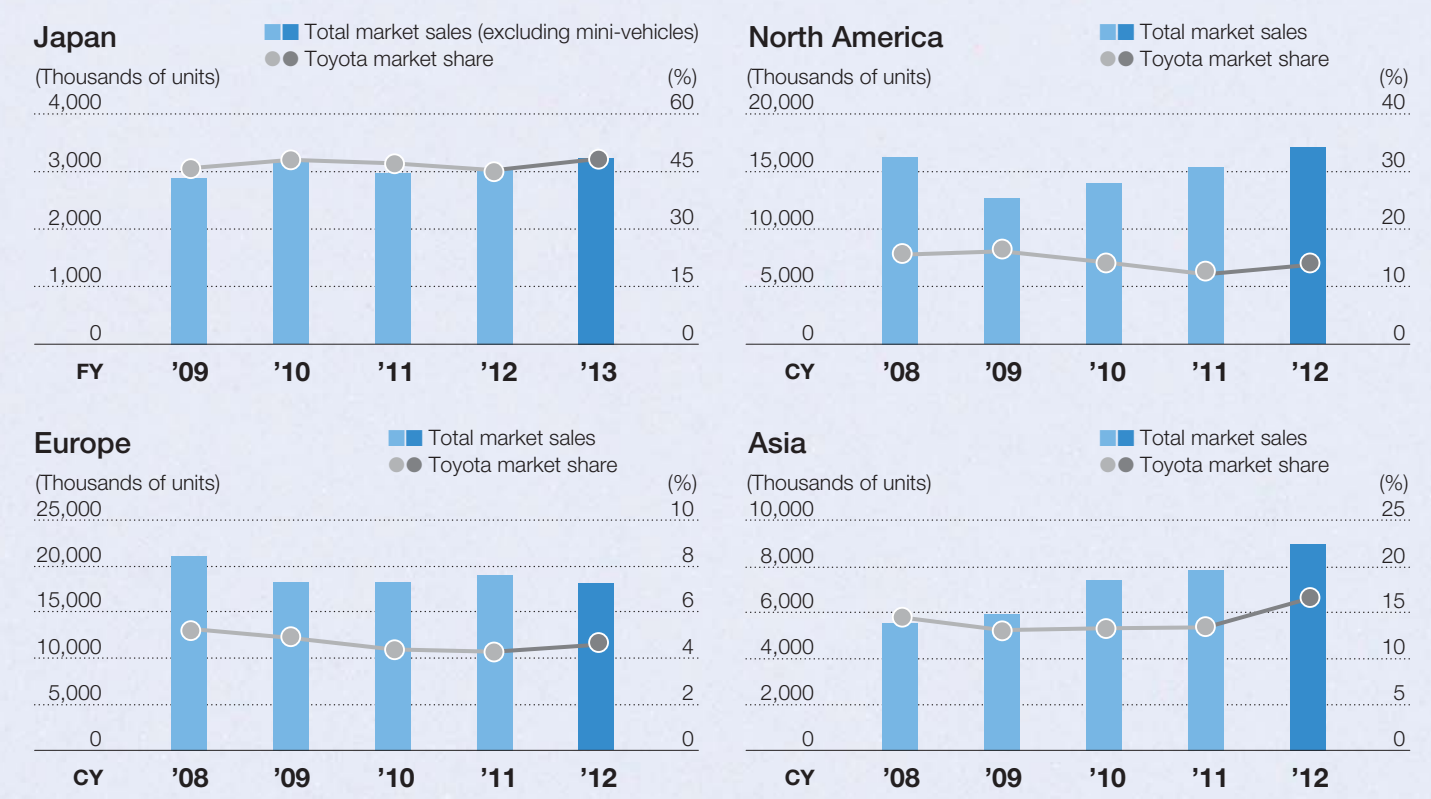
The fiscal year ended March 31, 2013 marked the 15th anniversary since the launch of the Prius, Toyota's initial foray into the hybrid market. During the fiscal year under review, the Company broke through the 1,000,000 barrier in annual global vehicle sales for hybrid cars with cumulative sales exceeding 5,000,000.

Source: Toyota Motor Corp.
 Note: Market definitions are as follows:
 Europe: Germany, France, the United Kingdom, Italy, Spain, the Netherlands, Belgium, Portugal, Denmark, Greece, Ireland, Sweden, Austria, Finland, Switzerland, Norway, Poland, Hungary, and the Czech Republic
 Asia: Indonesia, Thailand, the Philippines, Malaysia, Singapore, Vietnam, Taiwan, South Korea, and Brunei Darussalam
 Japan: Mini-vehicles excluded

Consolidated Vehicle Sales



Vehicle Sales by Principal Markets



For the years ended March 31	Millions of yen					% change 2013 vs. 2012
	2009	2010	2011	2012	2013	
Net Revenues by Region:						
Japan	¥12,186,737	¥11,220,303	¥10,986,246	¥11,167,319	¥12,821,018	+14.8
North America	6,222,914	5,670,526	5,429,136	4,751,886	6,284,425	+32.3
Europe	3,013,128	2,147,049	1,981,497	1,993,946	2,083,113	+4.5
Asia	2,719,329	2,655,327	3,374,534	3,334,274	4,385,476	+31.5
Other*	1,882,900	1,673,861	1,809,116	1,760,175	2,094,265	+19.0
Intersegment elimination/unallocated amount	(5,495,438)	(4,416,093)	(4,586,841)	(4,423,947)	(5,604,105)	—
Operating income (loss):						
Japan	¥(237,531)	¥(225,242)	¥(362,396)	¥(207,040)	¥576,335	—
North America	(390,192)	85,490	339,503	186,409	221,925	+19.1
Europe	(143,233)	(32,955)	13,148	17,796	26,462	+48.7
Asia	176,060	203,527	312,977	256,790	376,055	+46.4
Other*	87,648	115,574	160,129	108,814	133,744	+22.9
Intersegment elimination/unallocated amount	46,237	1,122	4,918	(7,142)	(13,633)	—

* Central and South America, Oceania, Africa and the Middle East, etc.

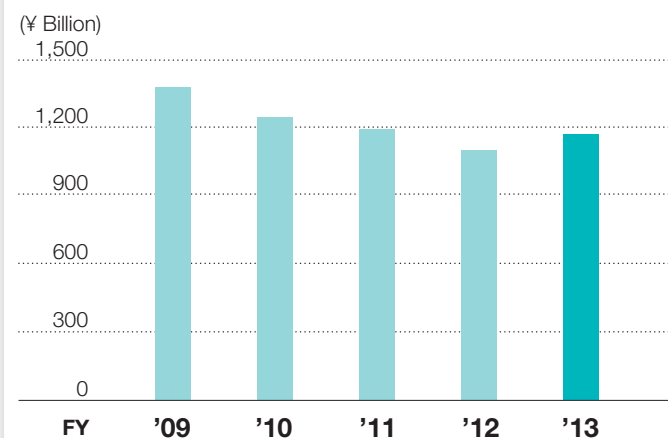


Financial Services Operations

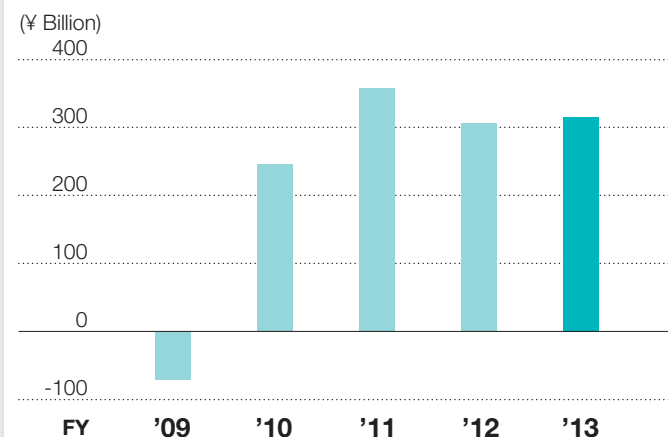
Toyota offers automotive financing and a variety of other financial services for total support of customer lifestyles.

In the fiscal year ended March 31, 2013, net revenues from financial service operations amounted to ¥1,170.6 billion, up ¥70.3 billion, or 6.4%, compared with the previous fiscal year. From a profit perspective, operating income climbed ¥9.3 billion, or 3.1%, year on year to ¥315.8 billion. This upswing in operating income was largely attributable to the increase in financing volume.

Net Revenues



Operating Income



Note: Fiscal years ended March 31

Toyota's financial services operations are primarily handled by Toyota Financial Services Corporation (TFS), which has overall control of financial services subsidiaries worldwide. TFS provides financial services primarily for vehicle purchases and leases to approximately 9.0 million customers in 34 countries and regions worldwide.

During the period under review, we continued with last year's efforts to strengthen regional strategies by enhancing our relationships with distributors through the provision of financial products and services meeting various national and regional customer characteristics.

TFS continued to broaden its connections with customers in Japan, responding to their needs by offering ready access to sound financial services such as credit cards and housing loans in addition to automotive financing.

Overseas, the Company took proactive steps to develop business in emerging markets. After establishing a local subsidiary in India in May 2011, operations commenced in earnest from June 2012. In the ensuing period, TFS has successfully

expanded its business in such major cities as Bangalore, Delhi, and Mumbai.

In such major markets as Europe and the United States, TFS aims to ensure stable earnings by working to secure margins and achieve thorough low-cost operations with consideration for vehicle sales support and the balancing of business risks.

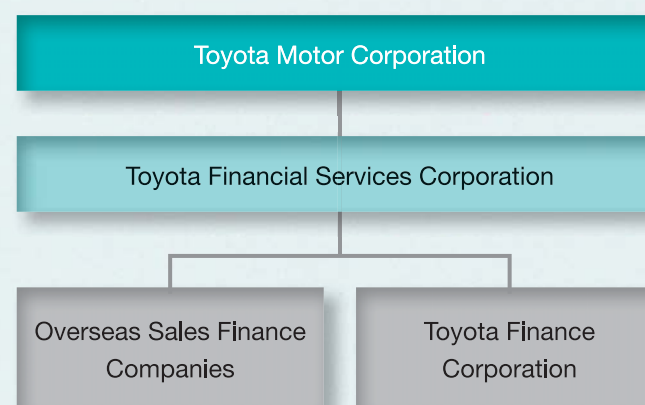
To respond to dramatic changes in the business environment, TFS will strengthen groupwide compliance and risk management structures while focusing on enhancements to its business platform, such as IT platform development and human resource cultivation in management.

Overview of Toyota's Financial Services Operations

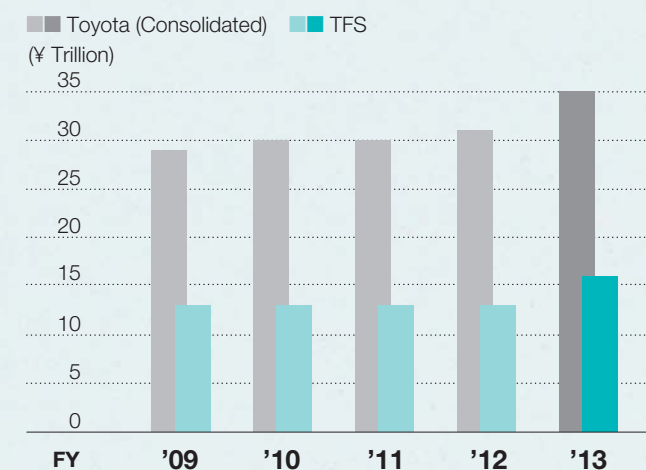
Total assets	¥16,231.4 billion
Net revenues	¥1,170.6 billion
Operating income	¥315.8 billion
Operating areas	34 countries and regions worldwide
Number of employees	approx. 9,000

(As of March 31, 2013)

Financial Services Operations Organization



Total Assets



Note: Fiscal years ended March 31



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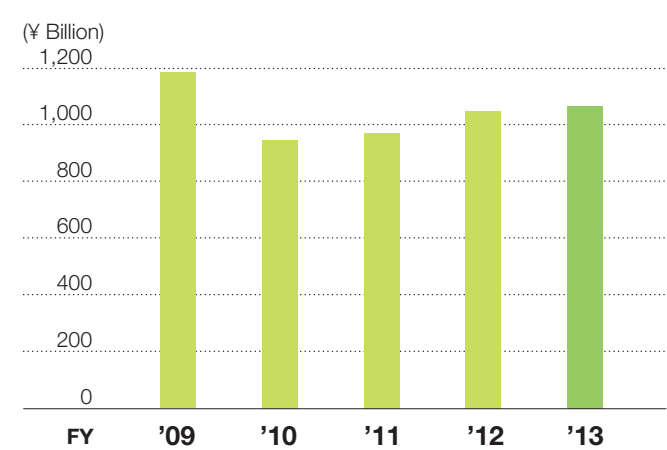
● Automotive Operations ● Financial Services Operations ● Non-Automotive Business Operations [1 of 3]

Non-Automotive Business Operations

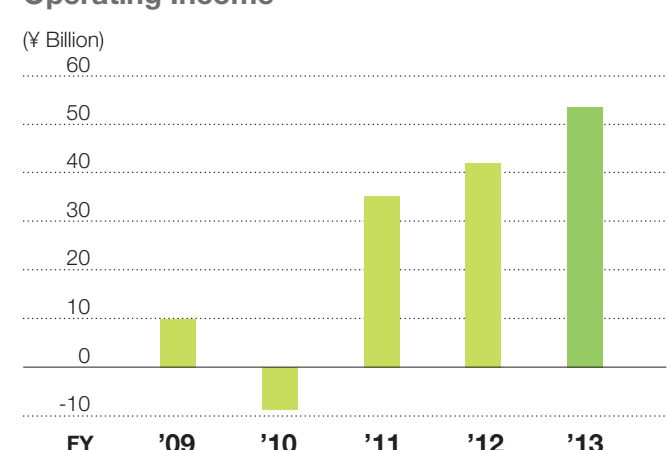
Non-automotive business operations include Intelligent Transport Systems (ITS), information technology and telecommunications, e-TOYOTA, housing, marine, and biotechnology and afforestation businesses. In each of these operations we are fostering a workplace culture that encourages creativity and entrepreneurship. Also, we are seeking ideas for new businesses outside the Toyota group of companies as another key aspect in the creation of future core businesses.

In the fiscal year under review, net revenues from non-automotive business operations were ¥1,066.4 billion, ¥17.5 billion, or 1.7%, higher than the previous fiscal year. Operating income also improved ¥11.5 billion, or 27.5%, year on year to ¥53.6 billion.

Net Revenues



Operating Income



Note: Fiscal years ended March 31



● Intelligent Transport Systems

Toyota is involved in the planning and development of products and services for Intelligent Transport Systems (ITS). We view this technology as a valuable way to link motor vehicles and transportation infrastructures, thereby contributing to sustainable economic development.

In 2009, we helped create a practical vehicle-infrastructure cooperative system for safe driving that prevents traffic accidents more effectively than current safety technologies. In conjunction with this, Toyota developed an onboard communications device, mainly for expressway use, compatible with the ITS Spot Service. Also, in 2011 Toyota commercialized the Driving Safety Support System (DSSS), an onboard navigation system for public highways. We will continue to increase the number of models equipped with this device.

Toyota is also engaging in R&D for vehicle infrastructure cooperative systems, such as actively participating in public and private sector field trials, so as to bring them into use as soon as possible.

[Read more](#)



● Information Technology and Telecommunications

Toyota dealers also serve as sales points for mobile phones and point-to-point telecommunications services provided by KDDI Corporation at more than 7,000 sales outlets (vehicle dealers, parts dealers, rental offices, and L&F offices) throughout Japan.

Toyota is has also been engaged in the promotion of functions and services that link cars and mobile phones, such as hands-free telephones and G-BOOK services, and in 2012 launched the eCONNECT for the new Prius PHV and the Toyota Friend service.

Toyota's information technology and telecommunications business will come to play an even more important role as we develop smart grids that link people, cars and homes.



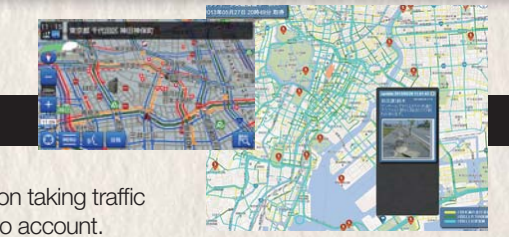
● e-TOYOTA

Toyota is developing e-TOYOTA business operations to facilitate the integration of IT services and automobiles. We designed and developed the GAZOO members-only automobile portal site, a three-dimensional virtual city called METAPOLIS and other services. In the field of telematics, we are developing G-BOOK/G-Link, an information service for onboard terminals, with other telematics services planned for China and other countries.

[Read more](#)

TOPICS

New "Big Data Traffic Information Service"



Toyota developed the "Big Data Traffic Information Service," a new kind of service utilizing big data that collects and stores traffic information via telematics services. Based on such data, traffic information, statistics, and other related information can be provided to local governments and businesses to aid traffic flow improvement, provide map information services, and assist disaster relief measures.

At the same time, Toyota upgraded its existing "smart G-BOOK" telematics service for smartphones to allow private users access to "Big Data Traffic Information Service" content. The upgraded service features full support for a range of mobility options, from driving to walking, and features "T-Probe" traffic information (available for the first time on systems other than official Toyota on-board navigation systems) that enables tailored

route calculation taking traffic congestion into account.

In disaster situations, information on roads that remain open as well as evacuation sites, shelters, and other facilities can be accessed at any time free of charge. Moving forward, Toyota is committed to providing increasingly convenient total life services by promoting the widespread use of its "Big Data Traffic Information Service" as well as such linked services as the new "smart G-BOOK." The Company is dedicated to building safe communities while supporting infrastructure that is resilient to disasters.

[Read more](#)



● Housing

Since Toyota entered the housing business in 1975, Toyota Housing Corporation has expanded to provide homes under the name Toyota Home, offering high durability and earthquake resistance, as well as excellent security, health and environmental features. Toyota Housing Corporation offers environment-friendly homes that conserve and create energy while having the durability to last for many years, and in November 2011, we began selling "smart houses," comfortable and economical homes that combine Toyota technologies to link homes and cars. At the same time, Toyota is engaging in leading-edge development in a variety of fields, such as the operational testing of smart grids.

Note: Effective October 1, 2010, all housing operation production and technical development functions were transferred from Toyota Motor Corporation to Toyota Housing Corporation.

▼ Read more



● Marine

Toyota manufactures and sells pleasure boats, marine engines and a variety of marine components. All products take full advantage of our engine technologies and other advanced technologies cultivated during years of automotive manufacturing. The PONAM-35, which was launched in September 2011, was voted Japan's 2011 Boat of the Year, and won the 2011 Good Design Award.

▼ Read more



● Biotechnology and Afforestation

Toyota is making every effort to contribute to the creation of a resource recycling society through our afforestation activities, as well as our horticultural, environmental greening and agricultural biomass operations.

Following previous afforestation and forestry development projects in Australia and the Philippines, we are engaging in a forest restoration model project in the town of Odaicho, located in Japan's Mie Prefecture. In our Greenification Business, to counteract the urban heat-island phenomenon we offer Smart Green Parking, which provides greening in parking areas, and Smart Green Wall for wall greening. We have established a sales subsidiary in China for this business. In our agricultural biomass operations, we added to our lineup of ResQ Series manure composting facility deodorizers.

▼ Read more



TOPICS

Promoting the Fun of Automobiles

Toyota is developing a range of activities to make cars more fun for dedicated motorsports fans as well as for a broader range of car enthusiasts.

Activities for dedicated motorsports fans



WEC



NASCAR



SUPER GT



SUPER FORMULA

In 2012, Toyota continued its ongoing involvement in the SUPER GT and SUPER FORMULA series in Japan as well as the NASCAR Nationwide Series of races in the United States. At the same time, the Company not only participated in the FIA World Endurance Championship for hybrid vehicles, it won several of the series' races. Toyota has thus had the opportunity to provide enjoyment and excitement to a great many people. In 2013, the Company will work diligently to provide even more opportunities for people to enjoy the world of racing.

Read more

Activities for car fans and enthusiasts

Aimed at broadening the appeal of car racing and fostering more car enthusiasts, Toyota is striving through GAZOO Racing* to make ever-better cars that satisfy drivers and promote the joy of cars in ways that transcend the role of a typical car manufacturer.

As a part of its unwavering commitment to making ever-better cars, every year Toyota participates in the ADAC 24h Rennen Nürburgring, a 24-hour endurance race in Germany. Employees take part both as drivers and mechanics. In addition to helping develop human resources well-versed in the making of cars, Toyota places considerable emphasis on promoting efforts aimed at commercializing models that deliver the fun of driving in the GRMN (GAZOO Racing tuned by MN) and G (G Sports) categories. Furthermore, in striving to promote the joy of

cars, the Company holds circuit driving programs throughout Japan to allow individuals with no racing experience to easily enjoy the thrills of circuit driving in a safe environment. The TOYOTAGAZOO Racing FESTIVAL is one initiative that strives to broaden opportunities in which car fans and enthusiasts can interact.

* A vehicle-development and motor-sports support program created by GAZOO for people to experience the fun of cars. GAZOO gives Toyota test drivers chances to race, and helps in our goal of making ever-better cars through vehicle development, while promoting the allure of cars through grassroots motor sports.

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R&D and Intellectual Property

Toyota R&D is dedicated to the development of attractive, affordable, high-quality products for customers worldwide. The intellectual property that R&D generates is a vital management resource that Toyota utilizes and protects to maximize its corporate value.

R&D Guiding Principles

- Providing clean and safe products and enhancing the quality of life of people everywhere through all our activities.
- Pursuing advanced technological development in a wide range of fields, we pledge to provide attractive products and services that respond to the needs of customers worldwide.

R&D Activities

The overriding goal of Toyota's technology and product development activities is to minimize the negative aspects of driving, such as traffic accidents and the burden that automobiles have on the environment, and maximize the positive aspects, such as driving pleasure, comfort, and convenience. By achieving these sometimes conflicting goals to a high degree, we want to open the door to the automobile society of the future.

To ensure efficient progress in R&D activities, we coordinate and integrate all phases, from basic research to forward-looking technology and product development. With respect to such basic research issues as energy, the environment, information technology, telecommunications, and materials, projects are regularly reviewed and evaluated in consultation with outside experts to achieve efficient R&D cost control.

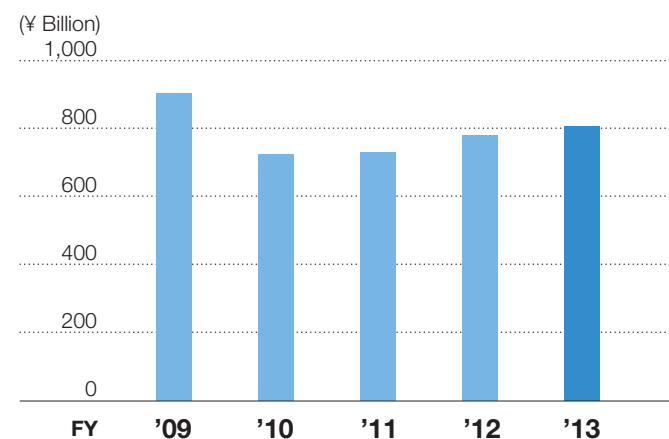
And with respect to forward-looking, leading-edge technology and product development, we establish cost-performance benchmarks on a project-by-project basis to ensure efficient development investment.

Basic research	Development theme discovery Research on basic vehicle-related technology Forward-looking and leading-edge technology development
Technological breakthroughs related to components and systems	Development of leading-edge components and systems ahead of competitors
Product development	Primary responsibility for new model development Development of all-new models and existing-model upgrades

R&D Expenditures

In fiscal 2013, R&D expenses totaled ¥807.4 billion, up 3.5% from the previous fiscal year, representing

R&D Expenses



3.7% of consolidated net revenues. We worked closely with suppliers to develop components and products more efficiently and took steps to reduce our own R&D expenses. At the same time, we plan to continue making substantial investments in R&D involving forward-looking, leading-edge technologies and the development of products associated with the environment, energy, and safety. These investments are essential to preserving our competitive edge in terms of technologies and products.

[Read more about "History of Technological Development"](#)

R&D Organization

Toyota operates a global R&D organization with the primary goal of building automobiles that precisely meet the needs of customers in every region of the world.

In Japan, R&D operations are led by Toyota Central Research & Development Laboratories, Inc., which works closely with Daihatsu Motor Co., Ltd., Hino Motors, Ltd., Toyota Auto Body Co., Ltd., Toyota Motor East Japan, Inc., and many other Toyota Group companies. Overseas, we have a worldwide network of technical centers as well as design and motorsports R&D centers.

Domestic and Overseas R&D Bases

Facility Name	Activities	Location
Japan		
Head Office Toyota Technical Center	Product Planning, Design, Vehicle Engineering and Evaluation	Toyota City, Aichi Prefecture
Higashi-Fuji Technical Center	Advanced Engineering	Susono City, Shizuoka Prefecture
Tokyo Design Research & Laboratory	Research of Advanced Styling Designs	Hachioji City, Tokyo
Shibetsu Proving Ground	Vehicle Testing and Evaluation	Shibetsu City, Hokkaido
Toyota Central Research & Development Laboratories, Inc.	Basic Research	Nagakute City, Aichi Prefecture



Facility Name	Activities	Location
USA		
Toyota Motor Engineering & Manufacturing North America, Inc.	Product Planning, Vehicle Engineering and Evaluation, Basic Research	Michigan, California, Arizona, Washington DC
Calty Design Research, Inc.	Design	Newport Beach, California Ann Arbor, Michigan



Toyota Motor Engineering & Manufacturing North America, Inc. Calty Design Research, Inc.



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R&D and Intellectual Property

Facility Name	Activities	Location
Europe		
Toyota Motor Europe NV/SA	Vehicle Engineering and Evaluation	Brussels, Belgium; Derby, U.K.
Toyota Europe Design Development	Design	Nice, France
Toyota Motorsport GmbH (TMG)	Development for Motorsport Vehicles, Advanced Engineering	Cologne, Germany



Toyota Motor Europe NV/SA



Toyota Europe Design Development



Toyota Motorsport GmbH (TMG)

Facility Name	Activities	Location
China		
Toyota Motor Engineering and Manufacturing (China) Co., Ltd.	Basic Research, Technical Research and Vehicle Evaluation	Jiangsu
Tianjin FAW Toyota Motor Co., Ltd. FAW Toyota R&D Center	Vehicle Engineering and Evaluation	Tianjin
GAC Toyota Motor Co., Ltd. R&D Center	Vehicle Engineering and Evaluation	Guangdong



Toyota Motor Engineering and Manufacturing (China) Co., Ltd.



FAW Toyota Research & Development Co., Ltd.



GAC Toyota Motor Co., Ltd. R&D Center

Facility Name	Activities	Location
Asia Pacific		
Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.	Vehicle Engineering and Evaluation	Samutprakarn Province, Thailand
Toyota Technical Center Asia Pacific Australia Pty., Ltd.	Vehicle Engineering and Evaluation	Melbourne, Australia



Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.



Toyota Technical Center Asia Pacific Australia Pty., Ltd.

See Domestic and Overseas R&D Bases

Intellectual Property

Intellectual Property Guiding Principle

- **Securing greater corporate flexibility and maximizing corporate value through the appropriate acquisition and utilization of intellectual property.**

Intellectual Property Activities

Toyota's competitiveness springs from the forward-looking R&D stance that is instrumental to core strengths associated with products and technologies. Underlying each new product that emerges from R&D, there are always intellectual properties such as inventions and expertise that we value as important management resources.

Intellectual Property Systems

R&D and intellectual property activities are organizationally linked to enable us to focus on selected development themes and build a strong patent portfolio. We have established an Intellectual Property Committee made up of individuals involved with management, R&D, and intellectual property. This committee acquires and utilizes important intellectual property that contributes to business operations and helps determine policies for management risks associated with intellectual property.

Intellectual Property Strategies

Toyota carefully analyzes patents and the need for patents in each area of research to formulate more effective R&D strategies. We identify R&D projects in which Toyota should acquire patents, and file relevant applications as necessary to help build a strong global patent portfolio. In addition, we want to contribute to sustainable mobility by promoting the spread of technologies with environmental and safety benefits. This is why we take an open stance to patent licensing and grant licenses when appropriate terms are met. A good example of this policy is the licensing to other companies of patents in the area of hybrid technology, which is one of our core technologies involving environmental energy.



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R&D and Intellectual Property Corporate Philosophy Corporate Governance Management Team Risk Factors

Corporate Philosophy

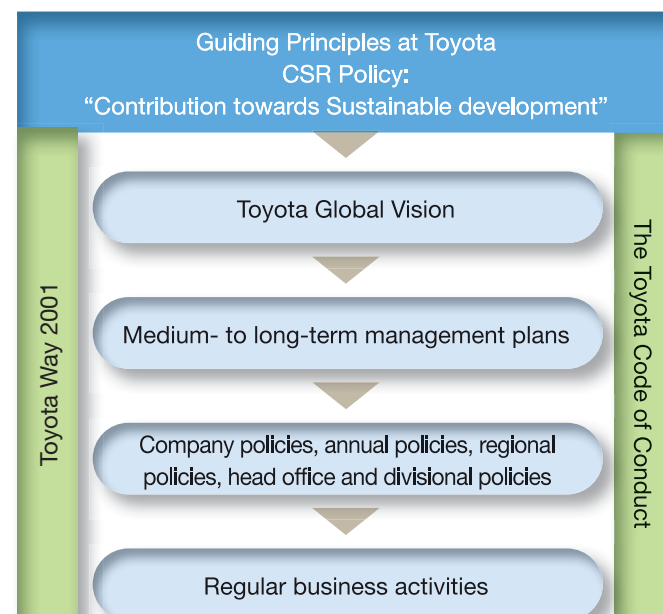
Seeking Harmony between People, Society and the Global Environment, and Sustainable Development of Society through Manufacturing

Since its foundation, Toyota has continuously strived to contribute to the sustainable development of society through the manufacturing and provision of innovative, high-quality products and services that lead the times. The automobile is a wonderful machine that provides freedom of movement. Nevertheless, automobiles have an impact on the environment and society. This is something we at Toyota always keep in mind, and we try to create harmony among people, societies and the environment by listening to what our customers and local communities have to say. Our operations are aimed at creating a sustainable society through *monozukuri* (conscientious manufacturing). Toyota develops and produces environment-friendly vehicles such as hybrid vehicles, and we also offer superior accident prevention and collision safety features. In addition, Toyota is involved in new businesses, such as biotech, afforestation and renewable

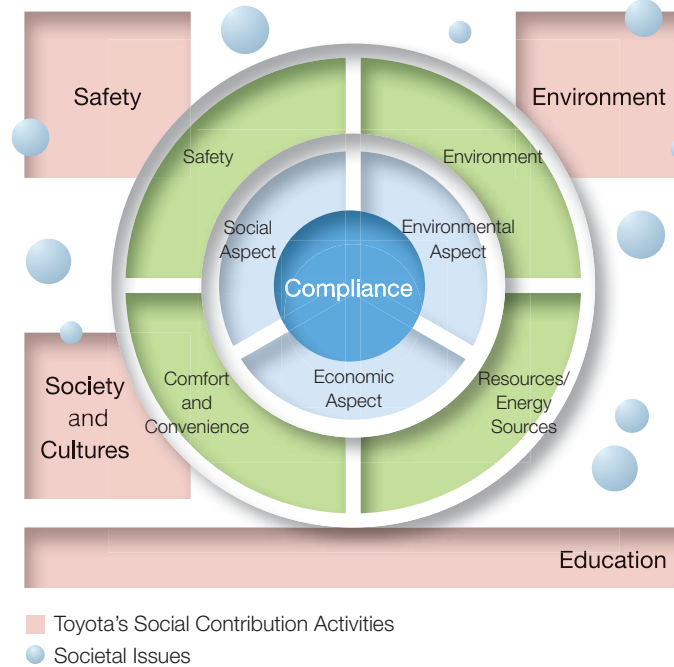
energy. The pillars of our social contribution are “environment,” “traffic safety,” and “human resources development.” Toyota seeks to be of value to communities and to society through our main lines of business, and to bring smiles to people’s faces. Toyota’s basic Corporate Social Responsibility (CSR) policy is to contribute to the sustainable development of society. This phrase embodies the spirit of the Toyota Guiding Principles, and clarifies our CSR stance for our stakeholders, both within and outside the company. Toyota subsidiaries and suppliers share this CSR policy, and we expect them to adhere to the spirit of the policy in their operations.

Toyota also participated in the formulation of the Charter of Corporate Behavior of the Nippon Keidanren (Japan Business Federation), which is an alliance of Japanese leading corporations, and observes the standards outlined therein.

Positioning of the CSR Policy



Overview of Toyota's CSR Activities



The Spirit of the Toyoda Precepts, Passed down since Toyota's Founding

The Toyoda Precepts represent the essential philosophy of the founder of the Toyota group of companies, Sakichi Toyoda, and are a source of spiritual support for Toyota employees.

The Toyoda Precepts

- Always be faithful to your duties, thereby contributing to the company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for spiritual matters, and remember to be grateful at all times.

Toyota Guiding Principles

The Toyota Guiding Principles (adopted in 1992 and revised in 1997) reflect the kind of company that Toyota seeks to be in light of the unique management philosophy, values, and methods that it has embraced since its foundation. Toyota, along with its consolidated subsidiaries, seeks to contribute to the continuous development of human society and of the planet through its businesses based on understanding and sharing the Toyota Guiding Principles.

1. Honor the language and spirit of the law of every nation and undertake open and fair business activities to be a good corporate citizen of the world.
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in their respective communities.
3. Dedicate our business to providing clean and safe products and to enhancing the quality of life everywhere through all of our activities.
4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
5. Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honoring mutual trust and respect between labor and management.
6. Pursue growth through harmony with the global community via innovative management.
7. Work with business partners in research and manufacture to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

Read more

Corporate Governance

Toyota's Basic Policy on Corporate Governance

Toyota has positioned the stable long-term growth of corporate value as a top-priority management issue. We believe that in carrying this out, it is essential that we achieve long-term and stable growth by building positive relationships with all stakeholders, including shareholders and customers as well as business partners, local communities, and employees, and by supplying products that will satisfy our customers. This position is reflected in the "Guiding Principles at Toyota," which is a statement of Toyota's fundamental business policies. Also, Toyota adopted and presented the CSR Policy "Contribution towards Sustainable Development," an interpretation of the "Guiding Principles at Toyota" that organizes the relationships with its stakeholders. We are working to enhance corporate governance through a variety of measures designed to further increase our competitiveness as a global company.

We believe it is important to put in place a system that enables customer opinions and on-site information to be swiftly communicated to management in order to make a prompt management decision, and enables us to review whether such management decisions are accepted by our customers and society. We believe that our current system, involving the supervision and auditing of the execution of business by our Board of Directors (including Outside Directors) and Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members), is the most appropriate system for us.

Corporate Governance System

In March 2011, Toyota announced the "Toyota Global Vision" and commenced "Visionary Management." This is based on values that have guided Toyota since its founding, such as the "Guiding Principles at Toyota" and the "Toyota Way," which aim to exceed customer expectations by the development of ever-better cars and enriching the lives of societies, and to be rewarded with a smile that ultimately leads to a stable base of business.

Toyota's current management structure is based on the structure introduced in April 2011. In order to fulfill the Toyota Global Vision, Toyota reduced the Board of Directors and decision-making layers, and has endeavored to swiftly communicate the views of customers and information from operations on-ground to management and facilitate rapid management decision making.

In April 2013, Toyota made organizational changes with the aim of further increasing the speed of decision making by clarifying responsibilities for operations and earnings, specifically by dividing the automotive business into the following four units—Lexus International (Lexus business); Toyota No. 1 (North America, Europe and Japan); Toyota No. 2 (China, Asia & the Middle East, East Asia & Oceania; Africa, Latin America & the Caribbean); and Unit Center (engine, transmission, and other "unit"-related operations)—and an Executive Vice President was put in charge of the operations of each unit in order to realize organizational change that supports operations and earnings responsibility.

Additionally, in order to achieve sustainable growth through the continuous development of even-better cars that exceed customer expectations around the world, and realize the Toyota Global Vision, the TNGA Planning Division, an organization directly under Toyota's top management, was established in order to rapidly promote the implementation of the "Toyota New Global Architecture (TNGA)."

Management Transparency

With respect to our system regarding directors, we believe that it is important to elect individuals that comprehend and engage in our strengths, including commitment to manufacturing, with an emphasis on front-line operations and problem solving based on the actual on-site situation (*genchi genbutsu*). At the 109th Ordinary General Shareholders' Meeting held in June 2013, three Outside Directors were appointed in order to further reflect the opinions of those from outside the Company in management's decision-making process. While Toyota currently does not have its own standard or policy on independence in appointing Outside Directors, the Company believes that such appointments are appropriate since various rules on independence, such as stock exchange regulations, are used as references in making such appointments. We believe our Outside Directors will advise us in our management decision-making process based on their broad experience and insight in their respective fields of expertise.

Toyota has an "International Advisory Board" consisting of advisors from each region overseas, and, as appropriate, receives advice on a wide range of management issues from a global perspective. In addition, the Company has a wide variety of conferences and committees for deliberations and the monitoring of management and corporate activities that reflect the views of various stakeholders, including the "Labor-Management Council, the Joint Labor-Management Round Table Conference," and the "Toyota Environment Committee." In order to manage and implement important activities for fulfilling social responsibilities, TMC has established the "CSR Committee," at the core consisting of directors at the executive vice president level and above as well as representatives of the Audit & Supervisory Board.



Corporate Governance

Compliance

The CSR Committee reviews important issues relating to corporate ethics, legal compliance, risk management, and social contribution and also develops action plans concerning these issues. In addition, Toyota has created a number of facilities for employees to make inquiries concerning compliance matters, including the Compliance Hotline, which enables them to consult with an outside attorney, and takes measures to ensure that Toyota is aware of significant information concerning legal compliance as quickly as possible. Toyota will continue to promote the "Toyota Code of Conduct" which is a guideline for the behavior and conduct of employees of Toyota and its consolidated subsidiaries (together "Toyota") all around the world. Toyota will work to advance corporate ethics through training and education at all levels and in all departments.

Toyota has adopted an auditor system. Seven Audit & Supervisory Board Members (including four Outside Audit & Supervisory Board Members) play a role in Toyota's corporate governance efforts by undertaking audits in accordance with the audit policies and plans determined by the Audit & Supervisory Board. In addition, Toyota has secured the personnel and framework supporting the audit by Audit & Supervisory Board Members. The Outside Audit & Supervisory Board Members advise Toyota from a fair and neutral perspective, based on their broad experience and insight in their respective fields of expertise. While

[Read more](#)

Toyota currently does not have its own standard or policy on independence in appointing Outside Audit & Supervisory Board Members, the Company believes that such appointments are appropriate since various rules on independence, such as stock exchange regulations, are used as references in making such appointments. The state of internal controls and internal audits are reported to Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) through the Audit & Supervisory Board and the "CSR Committee," and the status of accounting audits is reported by independent External Auditors to the Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) through the Audit & Supervisory Board. To enhance the system for internal audits, a specialized organization made independent of direct control by the management evaluates the effectiveness of the system to secure the appropriateness of documents regarding financial calculation and other information in accordance with Section 404 of the U.S. Sarbanes-Oxley Act and Article 24-4-4 (1) of the Financial Instruments and Exchange Law of Japan. In order to enhance the reliability of the financial reporting of Toyota, the three auditing functions—audit by Audit & Supervisory Board Members, internal audit, and accounting audit by Independent External Auditors—aid in conducting an effective and efficient audit through meetings held periodically and as necessary to share information and come to understanding through discussion on audit plans and results.

Accountability

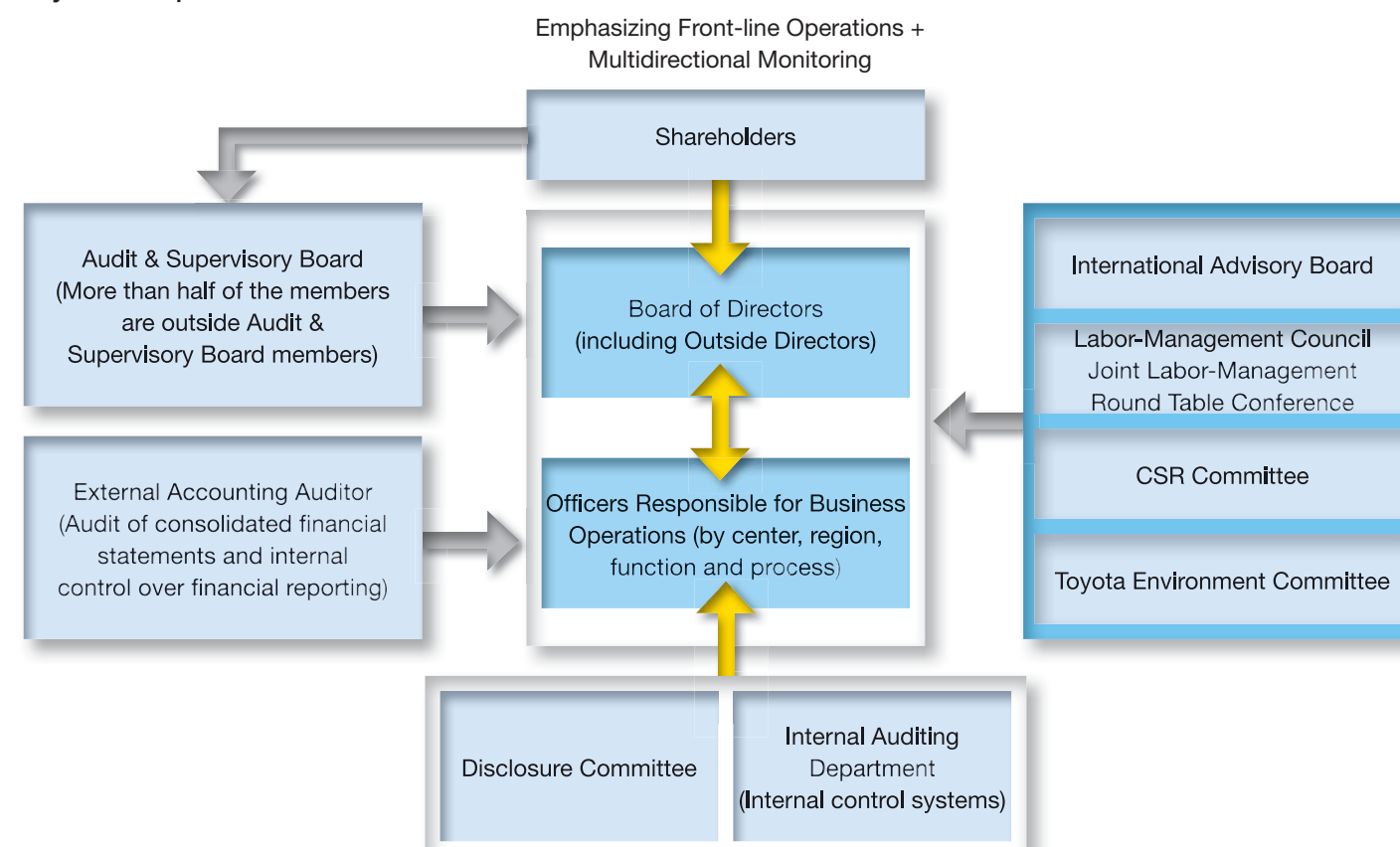
Toyota has engaged in timely and fair disclosure of corporate and financial information as stated in the CSR Policy "Contribution towards Sustainable Development." In order to ensure the accurate, fair, and timely disclosure of information, Toyota has established the Disclosure Committee chaired by an officer of the Accounting Division. The Committee holds regular meetings for the purpose of preparing, reporting, and assessing its annual securities report, quarterly report under the Financial Instruments and Exchange Law of Japan, and Form 20-F under the U.S. Securities Exchange Act, and also holds

extraordinary committee meetings from time to time whenever necessary.

Basic Policy Regarding the System to Secure the Appropriateness of Business

Toyota, together with its subsidiaries, has created and maintained a sound corporate climate based on the "Guiding Principles at Toyota" and the "Toyota Code of Conduct." Toyota integrates the principles of problem identification and continuous improvement into its business operation process and makes continuous efforts to train employees who will put these principles into practice.

Toyota's Corporate Governance



Management Team (As of June 14, 2013)

Board of Directors

Chairman of the Board



Takeshi Uchiyamada

'69 Joined Toyota Motor Corporation ("TMC")
'98 Director
'01 Managing Director
'03 Senior Managing Director
'05 Executive Vice President
'12 Vice Chairman

President, Member of the Board



Akio Toyoda

'84 Joined TMC
'00 Director
'02 Managing Director
'03 Senior Managing Director
'05 Executive Vice President
'09 President

Executive Vice President, Member of the Board



Satoshi Ozawa

'74 Joined Toyota Motor Sales Co., Ltd.
'03 Managing Officer
'07 Senior Managing Director
'10 Executive Vice President



Nobuyori Kodaira

'72 Joined Ministry of International Trade and Industry
'04 Director-General, Agency for Natural Resources and Energy
'06 Retired from the same
'08 Advisor to TMC
'09 Managing Officer
'10 Senior Managing Director
'11 Director and Senior Managing Officer
'12 Executive Vice President

Executive Vice President, Member of the Board



Mitsuhsa Kato

'75 Joined TMC
'04 Managing Officer
'06 Advisor
'10 Senior Managing Director
'11 Senior Managing Officer
'12 Executive Vice President



Masamoto Maekawa

'73 Joined Toyota Motor Sales Co., Ltd.
'03 Managing Officer of TMC
'07 President of Toyota Administration Corporation
'07 Advisor to TMC
'09 Senior Managing Director
'11 Senior Managing Officer
'12 Executive Vice President



Yasumori Ihara

'75 Joined Toyota Motor Sales Co., Ltd.
'04 Managing Officer
'07 Advisor
'09 Senior Managing Director
'11 Director and Senior Managing Officer



Seiichi Sudo

'74 Joined TMC
'03 Managing Officer
'08 Advisor
'12 Senior Managing Officer

Member of the Board



Mamoru Furuhashi

'73 Joined TMC
'03 Managing Officer
'07 Senior Managing Director
'11 Director and Senior Managing Officer



Kiyotaka Ise

'80 Joined TMC
'07 Managing Officer
'13 Senior Managing Officer



Koei Saga

'77 Joined TMC
'08 Managing Officer
'12 Senior Managing Officer



Shigeki Terashi

'80 Joined TMC
'08 Managing Officer
'13 Senior Managing Officer

Member of the Board



Yoshimasa Ishii

'76 Joined Toyota Motor Sales Co., Ltd.
'05 Managing Officer of TMC
'09 Senior Managing Director
'11 Senior Managing Officer



Ikuo Uno*

'59 Joined Nippon Life Insurance Company
'97 President and Representative Director of the same
'05 Chairman and Representative Director of the same
'11 Advisor to the same

Member of the Board



Haruhiko Kato*

'75 Joined Ministry of Finance (Japan)
'09 Director-General of National Tax Administration Agency
'11 President and CEO of Japan Securities Depository Center, Inc.

Member of the Board



Mark. T. Hogan*

'73 Joined General Motors Corporation
'02 Vice President of General Motors Group
'04 President of Magna International Inc.
'08 President and CEO of The Vehicle Production Group LLC
'10 President of Dewey Investments LLC



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Management Team (As of June 14, 2013)

Outside Audit & Supervisory Board Members

Full-Time Audit & Supervisory Board Member



Yoichiro Ichimaru

'71 Joined Toyota Motor Sales Co., Ltd.
'01 Director of TMC
'03 Managing Officer
'05 Senior Managing Director
'09 Executive Vice President
'11 Audit & Supervisory Board Member



Masaki Nakatsugawa

'76 Joined Toyota Motor Sales Co., Ltd.
'06 Audit & Supervisory Board Member
of TMC



Masahiro Kato

'75 Joined TMC
'09 Managing Officer
'11 Audit & Supervisory Board Member

Outside Audit & Supervisory Board Member



Yoichi Morishita

'57 Joined Matsushita Electric Industrial
Co., Ltd.
'93 President of the same
'00 Chairman of the same
'06 Outside Audit & Supervisory Board
Member of TMC
'06 Executive Advisor to Matsushita
Electric Industrial Co., Ltd.
'12 Special Corporate Advisor to
Panasonic Corporation



Akishige Okada

'63 Joined Mitsui Bank, Ltd.
'97 President of Sakura Bank, Ltd.
'01 Chairman of Sumitomo Mitsui Banking
Corporation
'02 Chairman of Sumitomo Mitsui Financial
Group Inc.
'05 Special Advisor to Sumitomo Mitsui
Banking Corporation
'06 Outside Audit & Supervisory Board
Member of TMC
'10 Honorary Advisor to Sumitomo Mitsui
Banking Corporation



Kunihiko Matsuo

'68 Prosecutor of Tokyo District Public
Prosecutors Office
'04 Prosecutor General of Supreme Public
Prosecutors Office
'06 Registered as attorney
'07 Outside Audit & Supervisory Board
Member of TMC



Yoko Wake

'70 Joined The Fuji Bank, Limited
'93 Professor of Faculty of Business and
Commerce of Keio University
'11 Outside Audit & Supervisory Board
Member of TMC

Risk Factors

Operational and other risks faced by Toyota that could significantly influence the decisions of investors are set out below. However, the following does not encompass all risks related to the operations of Toyota. There are risk factors other than those given below. Any such risk factors could influence the decisions of investors. The forward-looking statements included below are based on information available as of June 24, 2013, the filing date of Form 20-F.

Industry and Business Risks

The worldwide automotive market is highly competitive.

The worldwide automotive market is highly competitive. Toyota faces intense competition from automotive manufacturers in the markets in which it operates. Although the global economy is gradually recovering, competition in the automotive industry has further intensified amidst difficult overall market conditions. In addition, competition is likely to further intensify in light of further continuing globalization in the worldwide automotive industry, possibly resulting in further industry reorganization. Factors affecting competition include product quality and features, safety, reliability,

fuel economy, the amount of time required for innovation and development, pricing, customer service and financing terms. Increased competition may lead to lower vehicle unit sales, which may result in a further downward price pressure and adversely affect Toyota's financial condition and results of operations. Toyota's ability to adequately respond to the recent rapid changes in the automotive market and to maintain its competitiveness will be fundamental to its future success in existing and new markets and to maintain its market share. There can be no assurances that Toyota will be able to compete successfully in the future.

The worldwide automotive industry is highly volatile.

Each of the markets in which Toyota competes has been subject to considerable volatility in demand. Demand for vehicles depends to a large extent on social, political and economic conditions in a given market and the introduction of new vehicles and technologies. As Toyota's revenues are derived from sales in markets worldwide, economic conditions in such markets are particularly important to Toyota. In Japan, while there continues to be some signs of weakness, the economic environment is gradually recovering. In the United States, economic conditions are moderately recovering due to factors such as increased

consumer spending. However, in Europe, the economic environment continues to remain stagnant due to the ongoing sovereign debt crisis, and the rate of economic growth is slowing down in emerging economies. Such shifts in demand for automobiles is continuing, and it is unclear how this situation will transition in the future. Toyota's financial condition and results of operations may be adversely affected if the shifts in demand for automobiles continues or progresses further. Demand may also be affected by factors directly impacting vehicle price or the cost of purchasing and operating vehicles such as sales and financing incentives, prices of raw materials and parts and components, cost of fuel and governmental regulations (including tariffs, import regulation and other taxes). Volatility in demand may lead to lower vehicle unit sales, which may result in downward price pressure and adversely affect Toyota's financial condition and results of operations.

Toyota's future success depends on its ability to offer new innovative competitively priced products that meet customer demand on a timely basis.

Meeting customer demand by introducing attractive new vehicles and reducing the amount of time required for product development are critical to automotive manufacturers. In particular, it is critical to meet

customer demand with respect to quality, safety and reliability. The timely introduction of new vehicle models, at competitive prices, meeting rapidly changing customer preferences and demand is more fundamental to Toyota's success than ever, as the automotive market is rapidly transforming in light of the changing global economy. There is no assurance, however, that Toyota will adequately and appropriately respond to changing customer preferences and demand with respect to quality, safety, reliability, styling and other features in a timely manner. Even if Toyota succeeds in perceiving customer preferences and demand, there is no assurance that Toyota will be capable of developing and manufacturing new, price competitive products in a timely manner with its available technology, intellectual property, sources of raw materials and parts and components, and production capacity, including cost reduction capacity. Further, there is no assurance that Toyota will be able to implement capital expenditures at the level and times planned by management. Toyota's inability to develop and offer products that meet customers' preferences and demand with respect to quality, safety, reliability, styling and other features in a timely manner could result in a lower market share and reduced sales volumes and margins, and may adversely affect Toyota's financial condition and results of operations.

Risk Factors

Toyota's ability to market and distribute effectively is an integral part of Toyota's successful sales.

Toyota's success in the sale of vehicles depends on its ability to market and distribute effectively based on distribution networks and sales techniques tailored to the needs of its customers. There is no assurance that Toyota will be able to develop sales techniques and distribution networks that effectively adapt to changing customer preferences or changes in the regulatory environment in the major markets in which it operates. Toyota's inability to maintain well-developed sales techniques and distribution networks may result in decreased sales and market share and may adversely affect its financial condition and results of operations.

Toyota's success is significantly impacted by its ability to maintain and develop its brand image.

In the highly competitive automotive industry, it is critical to maintain and develop a brand image. In order to maintain and develop a brand image, it is necessary to further increase customers' confidence by providing safe, high-quality products that meet customer preferences and demand. If Toyota is unable to effectively maintain and develop its brand image as a result of its inability to provide safe, high-quality products or as a result of the failure to promptly implement safety measures such as recalls when necessary, vehicle unit sales and/or sale prices may decrease, and as a result revenues and profits may not increase as expected or

may decrease, adversely affecting its financial condition and results of operations.

Toyota relies on suppliers for the provision of certain supplies including parts, components and raw materials.

Toyota purchases supplies including parts, components and raw materials from a number of external suppliers located around the world. For some supplies, Toyota relies on a single supplier or a limited number of suppliers, whose replacement with another supplier may be difficult. Inability to obtain supplies from a single or limited source supplier may result in difficulty obtaining supplies and may restrict Toyota's ability to produce vehicles. Furthermore, even if Toyota were to rely on a large number of suppliers, first-tier suppliers with whom Toyota directly transacts may in turn rely on a single second-tier supplier or limited second-tier suppliers. Toyota's ability to continue to obtain supplies from its suppliers in a timely and cost-effective manner is subject to a number of factors, some of which are not within Toyota's control. These factors include the ability of Toyota's suppliers to provide a continued source of supply, and Toyota's ability to effectively compete and obtain competitive prices from suppliers. A loss of any single or limited source supplier or inability to obtain supplies from suppliers in a timely and cost-effective manner could lead to increased costs or delays or suspensions in

Toyota's production and deliveries, which could have an adverse effect on Toyota's financial condition and results of operations.

The worldwide financial services industry is highly competitive.

The worldwide financial services industry is highly competitive. Increased competition in automobile financing may lead to decreased margins. A decline in Toyota's vehicle unit sales, an increase in residual value risk due to lower used vehicle price, an increase in the ratio of credit losses and increased funding costs are factors which may impact Toyota's financial services operations. If Toyota is unable to adequately respond to the changes and competition in automobile financing, Toyota's financial services operations may adversely affect its financial condition and results of operations.

Toyota's operations and vehicles rely on various digital and information technologies.

Toyota depends on various information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, including sensitive data, and to manage or support a variety of business processes and activities, including manufacturing, research and development, supply chain management, sales and accounting. In addition, Toyota's vehicles may rely on

various digital and information technologies, including information service and driving assistance functions. Despite security measures, Toyota's digital and information technology networks and systems may be vulnerable to damage, disruptions or shutdowns due to attacks by hackers, computer viruses, breaches due to unauthorized use, errors or malfeasance by employees and others who have or gain access to the networks and systems Toyota depends on, service failures or bankruptcy of third parties such as software development or cloud computing vendors, power shortages and outages, and utility failures or other catastrophic events like natural disasters. Such incidents could materially disrupt critical operations, disclose sensitive data, interfere with information services and driving assistance functions in Toyota's vehicles, and/or give rise to legal claims or proceedings, liability or regulatory penalties under applicable laws, which could have an adverse effect on Toyota's brand image and its financial condition and results of operations.

Financial Market and Economic Risks

Toyota's operations are subject to currency and interest rate fluctuations.

Toyota is sensitive to fluctuations in foreign currency exchange rates and is principally exposed to fluctuations in the value of the Japanese yen, the U.S. dollar

Risk Factors

and the euro and, to a lesser extent, the Australian dollar, the Russian ruble, the Canadian dollar and the British pound. Toyota's consolidated financial statements, which are presented in Japanese yen, are affected by foreign currency exchange fluctuations through translation risk, and changes in foreign currency exchange rates may also affect the price of products sold and materials purchased by Toyota in foreign currencies through transaction risk. In particular, strengthening of the Japanese yen against the U.S. dollar can have an adverse effect on Toyota's operating results.

Toyota believes that its use of certain derivative financial instruments including foreign exchange forward contracts and interest rate swaps and increased localized production of its products have reduced, but not eliminated, the effects of interest rate and foreign currency exchange rate fluctuations. Nonetheless, a negative impact resulting from fluctuations in foreign currency exchange rates and changes in interest rates may adversely affect Toyota's financial condition and results of operations.

High prices of raw materials and strong pressure on Toyota's suppliers could negatively impact Toyota's profitability.

Increases in prices for raw materials that Toyota and Toyota's suppliers use in manufacturing their products or parts and components such as steel, precious

metals, non-ferrous alloys including aluminum, and plastic parts, may lead to higher production costs for parts and components. This could, in turn, negatively impact Toyota's future profitability because Toyota may not be able to pass all those costs on to its customers or require its suppliers to absorb such costs.

The downturn in the financial markets could adversely affect Toyota's ability to raise capital.

Should the world economy suddenly deteriorate, a number of financial institutions and investors will face difficulties in providing capital to the financial markets at levels corresponding to their own financial capacity, and, as a result, there is a risk that companies may not be able to raise capital under terms that they would expect to receive with their creditworthiness. If Toyota is unable to raise the necessary capital under appropriate conditions on a timely basis, Toyota's financial condition and results of operations may be adversely affected.

Political, Regulatory, Legal and Other Risks

The automotive industry is subject to various governmental regulations.

The worldwide automotive industry is subject to various laws and governmental regulations including those related to vehicle safety and environmental matters such as emission levels, fuel economy, noise and pollution. In particular, automotive manufacturers

such as Toyota are required to implement safety measures such as recalls for vehicles that do not or may not comply with the safety standards of laws and governmental regulations. In addition, Toyota may, in order to reassure its customers of the safety of Toyota's vehicles, decide to voluntarily implement recalls or other safety measures even if the vehicle complies with the safety standards of relevant laws and governmental regulations. Many governments also impose tariffs and other trade barriers, taxes and levies, or enact price or exchange controls. Toyota has incurred, and expects to incur in the future, significant costs in complying with these regulations. If Toyota launches products that result in safety measures such as recalls, Toyota may incur various costs including significant costs for free repairs. Furthermore, new legislation or changes in existing legislation may also subject Toyota to additional expenses in the future. If Toyota incurs significant costs related to implementing safety measures or meeting laws and governmental regulations, Toyota's financial condition and results of operations may be adversely affected.

Toyota may become subject to various legal proceedings.

As an automotive manufacturer, Toyota may become subject to legal proceedings in respect of various issues, including product liability and infringement of intellectual property. Toyota may also be subject to

legal proceedings brought by its shareholders and governmental proceedings and investigations. Toyota is in fact currently subject to a number of pending legal proceedings and government investigations. A negative outcome in one or more of these pending legal proceedings could adversely affect Toyota's financial condition and results of operations.

Toyota may be adversely affected by natural calamities, political and economic instability, fuel shortages or interruptions in social infrastructure, wars, terrorism and labor strikes.

Toyota is subject to various risks associated with conducting business worldwide. These risks include natural calamities; political and economic instability; fuel shortages; interruption in social infrastructure including energy supply, transportation systems, gas, water, or communication systems resulting from natural hazards or technological hazards; wars; terrorism; labor strikes; and work stoppages. Should the major markets in which Toyota purchases materials, parts and components and supplies for the manufacture of Toyota products or in which Toyota's products are produced, distributed or sold be affected by any of these events, it may result in disruptions and delays in the operations of Toyota's business. Should significant or prolonged disruptions or delays related to Toyota's business operations occur, it may adversely affect Toyota's financial condition and results of operations.



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Selected Financial Summary (U.S. GAAP)

Toyota Motor Corporation
Fiscal years ended March 31

	Yen in millions				
	2004	2005	2006	2007	2008
For the Year:					
Net Revenues:					
Sales of Products	¥16,578,033	¥17,790,862	¥20,059,493	¥22,670,097	¥24,820,510
Financing Operations	716,727	760,664	977,416	1,277,994	1,468,730
Total	¥17,294,760	¥18,551,526	¥21,036,909	¥23,948,091	¥26,289,240
Costs and Expenses:					
Cost of Products Sold	¥13,506,337	¥14,500,282	¥16,335,312	¥18,356,255	¥20,452,338
Cost of Financing Operations	364,177	369,844	609,632	872,138	1,068,015
Selling, General and Administrative	1,757,356	2,009,213	2,213,623	2,481,015	2,498,512
Total	¥15,627,870	¥16,879,339	¥19,158,567	¥21,709,408	¥24,018,865
Operating Income (Loss)	¥ 1,666,890	¥ 1,672,187	¥ 1,878,342	¥ 2,238,683	¥ 2,270,375
% of Net Revenues	9.6%	9.0%	8.9%	9.3%	8.6%
Income (Loss) before Income Taxes and Equity in Earnings of Affiliated Companies	1,765,793	1,754,637	2,087,360	2,382,516	2,437,222
Provision for Income Taxes	681,304	657,910	795,153	898,312	911,495
Net Income (Loss) Attributable to Toyota Motor Corporation	1,162,098	1,171,260	1,372,180	1,644,032	1,717,879
ROE	15.2%	13.6%	14.0%	14.7%	14.5%
Net Cash Provided by Operating Activities	¥ 2,186,734	¥ 2,370,940	¥ 2,515,480	¥ 3,238,173	¥ 2,981,624
Net Cash Used in Investing Activities	(2,216,495)	(3,061,196)	(3,375,500)	(3,814,378)	(3,874,886)
Net Cash Provided by (Used in) Financing Activities	242,223	419,384	876,911	881,768	706,189
R&D Expenses	682,279	755,147	812,648	890,782	958,882
Capital Expenditures for Property, Plant and Equipment*	945,803	1,068,287	1,523,459	1,425,814	1,480,570
Depreciation	969,904	997,713	1,211,178	1,382,594	1,491,135
At Year-End:					
Toyota Motor Corporation Shareholders' Equity	¥ 8,178,567	¥ 9,044,950	¥10,560,449	¥11,836,092	¥11,869,527
Total Assets	22,040,228	24,335,011	28,731,595	32,574,779	32,458,320
Long-Term Debt	4,247,266	5,014,925	5,640,490	6,263,585	5,981,931
Cash and Cash Equivalents	1,729,776	1,483,753	1,569,387	1,900,379	1,628,547
Ratio of Toyota Motor Corporation Shareholders' Equity	37.1%	37.2%	36.8%	36.3%	36.6%
	Yen				
	2004	2005	2006	2007	2008
Per Share Data:					
Net Income (Loss) Attributable to Toyota Motor Corporation (Basic)	¥ 342.90	¥ 355.35	¥ 421.76	¥ 512.09	¥ 540.65
Annual Cash Dividends	45	65	90	120	140
Toyota Motor Corporation Shareholders' Equity	2,456.08	2,767.67	3,257.63	3,701.17	3,768.97
Stock Information (March 31):					
Stock Price	¥ 3,880	¥ 3,990	¥ 6,430	¥ 7,550	¥ 4,970
Market Capitalization (Yen in millions)	¥14,006,790	¥14,403,890	¥23,212,284	¥27,255,481	¥17,136,548
Number of Shares Issued (shares)	3,609,997,492	3,609,997,492	3,609,997,492	3,609,997,492	3,447,997,492

* Excluding vehicles and equipment of operating leases



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Selected Financial Summary (U.S. GAAP)

Toyota Motor Corporation
Fiscal years ended March 31

	Yen in millions					% change 2013 vs. 2012
	2009	2010	2011	2012	2013	
For the Year:						
Net Revenues:						
Sales of Products	¥19,173,720	¥17,724,729	¥17,820,520	¥17,511,916	¥20,914,150	+19.4
Financing Operations	1,355,850	1,226,244	1,173,168	1,071,737	1,150,042	+7.3
Total	¥20,529,570	¥18,950,973	¥18,993,688	¥18,583,653	¥22,064,192	+18.7
Costs and Expenses:						
Cost of Products Sold	¥17,468,416	¥15,971,496	¥15,985,783	¥15,795,918	¥18,010,569	+14.0
Cost of Financing Operations	987,384	712,301	629,543	592,646	630,426	+6.4
Selling, General and Administrative	2,534,781	2,119,660	1,910,083	1,839,462	2,102,309	+14.3
Total	¥20,990,581	¥18,803,457	¥18,525,409	¥18,228,026	¥20,743,304	+13.8
Operating Income (Loss)	¥ (461,011)	¥ 147,516	¥ 468,279	¥ 355,627	¥ 1,320,888	+271.4
% of Net Revenues	-2.2%	0.8%	2.5%	1.9%	6.0%	—
Income (Loss) before Income Taxes and Equity in Earnings of Affiliated Companies	(560,381)	291,468	563,290	432,873	1,403,649	+224.3
Provision for Income Taxes	(56,442)	92,664	312,821	262,272	551,686	+110.3
Net Income (Loss) Attributable to Toyota Motor Corporation	(436,937)	209,456	408,183	283,559	962,163	+239.3
ROE	-4.0%	2.1%	3.9%	2.7%	8.5%	—
Net Cash Provided by Operating Activities	¥ 1,476,905	¥ 2,558,530	¥ 2,024,009	¥ 1,452,435	¥ 2,451,316	+68.8
Net Cash Used in Investing Activities	(1,230,220)	(2,850,184)	(2,116,344)	(1,442,658)	(3,027,312)	—
Net Cash Provided by (Used in) Financing Activities	698,841	(277,982)	434,327	(355,347)	477,242	—
R&D Expenses	904,075	725,345	730,340	779,806	807,454	+3.5
Capital Expenditures for Property, Plant and Equipment*	1,364,582	604,536	629,326	723,537	854,561	+18.1
Depreciation	1,495,170	1,414,569	1,175,573	1,067,830	1,105,109	+3.5
At Year-End:						
Toyota Motor Corporation Shareholders' Equity	¥10,061,207	¥10,359,723	¥10,332,371	¥10,550,261	¥12,148,035	+15.1
Total Assets	29,062,037	30,349,287	29,818,166	30,650,965	35,483,317	+15.8
Long-Term Debt	6,301,469	7,015,409	6,449,220	6,042,277	7,337,824	+21.4
Cash and Cash Equivalents	2,444,280	1,865,746	2,080,709	1,679,200	1,718,297	+2.3
Ratio of Toyota Motor Corporation Shareholders' Equity	34.6%	34.1%	34.7%	34.4%	34.2%	—
			Yen			% change
	2009	2010	2011	2012	2013	2013 vs. 2012
Per Share Data:						
Net Income (Loss) Attributable to Toyota Motor Corporation (Basic)	¥ (139.13)	¥ 66.79	¥ 130.17	¥ 90.21	¥ 303.82	+236.8
Annual Cash Dividends	100	45	50	50	90	+80.0
Toyota Motor Corporation Shareholders' Equity	3,208.41	3,303.49	3,295.08	3,331.51	3,835.30	+15.1
Stock Information (March 31):						
Stock Price	¥ 3,120	¥ 3,745	¥ 3,350	¥ 3,570	¥ 4,860	+36.1
Market Capitalization (Yen in millions)	¥10,757,752	¥12,912,751	¥11,550,792	¥12,309,351	¥16,757,268	+36.1
Number of Shares Issued (shares)	3,447,997,492	3,447,997,492	3,447,997,492	3,447,997,492	3,447,997,492	—

* Excluding vehicles and equipment of operating leases



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Consolidated Segment Information

Toyota Motor Corporation
Fiscal years ended March 31

	Yen in millions						% change
	2008	2009	2010	2011	2012	2013	2013 vs. 2012
Business Segment:							
Net Revenues:							
Automotive	¥24,177,306	¥18,564,723	¥17,197,428	¥17,337,320	¥16,994,546	¥20,419,100	+20.2
Financial Services	1,498,354	1,377,548	1,245,407	1,192,205	1,100,324	1,170,670	+6.4
All Other	1,346,955	1,184,947	947,615	972,252	1,048,915	1,066,461	+1.7
Intersegment Elimination	(733,375)	(597,648)	(439,477)	(508,089)	(560,132)	(592,039)	—
Consolidated	¥26,289,240	¥20,529,570	¥18,950,973	¥18,993,688	¥18,583,653	¥22,064,192	+18.7
Operating Income (Loss):							
Automotive	¥ 2,171,905	¥ (394,876)	¥ (86,370)	¥ 85,973	¥ 21,683	¥ 944,704	+4,256.9
Financial Services	86,494	(71,947)	246,927	358,280	306,438	315,820	+3.1
All Other	33,080	9,913	(8,860)	35,242	42,062	53,616	+27.5
Intersegment Elimination	(21,104)	(4,101)	(4,181)	(11,216)	(14,556)	6,748	—
Consolidated	¥ 2,270,375	¥ (461,011)	¥ 147,516	¥ 468,279	¥ 355,627	¥ 1,320,888	+271.4
Geographic Information:							
Net Revenues:							
Japan	¥15,315,812	¥12,186,737	¥11,220,303	¥10,986,246	¥11,167,319	¥12,821,018	+14.8
North America	9,423,258	6,222,914	5,670,526	5,429,136	4,751,886	6,284,425	+32.3
Europe	3,993,434	3,013,128	2,147,049	1,981,497	1,993,946	2,083,113	+4.5
Asia	3,120,826	2,719,329	2,655,327	3,374,534	3,334,274	4,385,476	+31.5
Other	2,294,137	1,882,900	1,673,861	1,809,116	1,760,175	2,094,265	+19.0
Intersegment Elimination	(7,858,227)	(5,495,438)	(4,416,093)	(4,586,841)	(4,423,947)	(5,604,105)	—
Consolidated	¥26,289,240	¥20,529,570	¥18,950,973	¥18,993,688	¥18,583,653	¥22,064,192	+18.7
Operating Income (Loss):							
Japan	¥ 1,440,286	¥ (237,531)	¥ (225,242)	¥ (362,396)	¥ (207,040)	¥ 576,335	—
North America	305,352	(390,192)	85,490	339,503	186,409	221,925	+19.1
Europe	141,571	(143,233)	(32,955)	13,148	17,796	26,462	+48.7
Asia	256,356	176,060	203,527	312,977	256,790	376,055	+46.4
Other	143,978	87,648	115,574	160,129	108,814	133,744	+22.9
Intersegment Elimination	(17,168)	46,237	1,122	4,918	(7,142)	(13,633)	—
Consolidated	¥ 2,270,375	¥ (461,011)	¥ 147,516	¥ 468,279	¥ 355,627	¥ 1,320,888	+271.4



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Consolidated Quarterly Financial Summary

Toyota Motor Corporation
Fiscal years ended March 31

	Yen in billions							
	2012				2013			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net Revenues	¥3,441.0	¥4,574.9	¥4,865.2	¥5,702.5	¥5,501.5	¥5,406.7	¥5,318.7	¥5,837.0
% Change	-29.4%	-4.8%	4.1%	22.8%	59.9%	18.2%	9.3%	2.4%
Operating Income (Loss)	(108.0)	75.4	149.6	238.5	353.1	340.6	124.7	502.3
% Change	—%	-32.4%	51.1%	417.5%	—%	351.8%	-16.7%	110.6%
Operating Income Margin	-3.1%	1.6%	3.1%	4.2%	6.4%	6.3%	2.3%	8.6%
Income (Loss) before Income Taxes and Equity in Earnings of Affiliated Companies	(80.5)	79.1	198.6	235.6	415.2	379.3	131.2	477.8
% Change	—%	-38.7%	53.2%	467.2%	—%	379.4%	-33.9%	102.8%
Net Income Attributable to Toyota Motor Corporation	1.1	80.4	80.9	121.0	290.3	257.9	99.9	313.9
% Change	-99.4%	-18.5%	-13.5%	376.5%	24,929.9%	220.7%	23.4%	159.4%
Business Segment:								
Net Revenues:								
Automotive	¥3,060.8	¥4,183.1	¥4,471.4	¥5,279.0	¥5,120.1	¥5,008.7	¥4,889.2	¥5,401.0
Financial Services	285.8	271.0	271.5	272.0	274.4	272.0	301.3	322.8
All Other	190.5	255.2	272.2	331.0	243.2	252.6	262.0	308.4
Intersegment Elimination	(96.1)	(134.4)	(149.9)	(179.6)	(136.2)	(126.6)	(133.8)	(195.2)
Consolidated	¥3,441.0	¥4,574.9	¥4,865.2	¥5,702.5	¥5,501.5	¥5,406.7	¥5,318.7	¥5,837.0
Operating Income (Loss):								
Automotive	¥ (202.5)	¥ (7.5)	¥ 57.1	¥ 174.5	¥ 258.6	¥ 239.3	¥ 43.7	¥ 402.9
Financial Services	94.6	76.4	83.5	51.9	86.7	87.7	69.0	72.2
All Other	(2.0)	9.9	15.3	18.8	9.3	13.1	15.4	15.7
Intersegment Elimination	1.9	(3.4)	(6.3)	(6.7)	(1.6)	0.3	(3.4)	11.4
Consolidated	¥ (108.0)	¥ 75.4	¥ 149.6	¥ 238.5	¥ 353.1	¥ 340.6	¥ 124.7	¥ 502.3
Geographic Information:								
Net Revenues:								
Japan	¥1,784.5	¥2,869.0	¥3,024.2	¥3,489.6	¥3,242.2	¥3,163.9	¥2,976.2	¥3,438.5
North America	853.5	1,085.7	1,379.5	1,432.9	1,592.8	1,450.9	1,525.0	1,715.6
Europe	459.9	499.2	527.0	507.8	512.0	497.5	508.3	565.1
Asia	700.0	827.3	704.2	1,102.9	1,073.6	1,088.2	1,112.5	1,110.9
Other	368.8	455.3	460.2	475.9	483.4	500.8	530.3	579.5
Intersegment Elimination	(725.7)	(1,161.6)	(1,229.9)	(1,306.7)	(1,402.7)	(1,294.8)	(1,333.8)	(1,572.7)
Consolidated	¥3,441.0	¥4,574.9	¥4,865.2	¥5,702.5	¥5,501.5	¥5,406.7	¥5,318.7	¥5,837.0
Operating Income (Loss):								
Japan	¥ (206.6)	¥ (69.3)	¥ (30.5)	¥ 99.4	¥ 107.1	¥ 143.7	¥ 15.6	¥ 309.8
North America	28.9	32.5	90.3	34.5	117.6	64.9	(17.1)	56.4
Europe	(7.5)	5.6	10.4	9.2	3.4	8.6	9.2	5.1
Asia	60.1	70.4	40.5	85.7	101.5	92.9	91.7	89.7
Other	21.0	37.1	37.9	12.8	27.1	31.5	32.3	42.6
Intersegment Elimination	(3.9)	(0.9)	1.0	(3.3)	(3.7)	(1.2)	(7.1)	(1.4)
Consolidated	¥ (108.0)	¥ 75.4	¥ 149.6	¥ 238.5	¥ 353.1	¥ 340.6	¥ 124.7	¥ 502.3

Management's Discussion and Analysis of Financial Condition and Results of Operations

All financial information discussed in this section is derived from Toyota's consolidated financial statements that appear elsewhere in this annual report. The financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America.

Overview

The business segments of Toyota include automotive operations, financial services operations and all other operations. Automotive operations are Toyota's most significant business segment, accounting for 90% of Toyota's total revenues before the elimination of intersegment revenues for fiscal 2013. Toyota's primary markets based on vehicle unit sales for fiscal 2013 were: Japan (26%), North America (28%), Europe (9%) and Asia (19%).

Automotive Market Environment

The worldwide automotive market is highly competitive and volatile. The demand for automobiles is

affected by a number of factors including social, political and general economic conditions; introduction of new vehicles and technologies; and costs incurred by customers to purchase or operate vehicles. These factors can cause consumer demand to vary substantially in different geographic markets and for different types of automobiles.

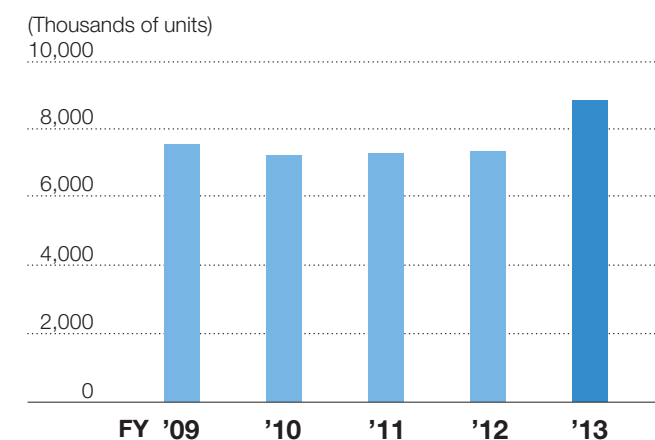
For the automobile industry, markets have progressed in a steady manner, especially in the U.S. and emerging countries such as Asia. The demand for products with advanced green technology has remained strong throughout all markets worldwide.

The following table sets forth Toyota's consolidated vehicle unit sales by geographic market based on location of customers for the past three fiscal years.

	Thousands of units		
	Years Ended March 31,		
	2011	2012	2013
Japan	1,913	2,071	2,279
North America	2,031	1,872	2,469
Europe	796	798	799
Asia	1,255	1,327	1,684
Other*	1,313	1,284	1,640
Overseas total	5,395	5,281	6,592
Total	7,308	7,352	8,871

* "Other" consists of Central and South America, Oceania, Africa and the Middle East, etc.

Consolidated Vehicle Sales



During fiscal 2013 and 2012, Toyota's consolidated vehicle unit sales in Japan increased as compared with each prior fiscal year, primarily as a result of the active introduction of new products and the efforts of dealers nationwide. Toyota and Lexus brands' market share excluding mini-vehicles was 48.4% for fiscal 2013, representing a record high, and market share (including Daihatsu and Hino brands) including mini-vehicles remained at a high level of 44.3% following the prior fiscal year. Overseas consolidated vehicle unit sales decreased during fiscal 2012, whereas they increased during fiscal 2013. During fiscal 2012, total overseas vehicle unit sales decreased, particularly in North America due to impact of the Great East Japan Earthquake and the flood in Thailand, although an increase in Asia resulted from steady demand in spite of the flood in Thailand. During fiscal 2013, total overseas vehicle unit sales increased in every region.

Toyota's share of total vehicle unit sales in each market is influenced by the quality, safety, reliability, price, design, performance, economy and utility of Toyota's vehicles compared with those offered by other manufacturers. The timely introduction of new or redesigned vehicles is also an important factor in satisfying customer needs. Toyota's ability to satisfy changing customer preferences can affect its revenues and earnings significantly.

The profitability of Toyota's automotive operations is affected by many factors. These factors include:

- vehicle unit sales volumes,
- the mix of vehicle models and options sold,
- the level of parts and service sales,
- the levels of price discounts and other sales incentives and marketing costs,
- the cost of customer warranty claims and other customer satisfaction actions,
- the cost of research and development and other fixed costs,
- the prices of raw materials,
- the ability to control costs,
- the efficient use of production capacity,
- the adverse effect on production due to the reliance on various suppliers for the provision of supplies,
- the adverse effect on market, sales and productions of natural calamities and interruptions of social infrastructure, and
- changes in the value of the Japanese yen and other currencies in which Toyota conducts business.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Changes in laws, regulations, policies and other governmental actions can also materially impact the profitability of Toyota's automotive operations.

These laws, regulations and policies include those attributed to environmental matters, vehicle safety, fuel economy and emissions that can add significantly to the cost of vehicles. The European Union has enforced a directive that requires manufacturers to be financially responsible for taking back end-of-life vehicles and to take measures to ensure that adequate used vehicle disposal facilities are established and those hazardous materials and recyclable parts are removed from vehicles prior to scrapping. See "Legislation Regarding End-of-Life Vehicles", "Information on the Company—Business Overview—Governmental Regulation, Environmental and Safety Standards" in Toyota's annual report on Form 20-F and note 23 to the consolidated financial statements for a more detailed discussion of these laws, regulations and policies.

Many governments also regulate local content, impose tariffs and other trade barriers, and enact price or exchange controls that can limit an automaker's operations and can make the repatriation of profits unpredictable. Changes in these laws, regulations, policies and other governmental actions may affect the production, licensing, distribution or sale of Toyota's products, cost of products or applicable tax rates. From time-to-time when potential safety problems arise, Toyota issues vehicle recalls and takes other safety measures including safety campaigns with respect to its vehicles. In November

2009, Toyota announced a safety campaign in North America for certain models of Toyota and Lexus brands' vehicles related to floor mat entrapment of accelerator pedals, and later expanded it to include additional models. In January 2010, Toyota announced a recall in North America for certain models of Toyota vehicles related to sticking and slow-to-return accelerator pedals. Also in January 2010, Toyota recalled in Europe and China certain models of Toyota vehicles related to sticking accelerator pedals. In February 2010, Toyota announced a recall in markets including Japan, North America and Europe related to the braking control system in certain vehicle models including the Prius. The recalls and other safety measures described above have led to a number of claims, lawsuits and government investigations against Toyota in the United States. For a more detailed description of these claims, lawsuits and government investigations, see note 23 to the consolidated financial statements.

The worldwide automotive industry is in a period of global competition which may continue for the foreseeable future, and in general the competitive environment in which Toyota operates is likely to intensify. Toyota believes it has the resources, strategies and technologies in place to compete effectively in the industry as an independent company for the foreseeable future.

Financial Services Operations

The competition of worldwide automobile financial services industry is intensifying despite the recovery

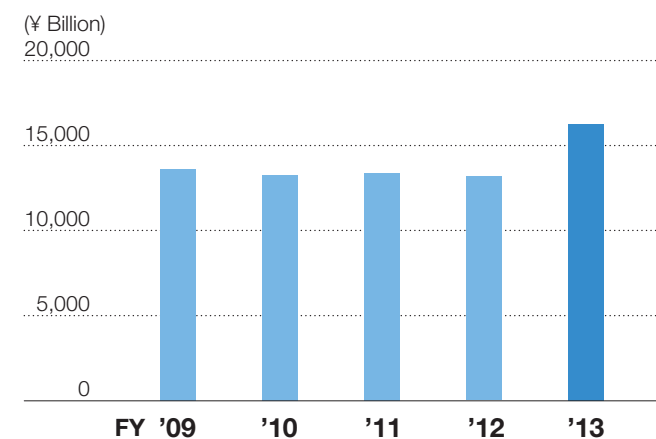
trend in the automotive markets. As competition increases, margins on financing transactions may decrease and market share may also decline as customers obtain financing for Toyota vehicles from alternative sources.

Toyota's financial services operations mainly include loans and leasing programs for customers and dealers. Toyota believes that its ability to provide financing to its customers is an important value added service. Therefore, Toyota has expanded its network of finance subsidiaries in order to offer financial services in many countries.

Toyota's competitors for retail financing and retail leasing include commercial banks, credit unions and other finance companies. Meanwhile, commercial banks and other captive automobile finance companies also compete against Toyota's wholesale financing activities.

Toyota's total finance receivables increased during fiscal 2013 mainly due to the favorable impact of fluctuations in foreign currency translation rates and an increase in the retail receivables.

Total Assets by Financial Services Operations



Management's Discussion and Analysis of Financial Condition and Results of Operations

The following table provides information regarding Toyota's finance receivables and operating leases in the past two fiscal years.

	Yen in millions	
	March 31,	
	2012	2013
Finance Receivables		
Retail	¥ 7,248,793	¥ 9,047,782
Finance leases	955,430	1,029,887
Wholesale and other dealer loans	2,033,954	2,615,728
	10,238,177	12,693,397
Deferred origination costs	105,533	135,398
Unearned income	(494,123)	(628,340)
Allowance for credit losses		
Retail	(77,353)	(83,858)
Finance leases	(30,637)	(28,928)
Wholesale and other dealer loans	(24,238)	(26,243)
	(132,228)	(139,029)
Total finance receivables, net	9,717,359	12,061,426
Less—Current portion	(4,114,897)	(5,117,660)
Noncurrent finance receivables, net	¥ 5,602,462	¥ 6,943,766
Operating Leases		
Vehicles	¥ 2,536,595	¥ 2,999,294
Equipment	87,848	104,351
Less—Deferred income and other	(49,090)	(65,634)
	2,575,353	3,038,011
Less—Accumulated depreciation	(667,406)	(749,238)
Less—Allowance for credit losses	(8,135)	(8,020)
Vehicles and equipment on operating leases, net	¥ 1,899,812	¥ 2,280,753

Toyota's finance receivables are subject to collectability risks. These risks include consumer and dealer insolvencies and insufficient collateral values (less costs to sell) to realize the full carrying values of these receivables. See discussion in "Critical Accounting Estimates—Allowance for Doubtful Accounts and Credit Losses" and note 11 to the consolidated financial statements.

Toyota continues to originate leases to finance new Toyota vehicles. These leasing activities are subject to residual value risk. Residual value losses could be incurred when the lessee of a vehicle does not exercise the option to purchase the vehicle at the end of the lease term. See discussion in "Critical Accounting Estimates—Investment in Operating Leases" and note 2 to the consolidated financial statements.

Toyota enters into interest rate swap agreements and cross currency interest rate swap agreements to convert its fixed-rate debt to variable-rate functional currency debt. A portion of the derivative instruments are entered into to hedge interest rate risk from an economic perspective and are not designated as a hedge of specific assets or liabilities on Toyota's consolidated balance sheet and accordingly, unrealized gains or losses related to derivatives that are not designated as a hedge are recognized currently in operations. See discussion in "Critical Accounting Estimates—Derivatives and Other Contracts at Fair Value" and "Quantitative and Qualitative Disclosures about Market Risk" and notes 20 and 26 to the consolidated financial statements.

The fluctuations in funding costs can affect the profitability of Toyota's financial services operations. Funding costs are affected by a number of factors, some of which are not in Toyota's control. These factors include general economic conditions, prevailing interest rates and Toyota's financial strength. Funding costs decreased during fiscal 2012 and 2013, mainly as a result of lower interest rates.

Toyota launched its credit card business in Japan in April 2001. As of March 31, 2012, Toyota had 10.9 million cardholders, an increase of 2.0 million cardholders compared with March 31, 2011. As of March 31, 2013, Toyota had 11.8 million cardholders, an increase of 0.9 million cardholders compared with March 31, 2012. The credit card receivables at March 31, 2012 increased by ¥44.0 billion from March 31, 2011 to ¥307.5 billion. The credit card

receivables at March 31, 2013 increased by ¥30.5 billion from March 31, 2012 to ¥338.1 billion.

Other Business Operations

Toyota's other business operations consist of housing including the manufacture and sale of prefabricated homes, information technology related businesses including information technology and telecommunications, intelligent transport systems and GAZOO, and other businesses.

Toyota does not expect its other business operations to materially contribute to Toyota's consolidated results of operations.

Currency Fluctuations

Toyota is affected by fluctuations in foreign currency exchange rates. Toyota is exposed to fluctuations in the value of the Japanese yen against the U.S. dollar and the euro and, to a lesser extent, the Australian dollar, the Russian ruble, the Canadian dollar, the British pound, and others. Toyota's consolidated financial statements, which are presented in Japanese yen, are affected by foreign currency exchange fluctuations through both translation risk and transaction risk.

Translation risk is the risk that Toyota's consolidated financial statements for a particular period or for a particular date will be affected by changes in the prevailing exchange rates of the currencies in those countries in which Toyota does business compared with the Japanese yen. Even though the fluctuations of currency exchange rates to the Japanese yen can be substantial, and, therefore,

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significantly impact comparisons with prior periods and among the various geographic markets, the translation risk is a reporting consideration and does not reflect Toyota's underlying results of operations. Toyota does not hedge against translation risk.

Transaction risk is the risk that the currency structure of Toyota's costs and liabilities will deviate from the currency structure of sales proceeds and assets. Transaction risk relates primarily to sales proceeds from Toyota's non-domestic operations from vehicles produced in Japan.

Toyota believes that the location of its production facilities in different parts of the world has significantly reduced the level of transaction risk. As part of its globalization strategy, Toyota has continued to localize production by constructing production facilities in the major markets in which it sells its vehicles. In calendar 2011 and 2012, Toyota produced 71.3% and 75.4% of its non-domestic sales outside Japan, respectively. In North America, 66.8% and 75.3% of vehicles sold in calendar 2011 and 2012 respectively were produced locally. In Europe, 57.7% and 58.5% of vehicles sold in calendar 2011 and 2012 respectively were produced locally. Localizing production enables Toyota to locally purchase many of the supplies and resources used in the production process, which allows for a better match of local currency revenues with local currency expenses.

Toyota also enters into foreign currency transactions and other hedging instruments to address a portion of its transaction risk. This has reduced, but not eliminated, the effects of foreign currency exchange rate fluctuations, which in some years

can be significant. See notes 20 and 26 to the consolidated financial statements for additional information.

Generally, a weakening of the Japanese yen against other currencies has a positive effect on Toyota's revenues, operating income and net income attributable to Toyota Motor Corporation. A strengthening of the Japanese yen against other currencies has the opposite effect. Although, in fiscal 2012, the Japanese yen was on average and at the end of the fiscal year stronger against the U.S. dollar in comparison to the prior fiscal year, it was on average and at the end of the fiscal year weaker in fiscal 2013. In fiscal 2012 and 2013, the Japanese yen was on average stronger against the euro in comparison to fiscal 2011 and 2012, respectively. The Japanese yen was at the end of fiscal 2012 stronger against the euro in comparison to the prior fiscal year, but was weaker at the end of fiscal 2013 due to the depreciation of the yen in the second half of the fiscal year. See further discussion in "Quantitative and Qualitative Disclosures about Market Risk—Market Risk Disclosures—Foreign Currency Exchange Rate Risk".

During fiscal 2012 and 2013, the average exchange rate of the Japanese yen against the U.S. dollar and the euro compared to the prior fiscal year has fluctuated as described above. The operating results excluding the impact of currency fluctuations described in "Results of Operations—Fiscal 2013 Compared with Fiscal 2012" and "Results of Operations—Fiscal 2012 Compared with Fiscal 2011" show results of net revenues obtained by applying the Japanese yen's average exchange rate

in the previous fiscal year to the local currency-denominated net revenues for fiscal 2012 and 2013, respectively, as if the value of the Japanese yen had remained constant for the comparable periods. Results excluding the impact of currency fluctuations year-on-year are not on the same basis as Toyota's consolidated financial statements and do not conform with U.S. GAAP. Furthermore, Toyota does not believe that these measures are a substitute for U.S. GAAP measures. However, Toyota believes that such results excluding the impact of currency fluctuations year-on-year provide additional useful information to investors regarding the operating performance on a local currency basis.

Segmentation

Toyota's most significant business segment is its automotive operations. Toyota carries out its

automotive operations as a global competitor in the worldwide automotive market. Management allocates resources to, and assesses the performance of, its automotive operations as a single business segment on a worldwide basis. Toyota does not manage any subset of its automotive operations, such as domestic or overseas operations or parts, as separate management units.

The management of the automotive operations is aligned on a functional basis with managers having oversight responsibility for the major operating functions within the segment. Management assesses financial and non-financial data such as vehicle unit sales, production volume, market share information, vehicle model plans and plant location costs to allocate resources within the automotive operations.

Geographic Breakdown

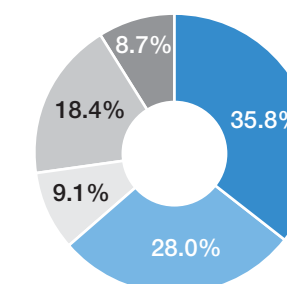
The following table sets forth Toyota's net revenues in each geographic market based on the country location of the parent company or the subsidiaries that transacted the sale with the external customer for the past three fiscal years.

	Yen in millions		
	Years Ended March 31,		
	2011	2012	2013
Japan	¥6,966,929	¥7,293,804	¥7,910,456
North America	5,327,809	4,644,348	6,167,821
Europe	1,920,416	1,917,408	2,003,113
Asia	3,138,112	3,116,849	4,058,629
Other*	1,640,422	1,611,244	1,924,173

* "Other" consists of Central and South America, Oceania and Africa.

Revenues by Market FY2013

■ Japan ■ North America ■ Europe
 ■ Asia ■ All Other Markets



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Results of Operations — Fiscal 2013 Compared with Fiscal 2012

	Yen in millions		2013 vs. 2012 Change	
	Years ended March 31, 2012	2013	Amount	Percentage (%)
Net revenues:				
Japan	¥11,167,319	¥12,821,018	¥1,653,699	+14.8
North America	4,751,886	6,284,425	1,532,539	+32.3
Europe	1,993,946	2,083,113	89,167	+4.5
Asia	3,334,274	4,385,476	1,051,202	+31.5
Other*	1,760,175	2,094,265	334,090	+19.0
Intersegment elimination/unallocated amount	(4,423,947)	(5,604,105)	(1,180,158)	—
Total	¥18,583,653	¥22,064,192	¥3,480,539	+18.7
Operating income (loss):				
Japan	¥ (207,040)	¥ 576,335	¥ 783,375	—
North America	186,409	221,925	35,516	+19.1
Europe	17,796	26,462	8,666	+48.7
Asia	256,790	376,055	119,265	+46.4
Other*	108,814	133,744	24,930	+22.9
Intersegment elimination/unallocated amount	(7,142)	(13,633)	(6,491)	—
Total	¥ 355,627	¥ 1,320,888	¥ 965,261	+271.4
Operating margin	1.9%	6.0%	4.1%	
Income before income taxes and equity in earnings of affiliated companies	432,873	1,403,649	970,776	+224.3
Net margin from income before income taxes and equity in earnings of affiliated companies	2.3%	6.4%	4.1%	
Equity in earnings of affiliated companies	197,701	231,519	33,818	+17.1
Net income attributable to Toyota Motor Corporation	283,559	962,163	678,604	+239.3
Net margin attributable to Toyota Motor Corporation	1.5%	4.4%	2.9%	

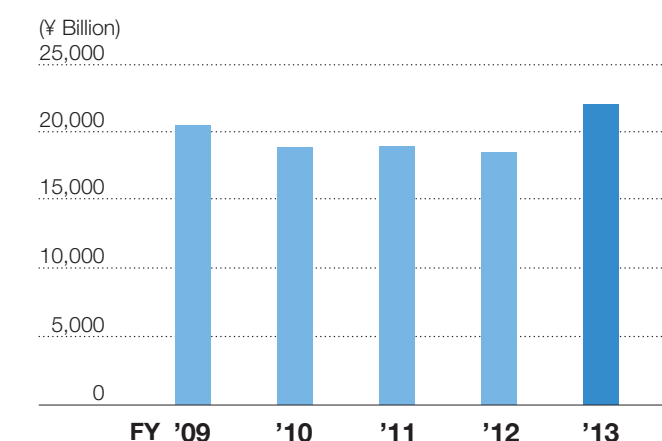
* "Other" consists of Central and South America, Oceania and Africa.

Net Revenues

Toyota had net revenues for fiscal 2013 of ¥22,064.1 billion, an increase of ¥3,480.5 billion, or 18.7%, compared with the prior fiscal year. This increase reflected changes in numbers of the vehicle unit sales and sales mix of ¥3,031.5 billion and favorable impact of fluctuations in foreign currency translation rates of ¥281.8 billion. Excluding the difference in the Japanese yen value used for translation purposes of ¥281.8 billion, net revenues would have been ¥21,782.3 billion during fiscal 2013, a 17.2% increase compared with the prior fiscal year. The automotive market in 2012 increased by 11.3% in North America and 14.3% in Asia compared with the prior fiscal year. In fiscal 2013, the market in the U.S. and emerging countries such as Asia developed

in a steady manner. Under these automotive market conditions, Toyota's consolidated vehicle unit sales increased to 8,871 thousand vehicles by 20.7% compared with the prior fiscal year.

Net Revenues



The table below shows Toyota's net revenues from external customers by product category and by business.

	Yen in millions		2013 vs. 2012 Change	
	Years ended March 31, 2012	2013	Amount	Percentage (%)
Vehicles	¥14,164,940	¥17,446,473	¥3,281,533	+23.2
Parts and components for overseas production	338,000	356,756	18,756	+5.5
Parts and components for after service	1,532,219	1,577,690	45,471	+3.0
Other	929,219	997,843	68,624	+7.4
Total Automotive	16,964,378	20,378,762	3,414,384	+20.1
All Other	547,538	535,388	(12,150)	-2.2
Total sales of products	17,511,916	20,914,150	3,402,234	+19.4
Financial services	1,071,737	1,150,042	78,305	+7.3
Total	¥18,583,653	¥22,064,192	¥3,480,539	+18.7

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Toyota's net revenues include net revenues from sales of products, consisting of net revenues from automotive operations and all other operations, which increased by 19.4% during fiscal 2013 compared with the prior fiscal year to ¥20,914.1 billion, and net revenues from financial services operations which increased by 7.3% during fiscal 2013 compared with the prior fiscal year to ¥1,150.0 billion. Excluding the difference in the Japanese yen value used for translation purposes of ¥246.0 billion, net revenues from sales of products would have been ¥20,668.1 billion, an 18.0% increase during fiscal

2013 compared with the prior fiscal year. The increase in net revenues from sales of products is due to an increase in Toyota vehicle unit sales by 1,519 thousand vehicles. Excluding the difference in the Japanese yen value used for translation purposes of ¥35.8 billion, net revenues from financial services operations would have been ¥1,114.2 billion, a 4.0% increase during fiscal 2013 compared with the prior fiscal year. This increase was mainly due to an increase of ¥25.8 billion rental revenue generated by vehicles and equipment on operating lease.

The following table shows the number of financing contracts by geographic region at the end of the fiscal 2013 and 2012, respectively.

	Number of financing contracts in thousands			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Japan	1,697	1,765	68	+4.0
North America	4,535	4,596	61	+1.3
Europe	796	825	29	+3.7
Asia	649	868	219	+33.7
Other*	552	618	66	+11.9
Total	8,229	8,672	443	+5.4

* "Other" consists of Central and South America, Oceania and Africa.

Geographically, net revenues (before the elimination of intersegment revenues) for fiscal 2013 increased by 14.8% in Japan, 32.3% in North America, 4.5% in Europe, 31.5% in Asia, and 19.0% in Other compared with the prior fiscal year. Excluding the difference in the Japanese yen value

used for translation purposes of ¥281.8 billion, net revenues in fiscal 2013 would have increased by 14.8% in Japan, 26.2% in North America, 6.9% in Europe, 28.0% in Asia and 22.5% in Other compared with the prior fiscal year.

The following is a discussion of net revenues in each geographic market (before the elimination of intersegment revenues).

Japan

	Thousands of units			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales*	3,741	4,202	461	+12.3

* including number of exported vehicle unit sales

	Yen in millions			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Net revenues:				
Sales of products	¥11,040,964	¥12,687,092	¥1,646,128	+14.9
Financial services	126,355	133,926	7,571	+6.0
Total	¥11,167,319	¥12,821,018	¥1,653,699	+14.8

Toyota's domestic and exported vehicle unit sales increased by 461 thousand vehicles compared with the prior fiscal year due mainly to a recovery from the negative impact of the Great East Japan

Earthquake in the first half of fiscal 2012, an increase in demand by subsidies for eco-cars offered by the government and strong sales of Aqua and other car models in fiscal 2013.

North America

	Thousands of units			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	1,872	2,469	597	+31.9

	Yen in millions			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Net revenues:				
Sales of products	¥4,048,532	¥5,564,183	¥1,515,651	+37.4
Financial services	703,354	720,242	16,888	+2.4
Total	¥4,751,886	¥6,284,425	¥1,532,539	+32.3

In North America, the vehicle unit sales increased by 597 thousand vehicles compared with the prior fiscal year due mainly to the market recovering in a

steady manner and strong sales of Corolla, Camry and other car models.

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Europe

	Thousands of units			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	798	799	1	+0.1

	Yen in millions			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Net revenues:				
Sales of products	¥1,925,670	¥2,007,207	¥81,537	+4.2
Financial services	68,276	75,906	7,630	+11.2
Total	¥1,993,946	¥2,083,113	¥89,167	+4.5

Net revenues in Europe as a whole increased due primarily to the 1 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year. The vehicle unit sales increased in Eastern

Europe, especially in Russia, although sales of Toyota brands' vehicles decreased in Western Europe compared with the prior fiscal year due to the European sovereign debt crisis.

Asia

	Thousands of units			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	1,327	1,684	357	+26.9

	Yen in millions			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Net revenues:				
Sales of products	¥3,275,871	¥4,307,943	¥1,032,072	+31.5
Financial services	58,403	77,533	19,130	+32.8
Total	¥3,334,274	¥4,385,476	¥1,051,202	+31.5

Net revenues in Asia as a whole increased due primarily to the 357 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year. The vehicle unit sales increased due mainly to

the expansion of markets such as Thailand and Indonesia, and the recovery during fiscal 2013 from the negative impacts of the flood in Thailand in fiscal 2012.

Other

	Thousands of units			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	1,284	1,640	356	+27.8

	Yen in millions			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Net revenues:				
Sales of products	¥1,636,043	¥1,942,215	¥306,172	+18.7
Financial services	124,132	152,050	27,918	+22.5
Total	¥1,760,175	¥2,094,265	¥334,090	+19.0

Net revenues in Other as a whole increased due primarily to the 356 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year. The vehicle unit sales increased due mainly to

strong sales of IMV and Land Cruiser in each region in fiscal 2013 and the recovery from the shortages of parts supplies caused by the Great East Japan Earthquake and the flood in Thailand in fiscal 2012.

Operating Costs and Expenses

	Yen in millions			
	Years ended March 31,		2013 vs. 2012 Change	
	2012	2013	Amount	Percentage (%)
Operating costs and expenses:				
Cost of products sold	¥15,795,918	¥18,010,569	¥2,214,651	+14.0
Cost of financing operations	592,646	630,426	37,780	+6.4
Selling, general and administrative	1,839,462	2,102,309	262,847	+14.3
Total	¥18,228,026	¥20,743,304	¥2,515,278	+13.8

	Yen in millions
	2013 vs. 2012 Change
Changes in operating costs and expenses:	
Effect of changes in vehicle unit sales and sales mix	¥2,360,000
Effect of fluctuation in foreign currency translation rates	270,000
Effect of cost reduction efforts	(450,000)
Effect of increase in miscellaneous costs and others	335,278
Total	¥2,515,278

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Operating costs and expenses increased by ¥2,515.2 billion, or 13.8%, to ¥20,743.3 billion during fiscal 2013 compared with the prior fiscal year. This increase resulted from the ¥2,360.0 billion impact of changes in vehicle unit sales and sales mix, the ¥270.0 billion unfavorable impact of fluctuations in foreign currency translation rates and the ¥335.2 billion increase in miscellaneous costs and others, partially offset by the ¥450.0 billion impact of cost reduction efforts.

The increase in miscellaneous costs and others was due mainly to the ¥90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the ¥70.0 billion increase in labor costs, the ¥50.0 billion impact of increase in product quality related expenses and the ¥20.0 billion increase in research and development expenses. This increase in product quality related expenses resulted from the weakening of the Japanese yen at the end of fiscal 2013 against other currencies in comparison to the prior fiscal year. See note 14 to the consolidated financial statements.

During fiscal 2013, Toyota announced recalls and other safety measures including the following:

In October 2012, Toyota announced in Japan and other regions the voluntary safety recall of certain models of Toyota brands' vehicles in relation to the inspection and application of special fluorine grease to the driver's side Power Window Master Switch (PWMS). In November 2012, Toyota

announced in Japan and other regions the voluntary safety recall of certain models of Toyota brands' vehicles in relation to the insufficient hardness treatment of some intermediate extension shafts and in relation to the electric water pump for the hybrid system.

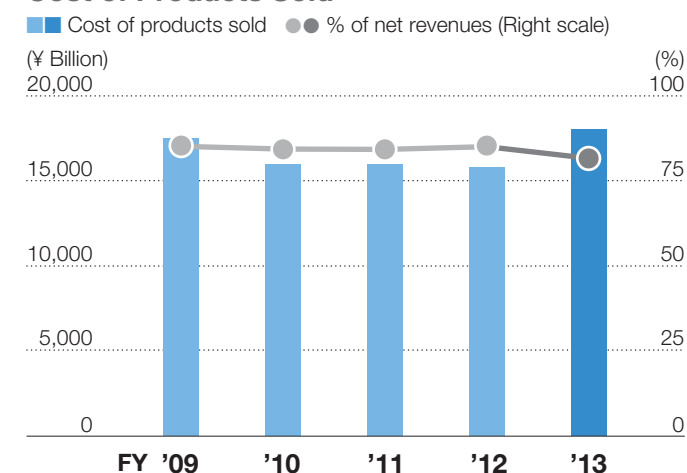
Cost Reduction Efforts

During fiscal 2013, Toyota's continued cost reduction efforts reduced operating costs and expenses by ¥450.0 billion. The amount of effect of cost reduction efforts includes the impact of fluctuation in the price of steel, precious metals, non-ferrous alloys including aluminum, plastic parts and other production materials and parts. In fiscal 2013, continued cost reduction efforts together with suppliers contributed to the improvement in earnings. These cost reduction efforts related to ongoing value engineering and value analysis activities, the use of common parts resulting in a reduction of part types and other manufacturing initiatives designed to reduce the costs of vehicle production.

Cost of Products Sold

Cost of products sold increased by ¥2,214.6 billion, or 14.0%, to ¥18,010.5 billion during fiscal 2013 compared with the prior fiscal year. The increase resulted from the ¥2,124.0 billion impact of changes in vehicle unit sales and sales mix and the ¥201.0 billion unfavorable impact of fluctuations in foreign currency translation rates, partially offset by the ¥450.0 billion impact of cost reduction efforts.

Cost of Products Sold



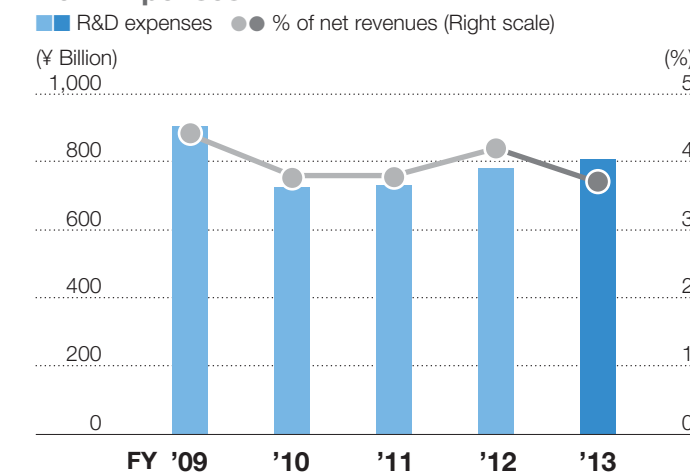
Cost of Financing Operations

Cost of financing operations increased by ¥37.7 billion, or 6.4%, to ¥630.4 billion during fiscal 2013 compared with the prior fiscal year. The increase resulted from the ¥33.1 billion unfavorable impact of fluctuations in foreign currency translation rates.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by ¥262.8 billion, or 14.3%, to ¥2,102.3 billion during fiscal 2013 compared with the prior fiscal year. This increase reflected the ¥90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the ¥43.2 billion increase in expenses for the financial services operations and the ¥35.8 billion unfavorable impact of fluctuations in foreign currency translation rates.

R&D Expenses



Operating Income

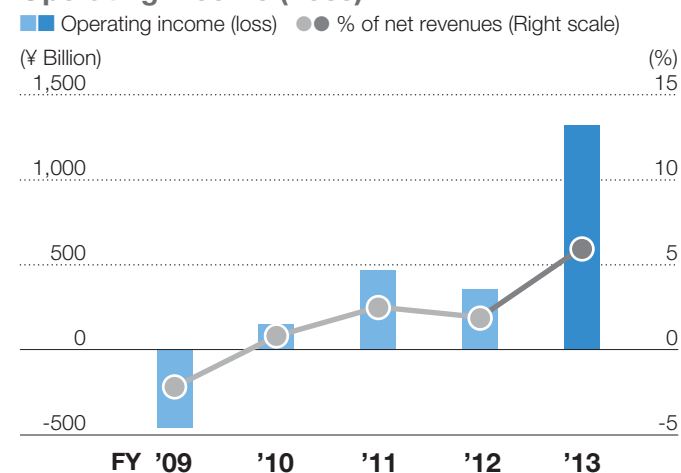
	Yen in millions
	2013 vs. 2012 Change
Changes in operating income and loss:	
Effect of marketing efforts	¥650,000
Effect of cost reduction efforts	450,000
Effect of changes in exchange rates	150,000
Effect of increase of miscellaneous costs and others	(300,000)
Other	15,261
Total	¥965,261

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Toyota's operating income increased by ¥965.2 billion, or 271.4%, to ¥1,320.8 billion during fiscal 2013 compared with the prior fiscal year. This increase was due mainly to the ¥650.0 billion increase of marketing efforts, the ¥450.0 billion impact of cost reduction efforts and the ¥150.0 billion favorable impact of changes in exchange rates, partially offset by the ¥300.0 billion increase in miscellaneous costs and others. The increase in miscellaneous costs and others was due mainly to the ¥90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the ¥70.0 billion increase in labor costs, the ¥50.0 billion impact of increase in product quality related expenses and the ¥20.0 billion increase in research and development expenses.

During fiscal 2013, operating income (before elimination of intersegment profits), increased by ¥783.3 billion in Japan compared with the prior fiscal year, ¥35.5 billion, or 19.1%, in North America, ¥8.6 billion, or 48.7%, in Europe, ¥119.2 billion, or 46.4%, in Asia, and ¥24.9 billion, or 22.9%, in Other.

Operating Income (Loss)



The following is a description of operating income in each geographic market.

Japan

	Yen in millions
	2013 vs. 2012 Change
Changes in operating income and loss:	
Effect of marketing efforts	¥415,000
Effect of cost reduction efforts	380,000
Effect of changes in exchange rates	165,000
Effect of increase of miscellaneous costs and others	(170,000)
Other	(6,625)
Total	¥783,375

North America

	Yen in millions
	2013 vs. 2012 Change
Changes in operating income and loss:	
Effect of marketing efforts	¥30,000
Effect of cost reduction efforts	50,000
Effect of increase of miscellaneous costs and others	(65,000)
Other	20,516
Total	¥35,516

Europe

	Yen in millions
	2013 vs. 2012 Change
Changes in operating income and loss:	
Effect of marketing efforts	¥5,000
Effect of cost reduction efforts	5,000
Effect of increase of miscellaneous costs and others	(5,000)
Other	3,666
Total	¥8,666

Asia

	Yen in millions
	2013 vs. 2012 Change
Changes in operating income and loss:	
Effect of marketing efforts	¥135,000
Effect of cost reduction efforts	15,000
Effect of changes in exchange rates	(10,000)
Effect of increase of miscellaneous costs and others	(30,000)
Other	9,265
Total	¥119,265

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Other Income and Expenses

Interest and dividend income decreased by ¥1.1 billion, or 1.2%, to ¥98.6 billion during fiscal 2013 compared with the prior fiscal year.

Interest expense was ¥22.9 billion during fiscal 2013, on the same level as that of the prior fiscal year.

Foreign exchange gain, net decreased by ¥31.5 billion, or 85.0%, to ¥5.5 billion during fiscal 2013 compared with the prior fiscal year. Foreign exchange gains and losses include the differences between the value of foreign currency denominated assets and liabilities recognized through transactions in foreign currencies translated at prevailing exchange rates and the value at the date the transaction settled during the fiscal year, including those settled using forward foreign currency exchange contracts, or the value translated by appropriate year-end current exchange rates. The ¥31.5 billion decrease in foreign exchange gain, net was due mainly to the losses resulting from the Japanese yen being stronger against foreign currencies at the time foreign currency bonds were redeemed during fiscal 2013 than those at the time of purchase.

Other loss, net increased by ¥38.3 billion to ¥1.5 billion during fiscal 2013 compared with the prior fiscal year.

Income Taxes

The provision for income taxes increased by ¥289.4 billion, or 110.3%, to ¥551.6 billion during fiscal 2013 compared with the prior fiscal year due to the increase in income before income taxes. The

effective tax rate for fiscal 2013 was 39.3%, which was higher than the statutory tax rate in Japan. This was due mainly to deferred tax liabilities relating to undistributed earnings in affiliated companies accounted for by the equity method.

Net Income and Loss Attributable to Noncontrolling Interests and Equity in Earnings of Affiliated Companies

Net income attributable to noncontrolling interests increased by ¥36.5 billion, or 43.2%, to ¥121.3 billion during fiscal 2013 compared with the prior fiscal year. This increase was due mainly to an increase during fiscal 2013 in net income attributable to the shareholders of consolidated subsidiaries.

Equity in earnings of affiliated companies during fiscal 2013 increased by ¥33.8 billion, or 17.1%, to ¥231.5 billion compared with the prior fiscal year.

This increase was due mainly to an increase during fiscal 2013 in net income attributable to the shareholders of affiliated companies accounted for by the equity method.

Net Income Attributable to Toyota Motor Corporation

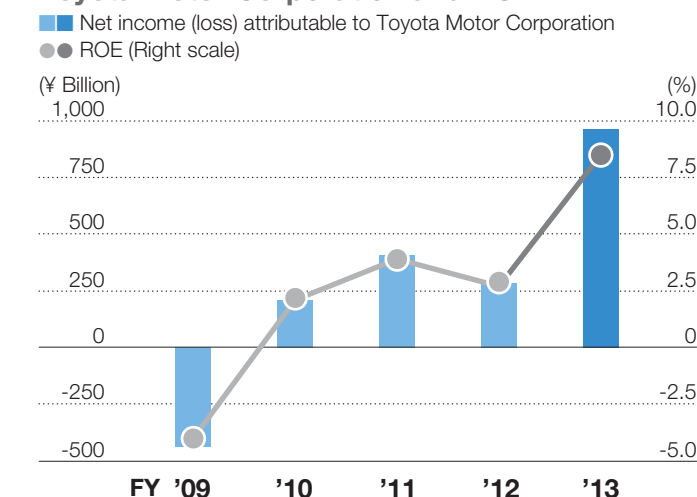
Net income attributable to the shareholders of Toyota Motor Corporation increased by ¥678.6 billion, or 239.3%, to ¥962.1 billion during fiscal 2013 compared with the prior fiscal year.

Other Comprehensive Income and Loss

Other comprehensive income increased by ¥856.8 billion to ¥822.7 billion for fiscal 2013 compared

with the prior fiscal year. This increase resulted from favorable foreign currency translation adjustments gains of ¥434.6 billion in fiscal 2013 compared with losses of ¥87.7 billion in the prior fiscal year, and from unrealized holding gains on securities in fiscal 2013 of ¥368.5 billion compared with gains of ¥129.3 billion in the prior fiscal year. The increase in unrealized holding gains on securities was due mainly to changes in stock prices.

Net Income (Loss) Attributable to Toyota Motor Corporation and ROE



Segment Information

The following is a discussion of results of operations for each of Toyota's operating segments. The amounts presented are prior to intersegment elimination.

		Yen in millions			
		Years ended March 31,		2013 vs. 2012 Change	
		2012	2013	Amount	Percentage (%)
Automotive:	Net revenues	¥16,994,546	¥20,419,100	¥3,424,554	+20.2
	Operating income	21,683	944,704	923,021	+4,256.9
Financial Services:	Net revenues	1,100,324	1,170,670	70,346	+6.4
	Operating income	306,438	315,820	9,382	+3.1
All Other:	Net revenues	1,048,915	1,066,461	17,546	+1.7
	Operating income	42,062	53,616	11,554	+27.5
Intersegment elimination/ unallocated amount:	Net revenues	(560,132)	(592,039)	(31,907)	—
	Operating income	(14,556)	6,748	21,304	—

Automotive Operations Segment

The automotive operations segment is Toyota's largest operating segment by net revenues. Net revenues for the automotive segment increased during fiscal 2013 by ¥3,424.5 billion, or 20.2%, compared with the prior fiscal year to ¥20,419.1 billion. The increase reflects the ¥3,030.0 billion of favorable

impact of changes in vehicle unit sales and sales mix and the ¥245.4 billion favorable impact of fluctuations in foreign currency translation rates.

Operating income from the automotive operations increased by ¥923.0 billion during fiscal 2013 compared with the prior fiscal year to ¥944.7 billion. This increase in operating income was due mainly to the

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¥150.0 billion favorable impact of changes in exchange rates, the ¥645.0 billion of favorable impact of changes in vehicle unit sales and sales mix, and the ¥450.0 billion impact of cost reduction efforts, partially offset by the ¥300.0 billion increase in miscellaneous costs and others.

The changes in vehicle unit sales and changes in sales mix was due primarily to the increase in Toyota's vehicle unit sales by 1,519 thousand vehicles compared with the prior fiscal year resulting from the increase in vehicle unit sales in every region. The increase in miscellaneous costs and others was due mainly to the ¥90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the ¥70.0 billion increase in labor costs, the ¥50.0 billion impact of increase in product quality related expenses and the ¥20.0 billion increase in research and development expenses.

Ratio of credit loss experience in the United States is as follows:

	Years ended March 31,	
	2012	2013
Net charge-offs as a percentage of average gross earning assets:		
Finance receivables	0.24%	0.29%
Operating lease	0.11	0.18
Total	0.21%	0.27%

All Other Operations Segment

Net revenues for Toyota's other operations segments increased by ¥17.5 billion, or 1.7%, to ¥1,066.4 billion during fiscal 2013 compared with the prior fiscal year.

Financial Services Operations Segment

Net revenues for the financial services operations increased during fiscal 2013 by ¥70.3 billion, or 6.4%, compared with the prior fiscal year to ¥1,170.6 billion. This increase was primarily due to the ¥36.0 billion favorable impact of fluctuations in foreign currency translation rates and the ¥25.8 billion increase in rental income from vehicles and equipment on operating leases.

Operating income from financial services operations increased by ¥9.3 billion, or 3.1%, to ¥315.8 billion during fiscal 2013 compared with the prior fiscal year. This increase was due primarily to the recording of ¥12.9 billion of valuation gains on interest rate swaps stated at fair value.

Operating income from Toyota's other operations segments increased by ¥11.5 billion, or 27.5%, to ¥53.6 billion during fiscal 2013 compared with the prior fiscal year.

Results of Operations — Fiscal 2012 Compared with Fiscal 2011

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Net revenues:				
Japan	¥10,986,246	¥11,167,319	¥ 181,073	+1.6
North America	5,429,136	4,751,886	(677,250)	-12.5
Europe	1,981,497	1,993,946	12,449	+0.6
Asia	3,374,534	3,334,274	(40,260)	-1.2
Other*	1,809,116	1,760,175	(48,941)	-2.7
Intersegment elimination/unallocated amount	(4,586,841)	(4,423,947)	162,894	—
Total	¥18,993,688	¥18,583,653	¥(410,035)	-2.2
Operating income (loss):				
Japan	¥ (362,396)	¥ (207,040)	¥ 155,356	—
North America	339,503	186,409	(153,094)	-45.1
Europe	13,148	17,796	4,648	+35.4
Asia	312,977	256,790	(56,187)	-18.0
Other*	160,129	108,814	(51,315)	-32.0
Intersegment elimination/unallocated amount	4,918	(7,142)	(12,060)	—
Total	¥ 468,279	¥ 355,627	¥(112,652)	-24.1
Operating margin	2.5%	1.9%	(0.6)%	
Income before income taxes and equity in earnings of affiliated companies	563,290	432,873	(130,417)	-23.2
Net margin from income before income taxes and equity in earnings of affiliated companies	3.0%	2.3%	(0.7)%	
Equity in earnings of affiliated companies	215,016	197,701	(17,315)	-8.1
Net income attributable to Toyota Motor Corporation	408,183	283,559	(124,624)	-30.5
Net margin attributable to Toyota Motor Corporation	2.1%	1.5%	(0.6)%	

* "Other" consists of Central and South America, Oceania and Africa.

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Net Revenues

Toyota had net revenues for fiscal 2012 of ¥18,583.6 billion, a decrease of ¥410.0 billion, or 2.2%, compared with the prior fiscal year. This decrease reflects unfavorable impact of fluctuations in foreign currency translation rates and others of ¥717.7 billion, partially offset by changes in numbers of the vehicle unit sales and sales mix of approximately ¥320.0 billion and other factors. Excluding the difference in the Japanese yen value used for translation purposes of ¥717.7 billion, net revenues would have been approximately

¥19,301.3 billion during fiscal 2012, a 1.6% increase compared with the prior fiscal year. The automotive market in fiscal 2012 increased by 9.7% in North America and 3.9% in Asia compared with the prior fiscal year due to that market in the U.S. and emerging countries such as Asia have developed in a steady manner. Under these automotive market conditions, despite the Great East Japan Earthquake and the flood in Thailand, Toyota's consolidated vehicle unit sales increased to 7,352 thousand vehicles by 0.6% compared with the prior fiscal year.

The table below shows Toyota's net revenues from external customers by product category and by business.

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Vehicles	¥14,507,479	¥14,164,940	¥(342,539)	-2.4
Parts and components for overseas production	335,366	338,000	2,634	+0.8
Parts and components for after service	1,553,497	1,532,219	(21,278)	-1.4
Other	926,411	929,219	2,808	+0.3
Total Automotive	17,322,753	16,964,378	(358,375)	-2.1
All Other	497,767	547,538	49,771	+10.0
Total sales of products	17,820,520	17,511,916	(308,604)	-1.7
Financial services	1,173,168	1,071,737	(101,431)	-8.6
Total	¥18,993,688	¥18,583,653	¥(410,035)	-2.2

Toyota's net revenues include net revenues from sales of products, consisting of net revenues from automotive operations and all other operations, which decreased by 1.7% during fiscal 2012 compared with the prior fiscal year to ¥17,511.9 billion, and net revenues from financial services operations which decreased by 8.6% during fiscal

2012 compared with the prior fiscal year to ¥1,071.7 billion. Excluding the difference in the Japanese yen value used for translation purposes of ¥650.8 billion, net revenues from sales of products would have been ¥18,162.7 billion, a 1.9% increase during fiscal 2012 compared with the prior fiscal year. The increase in net revenues from sales of

products is due to an increase in Toyota vehicle unit sales by 44 thousand vehicles. Excluding the difference in the Japanese yen value used for translation purposes of ¥66.9 billion, net revenues from financial services operations would have been

approximately ¥1,138.6 billion, a 2.9% decrease during fiscal 2012 compared with the prior fiscal year. This decrease was mainly due to the decrease of ¥18.3 billion rental revenue generated by vehicles and equipment on operating lease.

The following table shows the number of financing contracts by geographic region at the end of the fiscal 2012 and 2011, respectively.

	Number of financing contracts in thousands			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Japan	1,709	1,697	(12)	-0.7
North America	4,654	4,535	(119)	-2.6
Europe	790	796	6	+0.7
Asia	522	649	127	+24.3
Other*	527	552	25	+4.9
Total	8,202	8,229	27	+0.3

* "Other" consists of Central and South America, Oceania and Africa.

Geographically, net revenues (before the elimination of intersegment revenues) for fiscal 2012 decreased by 12.5% in North America, 1.2% in Asia, and 2.7% in Other, whereas net revenues increased by 1.6% in Japan and 0.6% in Europe compared with the prior fiscal year. Excluding the

difference in the Japanese yen value used for translation purposes of ¥717.7 billion, net revenues in fiscal 2012 would have decreased by 5.1% in North America, and would have increased by 1.6% in Japan, 5.3% in Europe, 3.8% in Asia and 1.7% in Other compared with the prior fiscal year.

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The following is a discussion of net revenues in each geographic market (before the elimination of intersegment revenues).

Japan

	Thousands of units			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales*	3,611	3,741	130	+3.6

* including number of exported vehicle unit sales

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Net revenues:				
Sales of products	¥10,864,329	¥11,040,964	¥176,635	+1.6
Financial services	121,917	126,355	4,438	+3.6
Total	¥10,986,246	¥11,167,319	¥181,073	+1.6

Although Toyota's domestic and exported vehicle unit sales decreased due to the impact of the Great East Japan Earthquake in the first half of fiscal 2012, Toyota's domestic and exported vehicle unit sales over the fiscal year increased by 130

thousand vehicles compared with the prior fiscal year. The increase in vehicle unit sales resulted primarily from introduction of new products such as Prius α and Aqua.

North America

	Thousands of units			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	2,031	1,872	(159)	-7.8

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Net revenues:				
Sales of products	¥4,603,192	¥4,048,532	¥(554,660)	-12.0
Financial services	825,944	703,354	(122,590)	-14.8
Total	¥5,429,136	¥4,751,886	¥(677,250)	-12.5

In North America, the vehicle unit sales decreased by 159 thousand vehicles compared with the prior fiscal year due to decreased production as a result

of shortages of parts supplies caused by the Great East Japan Earthquake and the flood in Thailand, consisting of a 67 thousand vehicles, or 30.7%,

decrease in RAV4 sales, a 26 thousand vehicles, or 22.4%, decrease in Tundra sales, and a 21 thousand vehicles, or 7.3%, decrease in Corolla sales.

Net revenues in North America decreased

compared with the prior fiscal year due to the decrease in vehicle unit sales and the unfavorable impact of fluctuations in foreign currency translation rates of ¥398.9 billion.

Europe

	Thousands of units			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	796	798	2	+0.3

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Net revenues:				
Sales of products	¥1,910,336	¥1,925,670	¥15,334	+0.8
Financial services	71,161	68,276	(2,885)	-4.1
Total	¥1,981,497	¥1,993,946	¥12,449	+0.6

Net revenues in Europe as a whole increased due primarily to the 2 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year, such as a 49 thousand vehicles increase in Russia, where the economy has been strong, although sales of Toyota brands' vehicles decreased in some

European countries compared with the prior fiscal year, such as a 18 thousand vehicles decrease in Italy and a 7 thousand vehicles decrease in Portugal, both of which were mainly due to the European sovereign debt crisis.

Asia

	Thousands of units			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	1,255	1,327	72	+5.7

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Net revenues:				
Sales of products	¥3,325,466	¥3,275,871	¥(49,595)	-1.5
Financial services	49,068	58,403	9,335	+19.0
Total	¥3,374,534	¥3,334,274	¥(40,260)	-1.2

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Despite the flood in Thailand, Toyota's vehicle unit sales in Asia increased by 72 thousand vehicles compared with the prior fiscal year due to steady growth in automotive markets. Although Toyota's vehicle unit sales in Asia increased, net revenues in

Asia decreased compared with the prior fiscal year mainly due to the unfavorable impact of fluctuations in foreign currency translation rates of ¥168.8 billion and others.

Other

	Thousands of units			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Toyota's consolidated vehicle unit sales	1,313	1,284	(29)	-2.2

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Net revenues:				
Sales of products	¥1,694,680	¥1,636,043	¥(58,637)	-3.5
Financial services	114,436	124,132	9,696	+8.5
Total	¥1,809,116	¥1,760,175	¥(48,941)	-2.7

Net revenues in Other decreased due to decreases in Toyota's vehicle unit sales primarily as a result of shortages of parts supplies caused by the Great East Japan Earthquake and the flood in Thailand.

Toyota's vehicle unit sales decreased by 25 thousand vehicles in Oceania, and by 19 thousand vehicles in the Middle East, respectively, compared with the prior fiscal year.

Operating Costs and Expenses

	Yen in millions			
	Years ended March 31,		2012 vs. 2011 Change	
	2011	2012	Amount	Percentage (%)
Operating costs and expenses:				
Cost of products sold	¥15,985,783	¥15,795,918	¥(189,865)	-1.2
Cost of financing operations	629,543	592,646	(36,897)	-5.9
Selling, general and administrative	1,910,083	1,839,462	(70,621)	-3.7
Total	¥18,525,409	¥18,228,026	¥(297,383)	-1.6

	Yen in millions
	2012 vs. 2011 Change
Changes in operating costs and expenses:	
Effect of changes in vehicle unit sales and sales mix and other operational factors	¥ 150,000
Effect of fluctuation in foreign currency translation rates and others	(432,300)
Effect of cost reduction efforts	(150,000)
Effect of increase in miscellaneous costs and others	134,917
Total	¥(297,383)

Operating costs and expenses decreased by ¥297.3 billion, or 1.6%, to ¥18,228.0 billion during fiscal 2012 compared with the prior fiscal year. This decrease resulted from the ¥432.3 billion favorable impact of fluctuations in foreign currency translation rates and others, and the ¥150.0 billion impact of cost reduction efforts, partially offset by the ¥134.9 billion increase in miscellaneous costs and others.

The increase in miscellaneous costs and others was due mainly to a ¥100.0 billion increase in labor costs, a ¥50.0 billion increase in research and development expenses and the ¥104.9 billion increase in other various costs, partially offset by the ¥120.0 billion impact of decrease in product quality related expenses and others. This cost decreased because costs related to recalls and other safety measures occurred at a high level during the prior fiscal year. See note 14 to the consolidated financial statements.

During fiscal 2012, Toyota announced recalls and other safety measures including the following:

In June 2011, Toyota announced in Japan and other regions a voluntary safety recall of certain models of Toyota and Lexus brands' vehicles in

relation to damage to elements of the substrate and potential shutdown of the hybrid system that may have resulted from improper manufacturing of electronic converter control substrate. The affected vehicle models included Harrier Hybrid, Kluger Hybrid, RX400h, and Highlander Hybrid, 111 thousand vehicles were included in this recall.

In September 2011, Toyota announced in Japan the service campaign of certain models of Toyota in relation to abnormal noise and oil leakage that may have resulted from slack of bolts in the sub transmission and the rear wheel differential. The affected vehicle models included EstimaL, EstimaT and Wish, 181 thousand vehicles were included in this service campaign.

In November 2011, Toyota announced in Japan and other regions the voluntary safety recall of certain models of Toyota and Lexus brands' vehicles in relation to abnormal noise, charge warning light indicators, and increasing of handle operation force resulted from peeling of a bonded part of the engine crankshaft pulley. The affected vehicle models included AlphardG, AlphardV, EstimaL, EstimaT, KlugerV, KlugerL, Kluger Hybrid, Harrier, Harrier Hybrid, Windom, RX300, RX330, RX400h, ES300, ES330, Solara, Camry, Avalon, Sienna, Highlander,

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and Highlander Hybrid, 549 thousand vehicles were included in this recall.

Cost Reduction Efforts

During fiscal 2012, Toyota's continued cost reduction efforts reduced operating costs and expenses by ¥150.0 billion. The amount of effect of cost reduction efforts includes the impact of fluctuation in the price of steel, precious metals, non-ferrous alloys including aluminum, plastic parts and other production materials and parts. In fiscal 2012, raw materials prices were on an increasing trend; however, continued cost reduction efforts together with suppliers contributed to the improvement in earnings by more than offsetting the effects from raw materials price increase. These cost reduction efforts related to ongoing value engineering and value analysis activities, the use of common parts resulting in a reduction of part types and other manufacturing initiatives designed to reduce the costs of vehicle production.

Cost of Products Sold

Cost of products sold decreased by ¥189.8 billion, or 1.2%, to ¥15,795.9 billion during fiscal 2012 compared with the prior fiscal year. The decrease resulted from the ¥343.6 billion favorable impact of fluctuations in foreign currency translation rates and

others, and the ¥150.0 billion impact of cost reduction efforts, partially offset by the ¥135.0 billion impact of changes in vehicle unit sales and sales mix and other operational factors, and ¥110.0 billion increase in miscellaneous costs and others. The increase in miscellaneous costs was due mainly to the ¥50.0 billion increase in research and development expenses and the ¥80.0 billion increase in labor costs.

Cost of Financing Operations

Cost of financing operations decreased by ¥36.8 billion, or 5.9%, to ¥592.6 billion during fiscal 2012 compared with the prior fiscal year. The decrease resulted from the ¥35.7 billion favorable impact of fluctuations in foreign currency translation rates and others, partially offset by the ¥20.8 billion recording of valuation losses on interest rate swaps stated at fair value.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by ¥70.6 billion, or 3.7%, to ¥1,839.4 billion during fiscal 2012 compared with the prior fiscal year. This decrease reflects the ¥53.0 billion favorable impact of fluctuations in foreign currency translation rates and others, and the ¥19.2 billion decrease for the financial services operations.

Operating Income

	Yen in millions
	2012 vs. 2011 Change
Changes in operating income and loss:	
Effect of changes in vehicle unit sales and sales mix and other operational factors	¥ 170,000
Effect of fluctuation in foreign currency translation rates and others	(285,400)
Effect of increase in miscellaneous costs and others	(100,000)
Effect of cost reduction efforts, financial services operations, and others	102,748
Total	¥(112,652)

Toyota's operating income decreased by ¥112.6 billion, or 24.1%, to ¥355.6 billion during fiscal 2012 compared with the prior fiscal year. This decrease was due mainly to the ¥285.4 billion unfavorable impact of fluctuations in foreign currency translation rates and others, and the ¥100.0 billion increase in miscellaneous costs and others, partially offset by the ¥170.0 billion of favorable impact by changes in vehicle unit sales and sales mix and other operational factors and the ¥102.7 billion increase of cost reduction efforts, financial services operations, and others. The unfavorable impact of fluctuations in foreign currency translation rates and others included ¥250.0 billion unfavorable impact of fluctuations in foreign currency transaction rates. The

¥102.7 billion increase of cost reduction efforts, financial services operations, and others reflects the ¥150.0 billion impact of cost reduction efforts, partially offset by the ¥10.0 billion decrease in operating income in the financial services operations.

During fiscal 2012, operating loss (before elimination of intersegment profits), decreased by ¥155.3 billion in Japan compared with the prior fiscal year. During fiscal 2012, operating income (before elimination of intersegment profits), increased by ¥4.6 billion, or 35.4%, in Europe compared with the prior fiscal year, whereas it decreased by ¥153.0 billion, or 45.1%, in North America, decreased by ¥56.2 billion, or 18.0%, in Asia, and decreased by ¥51.3 billion, or 32.0%, in Other.

The following is a description of operating income and loss in each geographic market.

Japan

	Yen in millions
	2012 vs. 2011 Change
Changes in operating income and loss:	
Effect of changes in vehicle unit sales and sales mix and other operational factors	¥195,000
Effect of fluctuation in foreign currency translation rates and others	(275,000)
Effect of cost reduction efforts, decrease in miscellaneous costs and others	235,356
Total	¥155,356

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The decrease in operating losses in Japan reflects the ¥195.0 billion of favorable impact by changes in vehicle unit sales and sales mix and other operational factors and ¥235.3 billion impact of the cost reduction efforts, and decrease in miscellaneous costs and others, partially offset by the ¥275.0 billion unfavorable impact of effect of fluctuation in

foreign currency transaction rates and others. The cost reduction efforts, decrease in miscellaneous costs and others mainly reflect the ¥130.0 billion impact of the cost reduction efforts and ¥40.0 billion decrease in miscellaneous costs and others. The increase in vehicle unit sales was mainly due to introduction of new products such as Prius α and Aqua.

The increase in operating income in Europe was due to the ¥10.0 billion impact of cost reduction efforts and the ¥5.0 billion increase in operating income in the financial services operations, partially offset by ¥15.0 billion negative impact of changes in

vehicle unit sales and sales mix and other operational factors and the ¥1.2 billion unfavorable impact of fluctuations in foreign currency translation rates and others.

North America

	Yen in millions 2012 vs. 2011 Change
Changes in operating income and loss:	
Effect of changes in vehicle unit sales and sales mix and other operational factors	¥ (5,000)
Effect of fluctuation in foreign currency translation rates and others	(7,500)
Effect of cost reduction efforts, increase in miscellaneous costs and others	(140,594)
Total	¥(153,094)

The decrease in operating income in North America was due to the ¥55.0 billion decrease in operating income in the financial services operations, the ¥7.5 billion unfavorable impact of the fluctuations in foreign currency translation rates and others, the

¥5.0 billion negative impact of changes in vehicle unit sales and sales mix and other operational factors and the ¥90.0 billion increase in miscellaneous costs and others.

Europe

	Yen in millions 2012 vs. 2011 Change
Changes in operating income and loss:	
Effect of changes in vehicle unit sales and sales mix and other operational factors	¥(15,000)
Effect of fluctuation in foreign currency translation rates and others	(1,200)
Effect of cost reduction efforts, decrease in miscellaneous costs and others	20,848
Total	¥ 4,648

Asia

	Yen in millions 2012 vs. 2011 Change
Changes in operating income and loss:	
Effect of changes in vehicle unit sales and sales mix and other operational factors	¥(10,000)
Effect of fluctuation in foreign currency translation rates and others	11,600
Effect of cost reduction efforts, increase in miscellaneous costs and others	(57,787)
Total	¥(56,187)

The decrease in operating income in Asia was due to the ¥10.0 billion negative impact of changes in vehicle unit sales and sales mix and other operational factors and others and the ¥35.0 billion increase in miscellaneous costs and others, partially offset by the ¥11.6 billion favorable impact of the fluctuation in foreign currency translation rates and others.

The net gain of ¥37.1 billion in fiscal 2012 was primarily attributable to Toyota Motor Corporation's receivables denominated in the U.S. dollars, specifically transactional gains on account of an increase in export volume due to the recovery of production levels in the second half of fiscal 2012 after the Great East Japan Earthquake, and the weakening of the Japanese yen against the U.S. dollar in the second half of fiscal 2012, together with the impact of forward foreign currency exchange contracts, which were mainly denominated in the U.S. dollars and the yen as well as the euro and the yen.

Other Income and Expenses

Interest and dividend income increased by ¥9.0 billion, or 10.0%, to ¥99.8 billion during fiscal 2012 compared with the prior fiscal year.

Interest expense decreased by ¥6.3 billion, or 21.8%, to ¥22.9 billion during fiscal 2012 compared with the prior fiscal year.

Foreign exchange gain, net increased by ¥22.8 billion, or 159.4%, to ¥37.1 billion during fiscal 2012 compared with the prior fiscal year.

The ¥22.8 billion increase in foreign exchange gain, net, during fiscal 2012 compared with the prior fiscal year was mainly attributable to the losses incurred by certain subsidiaries during fiscal 2011.

Such losses were principally due to the Brazilian real and the Thai baht, the functional currencies for Toyota Motor Corporation's Brazilian and Thai

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subsidiaries, respectively, both strengthening against the U.S. dollar, decreasing the value of assets denominated in dollars that were not settled during the year.

Other loss, net decreased by ¥56.0 billion to ¥36.8 billion during fiscal 2012 compared with the prior fiscal year. This was due to the recognition of impairment losses on available-for-sale securities.

Income Taxes

The provision for income taxes decreased by ¥50.5 billion, or 16.2%, to ¥262.2 billion during fiscal 2012 compared with the prior fiscal year due to the decrease in income before income taxes. The effective tax rate for fiscal 2012 was 60.6%, which was higher than the statutory tax rate in Japan. This was due to recurring items such as the valuation allowance and deferred tax liabilities relating to undistributed earnings in affiliated companies accounted for by the equity method.

Net Income and Loss Attributable to Noncontrolling Interests and Equity in Earnings of Affiliated Companies

Net income attributable to noncontrolling interests increased by ¥27.4 billion, or 47.9%, to ¥84.7 billion during fiscal 2012 compared with the prior fiscal year. This increase was due to an increase during

fiscal 2012 in net income attributable to the shareholders of consolidated subsidiaries.

Equity in earnings of affiliated companies during fiscal 2012 decreased by ¥17.3 billion, or 8.1%, to ¥197.7 billion compared with the prior fiscal year. This decrease was due to a decrease during fiscal 2012 in net income attributable to the shareholders of affiliated companies accounted for by the equity method.

Net Income Attributable to Toyota Motor Corporation

Net income attributable to the shareholders of Toyota Motor Corporation decreased by ¥124.6 billion, or 30.5%, to ¥283.5 billion during fiscal 2012 compared with the prior fiscal year.

Other Comprehensive Income and Loss

Other comprehensive loss decreased by ¥263.8 billion to ¥34.1 billion for fiscal 2012 compared with the prior fiscal year. This decrease resulted from unfavorable foreign currency translation adjustments losses of ¥87.7 billion in fiscal 2012 compared with losses of ¥287.6 billion in the prior fiscal year, and from unrealized holding gains on securities in fiscal 2012 of ¥129.3 billion compared with losses of ¥26.1 billion in the prior fiscal year. The increase in unrealized holding gains on securities was due to changes in stock prices.

Segment Information

The following is a discussion of results of operations for each of Toyota's operating segments. The amounts presented are prior to intersegment elimination.

		Yen in millions			
		Years ended March 31,		2012 vs. 2011 Change	
		2011	2012	Amount	Percentage (%)
Automotive:	Net revenues	¥17,337,320	¥16,994,546	¥(342,774)	-2.0
	Operating income	85,973	21,683	(64,290)	-74.8
Financial Services:	Net revenues	1,192,205	1,100,324	(91,881)	-7.7
	Operating income	358,280	306,438	(51,842)	-14.5
All Other:	Net revenues	972,252	1,048,915	76,663	+7.9
	Operating income	35,242	42,062	6,820	+19.4
Intersegment elimination/ unallocated amount:	Net revenues	(508,089)	(560,132)	(52,043)	—
	Operating income	(11,216)	(14,556)	(3,340)	—

Automotive Operations Segment

The automotive operations segment is Toyota's largest operating segment by net revenues. Net revenues for the automotive segment decreased during fiscal 2012 by ¥342.7 billion, or 2.0%, compared with the prior fiscal year to ¥16,994.5 billion. The decrease reflects the ¥649.2 billion unfavorable impact of fluctuations in foreign currency translation rates and others, partially offset by the ¥320.0 billion of favorable impact by changes in vehicle unit sales and sales mix, and other operational factors.

Operating income from the automotive operations decreased by ¥64.3 billion during fiscal 2012 compared with the prior fiscal year to ¥21.6 billion. This decrease in operating income was due to the ¥250.0 billion unfavorable impact of fluctuations in foreign currency rates and the ¥100.0 billion increase in miscellaneous costs and others, partially offset by the ¥170.0 billion effect of cost reduction efforts, and the ¥150.0 billion of favorable impact by changes in vehicle unit sales and sales mix.

The changes in vehicle unit sales and changes in sales mix was due primarily to an increase in Toyota's vehicle unit sales by 44 thousand vehicles compared with the prior fiscal year resulting from the introduction of new products in spite of the impact of the Great East Japan Earthquake and the flood in Thailand. The increase in miscellaneous costs and others was due primarily to the ¥100.0 billion increase in labor costs and the ¥50.0 billion increase in research and development expenses.

Financial Services Operations Segment

Net revenues for the financial services operations decreased during fiscal 2012 by ¥91.8 billion, or 7.7%, compared with the prior fiscal year to ¥1,100.3 billion. This decrease was primarily due to the unfavorable impact of fluctuations in foreign currency translation rates and others of ¥66.9 billion and the ¥18.3 billion decrease in rental income from vehicles and equipment on operating leases.

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Operating income from financial services operations decreased by ¥51.8 billion, or 14.5%, to ¥306.4 billion during fiscal 2012 compared with the

prior fiscal year. This decrease was due primarily to the recording of ¥20.8 billion of valuation losses on interest rate swaps stated at fair value.

Ratio of credit loss experience in the United States is as follows:

	Years ended March 31,	
	2011	2012
Net charge-offs as a percentage of average gross earning assets:		
Finance receivables	0.61%	0.24%
Operating lease	0.22	0.11
Total	0.52%	0.21%

All Other Operations Segment

Net revenues for Toyota's other operations segments increased by ¥76.6 billion, or 7.9%, to ¥1,048.9 billion during fiscal 2012 compared with the prior fiscal year.

Operating income from Toyota's other operations segments increased by ¥6.8 billion, or 19.4%, to ¥42.0 billion during fiscal 2012 compared with the prior fiscal year.

Outlook

As for our world future business environment, the U.S. economy is expected to benefit from ongoing moderate recovery and a pickup in the pace of economic expansion in emerging countries. Europe, meanwhile, still faces the risk of economic stagnation due to the sovereign debt crisis and other factors, though a gradual bottoming out is anticipated.

The automotive market is expected to see recovery in the U.S. and expansion in emerging countries. However, amid the change in market structure, as seen in the expansion and diversification of demand for eco-cars backed by rising environmental consciousness, fierce competition exists on a global

scale. With the foregoing external factors in mind, Toyota expects that net revenues for fiscal 2014 will increase compared with fiscal 2013 as results of a favorable impact of fluctuations in foreign currency translation rates and an increase in vehicle unit sales. With respect to operating income, factors expected to contribute to an increase in operating income include the favorable impact of fluctuations in foreign currency rates, increased vehicle unit sales through marketing efforts, and cost reduction efforts. On the other hand, factors expected to contribute to a decrease in operating income include increase in miscellaneous costs and others. As the

result, Toyota expects that operating income will increase in fiscal 2014 compared with fiscal 2013. Also, Toyota expects that income before income taxes and equity in earnings of affiliated companies and net income attributable to Toyota Motor Corporation will increase in fiscal 2014.

For the purposes of this outlook discussion, Toyota is assuming an average exchange rate of ¥90 to the U.S. dollar and ¥120 to the euro. Exchange rate fluctuations can materially affect Toyota's operating results. In particular, a strengthening of the Japanese yen against the U.S. dollar can have a material adverse effect on Toyota's

operating results. See "Overview—Currency Fluctuations" for further discussion.

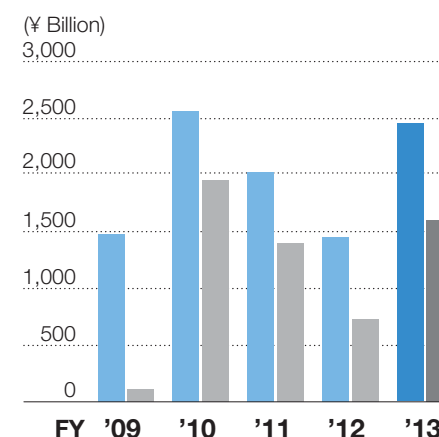
The foregoing statements are forward-looking statements based upon Toyota's management's assumptions and beliefs regarding exchange rates, market demand for Toyota's products, economic conditions and others. See "Cautionary Statement Concerning Forward-Looking Statements". Toyota's actual results of operations could vary significantly from those described above as a result of unanticipated changes in the factors described above or other factors, including those described in "Risk Factors".

Liquidity and Capital Resources

Historically, Toyota has funded its capital expenditures and research and development activities through cash generated by operations.

Net Cash Provided by Operating Activities and Free Cash Flow*

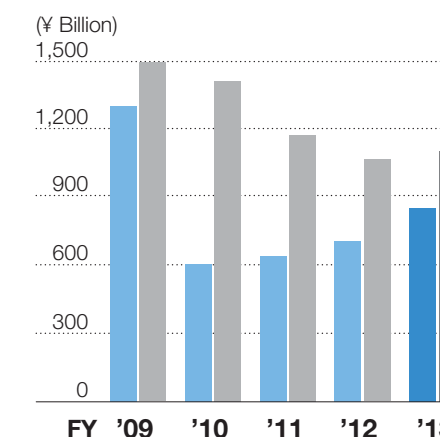
■ Net cash provided by operating activities
 ■ Free cash flow



* (Net cash provided by operating activities)-
 (Capital expenditures for property, plant and equipment, excluding vehicles and equipment on operating leases)

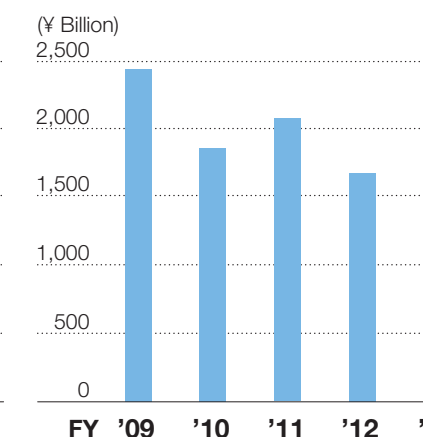
Capital Expenditures for Property, Plant and Equipment* and Depreciation

■ Capital expenditures ■ Depreciation



* Excluding vehicles and equipment on operating leases

Cash and Cash Equivalents at End of Year



Management's Discussion and Analysis of Financial Condition and Results of Operations

In fiscal 2014, Toyota expects to sufficiently fund its capital expenditures and research and development activities through cash and cash equivalents on hand, and cash generated by operations. Toyota will use its funds for the development of environment technologies, maintenance and replacement of manufacturing facilities, and the introduction of new products. See "Information on the Company—Business Overview—Capital Expenditures and Divestitures" in Toyota's annual report on Form-20F for information regarding Toyota's material capital expenditures and divestitures for fiscal 2011, 2012 and 2013, and information concerning Toyota's principal capital expenditures and divestitures currently in progress.

Toyota funds its financing programs for customers and dealers, including loans and leasing programs, from both cash generated by operations and borrowings by its sales finance subsidiaries. Toyota seeks to expand its ability to raise funds locally in markets throughout the world by expanding its network of finance subsidiaries.

Net cash provided by operating activities increased by ¥998.8 billion to ¥2,451.3 billion for fiscal 2013, compared with ¥1,452.4 billion for fiscal 2012. The increase was primarily attributable to the ¥965.2 billion increase in operating income. See "Results of Operations—Fiscal 2013 Compared with Fiscal 2012—Operating income" for further information regarding the increase in operating income.

Net cash provided by operating activities decreased by ¥571.5 billion to ¥1,452.4 billion for fiscal 2012, compared with ¥2,024.0 billion for fiscal 2011. The decrease was primarily attributable to the

¥112.6 billion decrease in operating income, to a decline in depreciation expense of ¥107.7 billion and a reduction in inventory.

Even though other working capital items significantly fluctuated in line with the significant decrease in production and sales in March 2011 due to the Great East Japan Earthquake and increase in sales in the second half of fiscal 2012 due to the recovery of production levels from the Great East Japan Earthquake, changes in other working capital items largely offset each other such that Toyota believes the impact of such changes on net cash provided by operating activities was not material. The impact of changes in interest and other items on net cash provided by operating activities were also not material.

Inventory levels were at comparable levels as between the ends of fiscal 2010 and 2011; while the reduction in sales after the Lehman financial crisis and other factors kept the inventory level low at the end of fiscal 2010, the inventory level at the end of fiscal 2011 was approximately equivalent because of the Great East Japan Earthquake and the subsequent downturn in production. However, the inventory level at the end of fiscal 2012 increased due to the recovery of production and sales after the Great East Japan Earthquake. This increase of inventory involved related expenditures incurred in producing the inventory, which resulted in reducing the net cash provided by operating activities by ¥396.7 billion.

Furthermore, depreciation decreased by ¥107.7 billion in fiscal 2012 as a result of a reduction of Toyota's capital expenditures after the Lehman financial crisis compared with capital expenditures

before such financial crisis. The decrease in depreciation favorably affected net income while it did not affect the net cash provided by operating activities.

Net cash used in investing activities increased by ¥1,584.6 billion to ¥3,027.3 billion for fiscal 2013, compared with ¥1,442.6 billion for fiscal 2012. The increase was primarily attributable to the ¥630.5 billion increase in finance receivables, to the ¥426.5 billion increase in marketable securities and security investments and to the ¥311.0 billion increase in purchases of investments in property.

Net cash used in investing activities decreased by ¥673.6 billion to ¥1,442.6 billion for fiscal 2012, compared with ¥2,116.3 billion for fiscal 2011. The decrease was primarily attributable to the ¥1,248.1 billion decrease in purchases of marketable securities and security investments, partially offset by a ¥859.3 billion decrease in sales and maturity of marketable securities and security investments.

Net cash provided by or used in financing activities increased by ¥832.5 billion to ¥477.2 billion increase for fiscal 2013, compared with ¥355.3 billion decrease for fiscal 2012. The increase was primarily attributable to the ¥796.4 billion increase in proceeds from issuance of long-term debt and to the ¥185.4 billion decrease in payments of long-term debt.

Net cash provided by or used in financing activities decreased by ¥789.6 billion to ¥355.3 billion decrease for fiscal 2012, compared with ¥434.3 billion increase for fiscal 2011. The decrease was primarily attributable to the ¥536.6 billion decrease in proceeds from issuance of long-term debt and to the ¥377.9 billion increase in payments of long-term debt.

Total capital expenditures for property, plant and equipment, excluding vehicles and equipment on operating leases, were ¥854.5 billion during fiscal 2013, an increase of 18.1% over the ¥723.5 billion in total capital expenditures during the prior fiscal year. This increase was due primarily to an increase of investments in North America and Asia.

Total capital expenditures for vehicles and equipment on operating leases were ¥1,119.5 billion during fiscal 2013, an increase of 38.5% over the ¥808.5 billion in expenditures from the prior fiscal year. This increase was due to an increase in investments in the financial services operations.

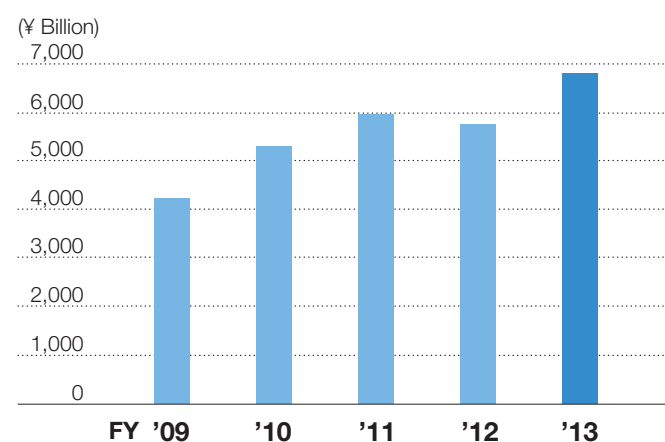
Toyota expects investments in property, plant and equipment, excluding vehicles and equipment on operating leases, to be approximately ¥910.0 billion during fiscal 2014.

Based on currently available information, Toyota does not expect environmental matters to have a material impact on its financial position, results of operations, liquidity or cash flows during fiscal 2014. However, uncertainty exists with respect to Toyota's obligations under current and future environment regulations as described in "Information on the Company—Business Overview—Governmental Regulation, Environmental and Safety Standards" in Toyota's annual report on Form 20-F.

Cash and cash equivalents were ¥1,718.2 billion as of March 31, 2013. Most of Toyota's cash and cash equivalents are held in the Japanese yen or in the U.S. dollars. In addition, time deposits were ¥106.7 billion and marketable securities were ¥1,445.6 billion as of March 31, 2013.

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Liquid Assets*



* Cash and cash equivalents, time deposits, marketable debt securities and investment in monetary trust funds

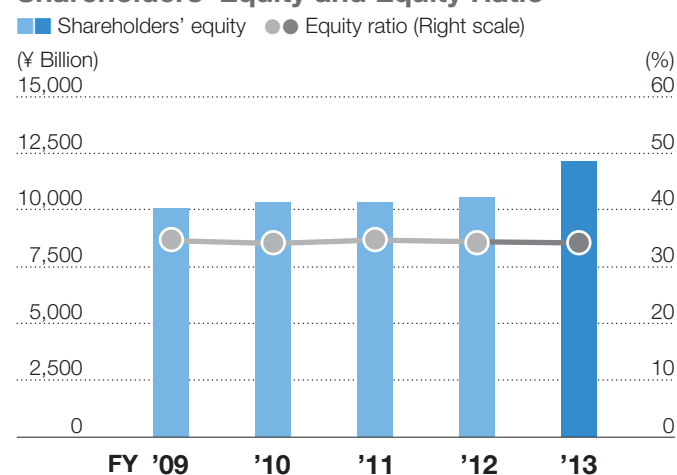
Liquid assets, which Toyota defines as cash and cash equivalents, time deposits, marketable debt securities and its investment in monetary trust funds, increased during fiscal 2013 by ¥1,043.0 billion, or 18.1%, to ¥6,804.5 billion.

Trade accounts and notes receivable, less allowance for doubtful accounts decreased during fiscal 2013 by ¥28.1 billion, or 1.4%, to ¥1,971.6 billion. This decrease was due to a decrease in the volume of sales in the fourth quarter of fiscal 2013.

Inventories increased during fiscal 2013 by ¥93.5 billion, or 5.8%, to ¥1,715.7 billion. This increase was due mainly to the fluctuations in foreign currency translation rates.

Total finance receivables, net increased during fiscal 2013 by ¥2,344.0 billion, or 24.1%, to ¥12,061.4 billion. This increase was due mainly to the fluctuations in foreign currency translation rates and an increase in the number of financing contracts. As of March 31, 2013, finance receivables were geographically distributed as

Shareholders' Equity and Equity Ratio



follows: in North America 57.6%, in Europe 10.0%, in Japan 9.9%, in Asia 9.5% and in Other 13.0%.

Marketable securities and other securities investments, including those included in current assets, increased during fiscal 2013 by ¥1,387.6 billion, or 26.5%, reflecting an increase in the fair values of common stocks and purchase of marketable securities and security investments.

Property, plant and equipment increased during fiscal 2013 by ¥615.8 billion, or 9.9%, primarily reflecting fluctuations in foreign currency translation rates and the increase in the capital expenditures, partially offset by the impacts of depreciation charges during the year.

Accounts and notes payable decreased during fiscal 2013 by ¥128.8 billion, or 5.7%. This decrease was due mainly to a decrease in production volume in the fourth quarter of fiscal 2013.

Accrued expenses increased during fiscal 2013 by ¥357.0 billion, or 19.5%. This increase was due

mainly to the charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S. and the increase of product quality related expenses resulted from the weakening of the Japanese yen at the end of fiscal 2013 against other currencies in comparison to the prior fiscal year. Income taxes payable increased during fiscal 2013 by ¥22.4 billion, or 16.8%, as a result of reflecting fluctuations in foreign currency translation rates.

Toyota's total borrowings increased during fiscal 2013 by ¥2,126.2 billion, or 17.7%. Toyota's short-term borrowings consist of loans with a weighted-average interest rate of 2.31% and commercial paper with a weighted-average interest rate of 0.52%. Short-term borrowings increased during fiscal 2013 by ¥638.8 billion, or 18.5%, to ¥4,089.5 billion. Toyota's long-term debt consists of unsecured and secured loans, medium-term notes, unsecured notes and long-term capital lease obligations with interest rates ranging from 0.00% to 27.30%, and maturity dates ranging from 2013 to 2050. The current portion of long-term debt increased during fiscal 2013 by ¥191.8 billion, or 7.6%, to ¥2,704.4 billion and the non-current portion increased by ¥1,295.5 billion, or 21.4%, to ¥7,337.8 billion. The increase in total borrowings resulted from an increase in medium-term notes. As of March 31, 2013, approximately 40% of long-term debt was denominated in the U.S. dollars, 17% in the Japanese yen, 13% in the Australian dollars, and 30% in other currencies. Toyota hedges interest rate risk exposure of fixed-rate borrowings by entering

into interest rate swaps. There are no material seasonal variations in Toyota's borrowings requirements.

As of March 31, 2013, Toyota's total interest bearing debt was 116.3% of Toyota Motor Corporation shareholders' equity, compared with 113.8% as of March 31, 2012.

The following table provides information for credit rating of Toyota's short-term borrowing and long-term debt from rating agencies, Standard & Poor's Ratings Group (S&P), Moody's Investors Services (Moody's), and Rating and Investment Information, Inc. (R&I), as of May 31, 2013. A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating.

	S&P	Moody's	R&I
Short-term borrowing	A-1+	P-1	—
Long-term debt	AA-	Aa3	AA+

Toyota's unfunded pension liabilities of Japanese plans decreased during fiscal 2013 by ¥48.6 billion, or 8.8%, to ¥504.1 billion. On the other hand, the liabilities of foreign plans increased during fiscal 2013 by ¥30.1 billion, or 24.4%, to ¥153.9 billion. The unfunded amounts will be funded through future cash contributions by Toyota or in some cases will be settled on the retirement date of each covered employee. The decrease in unfunded pension liabilities of the Japanese plans as of the end of fiscal 2013 compared with the prior fiscal year end reflects mainly an increase in pension assets due to rising equity security prices, despite an increase in

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pension benefit obligations resulted from a decline in discount rate. On the other hand, the increase in liabilities of foreign plans reflects the increase in pension benefit obligations resulted from a decline in discount rate. See note 19 to the consolidated financial statements for further discussion.

Toyota's treasury policy is to maintain controls on all exposures, to adhere to stringent counterparty credit standards, and to actively monitor marketplace exposures. Toyota remains centralized, and is pursuing global efficiency of its financial services operations through Toyota Financial Services Corporation.

The key element of Toyota's financial strategy is maintaining a strong financial position that will allow Toyota to fund its research and development

initiatives, capital expenditures and financial services operations efficiently even if earnings are subject to short-term fluctuations. Toyota believes that it maintains sufficient liquidity for its present requirements and that by maintaining its high credit ratings, it will continue to be able to access funds from external sources in large amounts and at relatively low costs. Toyota's ability to maintain its high credit ratings is subject to a number of factors, some of which are not within Toyota's control. These factors include general economic conditions in Japan and the other major markets in which Toyota does business, as well as Toyota's successful implementation of its business strategy.

Off-Balance Sheet Arrangements

Toyota uses its securitization program as part of its funding through special purpose entities for its financial services operations. Toyota is considered the primary beneficiary of these special purpose

entities and therefore consolidates them. Toyota has not entered into any off-balance sheet securitization transactions during fiscal 2013.

Lending Commitments

Credit Facilities with Credit Card Holders

Toyota's financial services operations issue credit cards to customers. As customary for credit card businesses, Toyota maintains credit facilities with holders of credit cards issued by Toyota. These facilities are used upon each holder's requests up to the limits established on an individual holder's basis. Although loans made to customers through these facilities are not secured, for the purposes of

minimizing credit risks and of appropriately establishing credit limits for each individual credit card holder, Toyota employs its own risk management policy which includes an analysis of information provided by financial institutions in alliance with Toyota. Toyota periodically reviews and revises, as appropriate, these credit limits. Outstanding credit facilities with credit card holders were ¥245.2 billion as of March 31, 2013.

Credit Facilities with Dealers

Toyota's financial services operations maintain credit facilities with dealers. These credit facilities may be used for business acquisitions, facilities refurbishment, real estate purchases, and working capital requirements. These loans are typically collateralized with liens on real estate, vehicle inventory, and/or other dealership assets, as appropriate. Toyota obtains a personal guarantee from the dealer or corporate guarantee from the dealership when deemed prudent. Although the loans are typically collateralized or guaranteed, the value of the underlying collateral or guarantees may not be sufficient to cover Toyota's exposure under such agreements. Toyota prices the credit facilities according to the risks assumed in entering into the credit facility. Toyota's financial services operations also provide financing to various multi-franchise dealer organizations, referred to as dealer groups, often as part of a lending consortium, for wholesale inventory financing, business acquisitions, facilities refurbishment, real estate purchases, and working capital requirements. Toyota's outstanding credit facilities with dealers totaled ¥1,795.8 billion as of March 31, 2013.

Contractual Obligations and Commitments

For information regarding debt obligations, capital lease obligations, operating lease obligations and other obligations, including amounts maturing in each of the next five years, see notes 13, 22 and 23 to the consolidated financial statements. In addition, as part of Toyota's normal business practices, Toyota enters into long-term arrangements with

Guarantees

Toyota enters into certain guarantee contracts with its dealers to guarantee customers' payments of their installment payables that arise from installment contracts between customers and Toyota dealers, as and when requested by Toyota dealers. Guarantee periods are set to match the maturity of installment payments, and as of March 31, 2013, ranged from one month to 35 years. However, they are generally shorter than the useful lives of products sold. Toyota is required to execute its guarantee primarily when customers are unable to make required payments.

The maximum potential amount of future payments as of March 31, 2013 is ¥1,849.4 billion. Liabilities for these guarantees of ¥6.5 billion have been provided as of March 31, 2013. Under these guarantee contracts, Toyota is entitled to recover any amounts paid by it from the customers whose obligations it guaranteed.

suppliers for purchases of certain raw materials, components and services. These arrangements may contain fixed/minimum quantity purchase requirements. Toyota enters into such arrangements to facilitate an adequate supply of these materials and services.

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The following tables summarize Toyota's contractual obligations and commercial commitments as of March 31, 2013.

	Yen in millions				
	Total	Payments Due by Period			
		Less than 1 year	1 to 3 years	3 to 5 years	5 years and after
Contractual Obligations:					
Short-term borrowings (note 13)					
Loans	¥ 1,062,233	¥1,062,233	¥ —	¥ —	¥ —
Commercial paper	3,027,295	3,027,295	—	—	—
Long-term debt* (note 13)	10,020,853	2,700,333	3,788,631	2,545,775	986,114
Estimated amount of interest expense on long-term debt	757,581	220,552	299,299	126,644	111,086
Capital lease obligations (note 13)	21,399	4,095	4,839	3,217	9,248
Non-cancelable operating lease obligations (note 22)	61,877	11,299	17,386	11,701	21,491
Commitments for the purchase of property, plant and other assets (note 23)	203,901	57,970	9,902	3,761	132,268
Total	¥15,155,139	¥7,083,777	¥4,120,057	¥2,691,098	¥1,260,207

* "Long-term debt" represents future principal payments.

Toyota is unable to make reasonable estimates of the period of cash settlement with respect to liabilities recognized for uncertain tax benefits, and

accordingly such liabilities are excluded from the table above. See note 16 to the consolidated financial statements for further discussion.

Toyota expects to contribute ¥54,094 million domestically and ¥8,688 million overseas to its pension plans in fiscal 2014.

	Yen in millions				
	Total Amounts Committed	Amount of Commitment Expiration Per Period			
		Less than 1 year	1 to 3 years	3 to 5 years	5 years and after
Commercial Commitments (note 23):					
Maximum potential exposure to guarantees given in the ordinary course of business	¥1,849,493	¥813,754	¥503,822	¥397,108	¥134,809
Total Commercial Commitments	¥1,849,493	¥813,754	¥503,822	¥397,108	¥134,809

Related Party Transactions

Toyota does not have any significant related party transactions other than transactions with affiliated companies in the ordinary course of business. See

note 12 to the consolidated financial statements for further discussion.

Legislation Regarding End-of-Life Vehicles

In October 2000, the European Union enforced a directive that requires member states to promulgate regulations implementing the following:

- manufacturers shall bear all or a significant part of the costs for taking back end-of-life vehicles put on the market after July 1, 2002 and dismantling and recycling those vehicles. Beginning January 1, 2007, this requirement will also be applicable to vehicles put on the market before July 1, 2002;
- manufacturers may not use certain hazardous materials in vehicles sold after July 2003;

- vehicles type-approved and put on the market after December 15, 2008 shall be re-usable and/or recyclable to a minimum of 85% by weight per vehicle and shall be re-usable and/or recoverable to a minimum of 95% by weight per vehicle; and
- end-of-life vehicles must meet actual re-use of 80% and re-use as material or energy of 85%, respectively, of vehicle weight by 2006, rising to 85% and 95%, respectively, by 2015.

See note 23 to the consolidated financial statements for further discussion.

Recent Accounting Pronouncements in the United States

In December 2011, FASB issued updated guidance of disclosures about offsetting assets and liabilities. This guidance requires additional disclosures about gross and net information for assets and liabilities including financial instruments eligible for offset in the balance sheets. This guidance is effective for fiscal year beginning on or after January 1, 2013, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota's consolidated financial statements.

In February 2013, FASB issued updated guidance on the presentation of items reclassified out of

accumulated other comprehensive income. This guidance requires to present, either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified out of each component of accumulated other comprehensive income based on its source. This guidance is effective for fiscal year beginning on or after December 15, 2012, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota's consolidated financial statements.



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Management's Discussion and Analysis of Financial Condition and Results of Operations

Critical Accounting Estimates

The consolidated financial statements of Toyota are prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Toyota believes that of its significant accounting policies, the following may involve a higher degree of judgments, estimates and assumptions:

Product Warranties and Recalls and Other Safety Measures

Toyota generally warrants its products against certain manufacturing and other defects. Provisions for product warranties are provided for specific periods of time and/or usage of the product and vary depending upon the nature of the product, the geographic location of the sale and other factors. All product warranties are consistent with commercial practices. Toyota includes a provision for estimated product warranty costs as a component of cost of sales at the time the related sale is recognized. The accrued warranty costs represent management's best estimate at the time of sale of the total costs that Toyota will incur to repair or replace product parts that fail while still under warranty. The amount of accrued estimated warranty costs is primarily based on historical experience of product failures as well as current information on repair costs. The

amount of warranty costs accrued also contains an estimate of warranty claim recoveries to be received from suppliers. The foregoing evaluations are inherently uncertain, as they require material estimates and some products' warranties extend for several years. Consequently, actual warranty costs may differ from the estimated amounts and could require additional warranty provisions. If these factors require a significant increase in Toyota's accrued estimated warranty costs, it would negatively affect future operating results of the automotive operations.

An estimate of warranty claim accrued for each fiscal year is calculated based on the estimate of warranty claim per unit. The estimate of warranty claim per unit is calculated by dividing the actual amounts of warranty claim, net of claim recovery cost received from suppliers, by the number of sales units for the fiscal year.

As the historical recovery amounts received from suppliers is used as a factor in Toyota's calculation of estimated accrued warranty cost, the estimated accrued warranty cost may change depending on the average recovery amounts received from suppliers in the past. However, Toyota believes that there is not a significant uncertainty of estimated amounts based on historical experience regarding recoveries received from suppliers. Toyota may seek recovery to suppliers over the life of the warranty, and there are no other significant special terms and conditions including cap on amounts that can be recovered.

Toyota accrues for costs of recalls and other safety measures, as well as product warranty cost

described above, included as a component of cost of sales at the time of vehicle sale. Toyota provides for such "liabilities for recalls and other safety measures" at the time of vehicle sales comprehensively by aggregate sales of various models in a certain period by geographical regions instead of by individual models. While there is no difference in the calculation method among geographical regions, Toyota believes it is reasonable to calculate the liabilities by geographical regions because of factors such as varying labor costs among geographical regions.

The "liabilities for the costs of recalls and other safety measures" recorded in the balance sheet is calculated by deducting the "accumulated amount of repair cost paid" from the "expected liability for the cost of recalls and other safety measures". As such, this liability is evaluated every period based on new data and are adjusted as appropriate. Toyota calculates these liabilities for units sold in the current period and each of the past 10 fiscal years, and aggregates such liabilities in determining the final liability amount.

The "expected liability for the cost of recalls and other safety measures" are calculated by multiplying the "sales unit" by the "expected average repair cost per unit". The "expected average repair cost per unit" is calculated based on dividing the "accumulated amount of repair cost paid per unit" by the "pattern of payment occurrences". The "pattern of payment occurrence" represents a ratio that shows the measure of payment occurrence over 10 years based on actual payments with regard to units sold within 10 years.

Factors that may cause a difference between the amount accrued at the time of vehicle sale and actual payment on individual recalls and other safety measures mainly include actual cost of recalls and safety measures during the period being significantly different from the accumulated amount of repair cost paid per unit (generally comprised of parts and labor) and the actual pattern of payment occurrence during the period being significantly different from the pattern of the payment occurrence in the past, which is considered as part of our estimation process for future recalls and other safety measures.

As described above, in estimating the comprehensive provision, the actual cost of individual recalls and other safety measures is included as a component of the calculation such as the accumulated amount of repair cost paid per unit. Thus, an individual recall announcement generally does not directly impact the financial statements when it occurs.

Allowance for Doubtful Accounts and Credit Losses

Natures of estimates and assumptions

Retail receivables and finance lease receivables consist of retail installment sales contracts secured by passenger cars and commercial vehicles. Collectability risks include consumer and dealer insolvencies and insufficient collateral values (less costs to sell) to realize the full carrying values of these receivables. As a matter of policy, Toyota maintains an allowance for doubtful accounts and credit losses representing management's estimate of the amount of asset impairment in the portfolios

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of finance, trade and other receivables. Toyota determines the allowance for doubtful accounts and credit losses based on a systematic, ongoing review and evaluation performed as part of the credit-risk evaluation process, historical loss experience, the size and composition of the portfolios, current economic events and conditions, the estimated fair value and adequacy of collateral, and other pertinent factors. This evaluation is inherently judgmental and requires material estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to significant change. Although management considers the allowance for doubtful accounts and credit losses to be adequate based on information currently available, additional provisions may be necessary due to (i) changes in management estimates and assumptions about asset impairments, (ii) information that indicates changes in expected future cash flows, or (iii) changes in economic and other events and conditions. To the extent that sales incentives remain an integral part of sales promotion with the effect of reducing new vehicle prices, resale prices of used vehicles and, correspondingly, the collateral value of Toyota's retail receivables and finance lease receivables could experience further downward pressure. If these factors require a significant increase in Toyota's allowance for doubtful accounts and credit losses, it could negatively affect future operating results of the financial services operations. The level of credit losses, which has a greater impact on Toyota's results of operations, is

influenced by two factors: frequency of occurrence and expected severity of loss. For evaluation purposes, exposures to credit losses are segmented into the two primary categories of "consumer" and "dealer". Toyota's "consumer" category consists of smaller balances that are homogenous retail receivables and finance lease receivables. The "dealer" category consists of wholesale and other dealer loan receivables. The overall allowance for credit losses is evaluated at least quarterly, considering a variety of assumptions and factors to determine whether reserves are considered adequate to cover probable losses.

Sensitivity analysis

The level of credit losses, which could significantly impact Toyota's results of operations, is influenced by two factors: frequency of occurrence and expected severity of loss. The overall allowance for credit losses is evaluated at least quarterly, considering a variety of assumptions and factors to determine whether reserves are considered adequate to cover probable losses. The following table illustrates the effect of an assumed change in frequency of occurrence or expected severity of loss mainly in the United States, assuming all other assumptions are held consistent respectively. The table below represents the impact on the allowance for credit losses in Toyota's financial services operations of the change in frequency of occurrence or expected severity of loss as any change impacts most significantly on the financial services operations.

	Yen in millions
	Effect on the allowance for credit losses as of March 31, 2013
10 percent change in frequency of occurrence or expected severity of loss	¥3,950

Investment in Operating Leases

Natures of estimates and assumptions

Vehicles on operating leases, where Toyota is the lessor, are valued at cost and depreciated over their estimated useful lives using the straight-line method to their estimated residual values. Toyota utilizes industry published information and its own historical experience to determine estimated residual values for these vehicles. Toyota evaluates the recoverability of the carrying values of its leased vehicles for impairment when there are indications of declines in residual values, and if impaired, Toyota recognizes an allowance for losses on its residual values.

Throughout the life of the lease, management performs periodic evaluations of estimated end-of-term fair values to determine whether estimates used in the determination of the contractual residual value are still considered reasonable. Factors affecting the estimated residual value at lease maturity include, but are not limited to, new vehicle incentive programs, new vehicle pricing, used vehicle supply, projected vehicle return rates, and projected loss severity. The vehicle return rate represents the number of leased vehicles actually returned at contract maturity as a percentage of the number of lease contracts originally scheduled to be mature in the same period less lease contracts subject to early terminations. A higher rate of vehicle returns

exposes Toyota to higher potential losses incurred at lease termination. Severity of loss is the extent to which the end-of-term fair value of a lease is less than its carrying value at lease end.

To the extent that sales incentives remain an integral part of sales promotion, resale prices of used vehicles and, correspondingly, the fair value of Toyota's leased vehicles could be subject to downward pressure. The extent of the impact this will have on the end of term residual value depends on the significance of the incentive programs and whether they are sustained over a number of periods. This in turn can impact the projection of future used vehicle values, adversely impacting the expected residual value of the current operating lease portfolio and increasing the provision for residual value losses. However, various other factors impact used vehicle values and the projection of future residual values, including the supply of and demand for used vehicles, interest rates, inflation, the actual or perceived quality, safety and reliability of vehicles, the general economic outlook, new vehicle pricing, projected vehicle return rates and projected loss severity, which may offset this effect. Such factors might adversely affect the results of operations for financial services due to significant charges reducing the estimated residual value.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Sensitivity analysis

The following table illustrates the effect of an assumed change in the vehicle return rate and end-of-term market values mainly in the United States, which Toyota believes are the critical estimates, in determining the residual value losses, holding all

other assumptions constant. The following table represents the impact on the residual value losses in Toyota's financial services operations of the change in vehicle return rate and end-of-term market values as those changes have a significant impact on financial services operations.

	Yen in millions
	Effect on the residual value losses over the remaining terms of the operating leases on and after April 1, 2013
1 percent increase in vehicle return rate	¥1,035
1 percent increase in end-of-term market values	5,267

Impairment of Long-Lived Assets

Toyota periodically reviews the carrying value of its long-lived assets held and used and assets to be disposed of, including intangible assets, when events and circumstances warrant such a review. This review is performed using estimates of future cash flows. If the carrying value of a long-lived asset is considered impaired, an impairment charge is recorded for the amount by which the carrying value of the long-lived asset exceeds its fair value. Management believes that the estimates of future cash flows and fair values are reasonable. However, changes in estimates of such cash flows and fair values would affect the evaluations and negatively affect future operating results of the automotive operations.

accumulated and amortized over future periods and, therefore, generally affect recognized expense in future periods. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect Toyota's pension costs and obligations.

The two most critical assumptions impacting the calculation of pension costs and obligations are the discount rates and the expected rates of returns on plan assets. Toyota determines the discount rates mainly based on the rates of high quality fixed income bonds or fixed income governmental bonds currently available and expected to be available during the period to maturity of the defined benefit pension plans. Toyota determines the expected rates of return for pension assets after considering several applicable factors including, the composition of plan assets held, assumed risks of asset management, historical results of the returns on plan assets, Toyota's principal policy for plan asset management, and forecasted market conditions. A weighted-average discount rate of 2.0% domestically and 5.0% overseas and a weighted-average expected rate of return on plan assets of 2.5% domestically

Pension Costs and Obligations

Natures of estimates and assumptions

Pension costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, benefits earned, interest costs, expected rate of return on plan assets, mortality rates and other factors. Actual results that differ from the assumptions are

and 7.0% overseas are the results of assumptions used for the various pension plans in calculating Toyota's consolidated pension costs for fiscal 2013. Also, a weighted-average discount rate of 1.7% domestically and 4.5% overseas is the result of assumption used for the various pension plans in calculating Toyota's consolidated pension obligations for fiscal 2013.

Sensitivity analysis

The following table illustrates the effects of assumed changes in weighted-average discount rates and the weighted-average expected rate of return on plan assets, which Toyota believes are critical estimates in determining pension costs and obligations, assuming all other assumptions are consistent.

	Yen in millions			
	Domestic		Overseas	
	Effect on pre-tax income for the year ended March 31, 2014	Effect on obligations for the year ended March 31, 2013	Effect on pre-tax income for the year ended March 31, 2014	Effect on obligations for the year ended March 31, 2013
Discount rates				
0.5% decrease	¥(7,217)	¥117,113	¥(4,598)	¥57,956
0.5% increase	6,984	(108,417)	4,365	(52,908)
Expected rate of return on plan assets				
0.5% decrease	¥(5,451)		¥(2,396)	
0.5% increase	5,451		2,396	

Derivatives and Other Contracts at Fair Value

Toyota uses derivatives in the normal course of business to manage its exposure to foreign currency exchange rates and interest rates. The accounting for derivatives is complex and continues to evolve. Toyota estimates the fair value of derivative financial instruments using industry-standard valuation models that require observable inputs including interest rates and foreign exchange rates, and the contractual terms. In other certain cases when market data is not available, key inputs to the fair value measurement include quotes from counterparties, and other market data. These estimates are based upon valuation methodologies deemed appropriate under the circumstances. However, the use of

different assumptions may have a material effect on the estimated fair value amounts.

Marketable Securities and Investments in Affiliated Companies

Toyota's accounting policy is to record a write-down of such investments to net realizable value when a decline in fair value below the carrying value is other-than-temporary. In determining if a decline in value is other-than-temporary, Toyota considers the length of time and the extent to which the fair value has been less than the carrying value, the financial condition and prospects of the company and Toyota's ability and intent to retain its investment in the company for a period of time sufficient to allow for any anticipated recovery in fair value.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Deferred Tax Assets

The factors used to assess the likelihood of realization of the deferred tax assets are the future reversal of existing taxable temporary differences, the future taxable income and available tax planning strategies that are prudent and feasible. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence,

a valuation allowance is needed for deferred tax assets which are not more-likely-than-not to be realized.

The accounting for deferred tax assets represents Toyota's current best estimate based on all available evidence. Unanticipated events or changes could result in re-evaluating the realizability of deferred tax assets.

Quantitative and Qualitative Disclosures about Market Risk

Toyota is exposed to market risk from changes in foreign currency exchange rates, interest rates, certain commodity and equity security prices. In order to manage the risk arising from changes in foreign currency exchange rates and interest rates, Toyota enters into a variety of derivative financial instruments.

A description of Toyota's accounting policies for derivative instruments is included in note 2 to the consolidated financial statements and further disclosure is provided in notes 20 and 26 to the consolidated financial statements.

Toyota monitors and manages these financial exposures as an integral part of its overall risk management program, which recognizes the unpredictability of financial markets and seeks to reduce the potentially adverse effects on Toyota's operating results.

The financial instruments included in the market risk analysis consist of all of Toyota's cash and cash equivalents, marketable securities, finance receivables, securities investments, long-term and short-term debt and all derivative financial instruments. Toyota's portfolio of derivative financial instruments

consists of forward foreign currency exchange contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements and interest rate options. Anticipated transactions denominated in foreign currencies that are covered by Toyota's derivative hedging are not included in the market risk analysis. Although operating leases are not required to be included, Toyota has included these instruments in determining interest rate risk.

Foreign Currency Exchange Rate Risk

Toyota has foreign currency exposures related to buying, selling and financing in currencies other than the local currencies in which it operates. Toyota is exposed to foreign currency risk related to future earnings or assets and liabilities that are exposed due to operating cash flows and various financial instruments that are denominated in foreign currencies. Toyota's most significant foreign currency exposures relate to the U.S. dollar and the euro.

Toyota uses a value-at-risk analysis ("VAR") to evaluate its exposure to changes in foreign currency

exchange rates. The VAR of the combined foreign exchange position represents a potential loss in pre-tax earnings that was estimated to be ¥87.9 billion and ¥99.1 billion at March 31, 2012 and 2013, respectively. Based on Toyota's overall currency exposure (including derivative positions), the risk during fiscal 2013 to pre-tax cash flow from currency movements was on average ¥99.1 billion, with a high of ¥129.5 billion and a low of ¥78.1 billion.

The VAR was estimated by using a Monte Carlo Simulation Method and assumed 95% confidence level on the realization date and a 10-day holding period.

Interest Rate Risk

Toyota is subject to market risk from exposures to changes in interest rates based on its financing, investing and cash management activities. Toyota enters into various financial instrument transactions to maintain the desired level of exposure to the risk of interest rate fluctuations and to minimize interest expense. The potential decrease in fair value resulting from a hypothetical 100 basis point upward shift in interest rates would be approximately ¥144.2 billion as of March 31, 2012 and ¥208.5 billion as of March 31, 2013.

There are certain shortcomings inherent to the sensitivity analyses presented. The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. However, in reality, changes are rarely instantaneous. Although certain assets and liabilities may have similar maturities or periods to repricing, they may not react correspondingly to changes in market interest rates. Also, the interest rates on certain types of assets and liabilities may

fluctuate with changes in market interest rates, while interest rates on other types of assets may lag behind changes in market rates. Finance receivables are less susceptible to prepayments when interest rates change and, as a result, Toyota's model does not address prepayment risk for automotive related finance receivables. However, in the event of a change in interest rates, actual loan prepayments may deviate significantly from the assumptions used in the model.

Commodity Price Risk

Commodity price risk is the possibility of higher or lower costs due to changes in the prices of commodities, such as non-ferrous alloys (e.g., aluminum), precious metals (e.g., palladium, platinum and rhodium) and ferrous alloys, which Toyota uses in the production of motor vehicles. Toyota does not use derivative instruments to hedge the price risk associated with the purchase of those commodities and controls its commodity price risk by holding minimum stock levels.

Equity Price Risk

Toyota holds investments in various available-for-sale equity securities that are subject to price risk. The fair value of available-for-sale equity securities was ¥1,034.3 billion as of March 31, 2012 and ¥1,401.1 billion as of March 31, 2013. The potential change in the fair value of these investments, assuming a 10% change in prices, would be approximately ¥103.4 billion as of March 31, 2012 and ¥140.1 billion as of March 31, 2013.



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Consolidated Balance Sheets

Toyota Motor Corporation
March 31, 2012 and 2013

ASSETS	Yen in millions		U.S. dollars in millions
	2012	2013	2013
Current assets			
Cash and cash equivalents	¥ 1,679,200	¥ 1,718,297	\$ 18,270
Time deposits	80,301	106,700	1,135
Marketable securities	1,181,070	1,445,663	15,371
Trade accounts and notes receivable, less allowance for doubtful accounts of ¥13,004 million in 2012 and ¥15,875 million (\$169 million) in 2013	1,999,827	1,971,659	20,964
Finance receivables, net	4,114,897	5,117,660	54,414
Other receivables	408,547	432,693	4,601
Inventories	1,622,282	1,715,786	18,243
Deferred income taxes	718,687	749,398	7,968
Prepaid expenses and other current assets	516,378	527,034	5,604
Total current assets	12,321,189	13,784,890	146,570
Noncurrent finance receivables, net	5,602,462	6,943,766	73,830
Investments and other assets			
Marketable securities and other securities investments	4,053,572	5,176,582	55,041
Affiliated companies	1,920,987	2,103,283	22,363
Employees receivables	56,524	53,741	571
Other	460,851	569,816	6,059
Total investments and other assets	6,491,934	7,903,422	84,034
Property, plant and equipment			
Land	1,243,261	1,303,611	13,861
Buildings	3,660,912	3,874,279	41,194
Machinery and equipment	9,094,399	9,716,180	103,308
Vehicles and equipment on operating leases	2,575,353	3,038,011	32,302
Construction in progress	275,357	291,539	3,100
Total property, plant and equipment, at cost	16,849,282	18,223,620	193,765
Less—Accumulated depreciation	(10,613,902)	(11,372,381)	(120,918)
Total property, plant and equipment, net	6,235,380	6,851,239	72,847
Total assets	¥30,650,965	¥35,483,317	\$377,281

LIABILITIES AND SHAREHOLDERS' EQUITY	Yen in millions		U.S. dollars in millions
	2012	2013	2013
Current liabilities			
Short-term borrowings	¥ 3,450,649	¥ 4,089,528	\$ 43,482
Current portion of long-term debt	2,512,620	2,704,428	28,755
Accounts payable	2,242,583	2,113,778	22,475
Other payables	629,093	721,065	7,667
Accrued expenses	1,828,523	2,185,537	23,238
Income taxes payable	133,778	156,266	1,662
Other current liabilities	984,328	941,918	10,015
Total current liabilities	11,781,574	12,912,520	137,294
Long-term liabilities			
Long-term debt	6,042,277	7,337,824	78,020
Accrued pension and severance costs	708,402	766,112	8,146
Deferred income taxes	908,883	1,385,927	14,736
Other long-term liabilities	143,351	308,078	3,276
Total long-term liabilities	7,802,913	9,797,941	104,178
Shareholders' equity			
Toyota Motor Corporation shareholders' equity			
Common stock, no par value, authorized: 10,000,000,000 shares in 2012 and 2013; issued: 3,447,997,492 shares in 2012 and 2013	397,050	397,050	4,222
Additional paid-in capital	550,650	551,040	5,859
Retained earnings	11,917,074	12,689,206	134,920
Accumulated other comprehensive income (loss)	(1,178,833)	(356,123)	(3,787)
Treasury stock, at cost, 281,187,739 shares in 2012 and 280,568,824 shares in 2013	(1,135,680)	(1,133,138)	(12,048)
Total Toyota Motor Corporation shareholders' equity	10,550,261	12,148,035	129,166
Noncontrolling interests	516,217	624,821	6,643
Total shareholders' equity	11,066,478	12,772,856	135,809
Commitments and contingencies			
Total liabilities and shareholders' equity	¥30,650,965	¥35,483,317	\$377,281

The accompanying notes are an integral part of these consolidated financial statements.



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Consolidated Statements of Comprehensive Income

Toyota Motor Corporation

For the years ended March 31, 2011, 2012 and 2013

	Yen in millions			U.S. dollars in millions
	2011	2012	2013	2013
Net income	¥465,485	¥368,302	¥1,083,482	\$11,520
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	(299,578)	(93,292)	461,754	4,910
Unrealized gains (losses) on securities, net of reclassification adjustments	(27,657)	131,794	374,209	3,979
Pension liability adjustments	11,454	(65,110)	14,711	156
Total other comprehensive income (loss)	(315,781)	(26,608)	850,674	9,045
Comprehensive income	149,704	341,694	1,934,156	20,565
Less: Comprehensive income attributable to noncontrolling interests	(39,407)	(85,744)	(149,283)	(1,587)
Comprehensive income attributable to Toyota Motor Corporation	¥110,297	¥255,950	¥1,784,873	\$18,978

The accompanying notes are an integral part of these consolidated financial statements.



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Consolidated Statements of Shareholders' Equity

Toyota Motor Corporation

For the years ended March 31, 2011, 2012 and 2013

	Yen in millions							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total Toyota Motor Corporation shareholders' equity	Noncontrolling interests	Total shareholders' equity
Balances at March 31, 2010	¥397,050	¥501,331	¥11,568,602	¥ (846,835)	¥(1,260,425)	¥10,359,723	¥570,720	¥10,930,443
Equity transaction with noncontrolling interests and other		2,310				2,310	5,183	7,493
Issuance during the year		2,119				2,119		2,119
Comprehensive income								
Net income			408,183			408,183	57,302	465,485
Other comprehensive income (loss)								
Foreign currency translation adjustments				(287,613)		(287,613)	(11,965)	(299,578)
Unrealized gains (losses) on securities, net of reclassification adjustments				(26,058)		(26,058)	(1,599)	(27,657)
Pension liability adjustments				15,785		15,785	(4,331)	11,454
Total comprehensive income						110,297	39,407	149,704
Dividends paid to Toyota Motor Corporation shareholders			(141,120)			(141,120)		(141,120)
Dividends paid to noncontrolling interests							(27,657)	(27,657)
Purchase and reissuance of common stock					(958)	(958)		(958)
Balances at March 31, 2011	¥397,050	¥505,760	¥11,835,665	¥(1,144,721)	¥(1,261,383)	¥10,332,371	¥587,653	¥10,920,024
Equity transaction with noncontrolling interests and other		43,311	(45,365)	(6,503)	125,819	117,262	(119,824)	(2,562)
Issuance during the year		1,483				1,483		1,483
Comprehensive income								
Net income			283,559			283,559	84,743	368,302
Other comprehensive income (loss)								
Foreign currency translation adjustments				(87,729)		(87,729)	(5,563)	(93,292)
Unrealized gains (losses) on securities, net of reclassification adjustments				129,328		129,328	2,466	131,794
Pension liability adjustments				(69,208)		(69,208)	4,098	(65,110)
Total comprehensive income						255,950	85,744	341,694
Dividends paid to Toyota Motor Corporation shareholders			(156,785)			(156,785)		(156,785)
Dividends paid to noncontrolling interests							(37,356)	(37,356)
Purchase and reissuance of common stock		96			(116)	(20)		(20)
Balances at March 31, 2012	¥397,050	¥550,650	¥11,917,074	¥(1,178,833)	¥(1,135,680)	¥10,550,261	¥516,217	¥11,066,478
Equity transaction with noncontrolling interests and other		675				675	4,961	5,636
Issuance during the year								
Comprehensive income								
Net income			962,163			962,163	121,319	1,083,482
Other comprehensive income (loss)								
Foreign currency translation adjustments				434,638		434,638	27,116	461,754
Unrealized gains (losses) on securities, net of reclassification adjustments				368,507		368,507	5,702	374,209
Pension liability adjustments				19,565		19,565	(4,854)	14,711
Total comprehensive income						1,784,873	149,283	1,934,156
Dividends paid to Toyota Motor Corporation shareholders			(190,008)			(190,008)		(190,008)
Dividends paid to noncontrolling interests							(45,640)	(45,640)
Purchase and reissuance of common stock		(285)	(23)		2,542	2,234		2,234
Balances at March 31, 2013	¥397,050	¥551,040	¥12,689,206	¥ (356,123)	¥(1,133,138)	¥12,148,035	¥624,821	¥12,772,856

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Consolidated Statements of Shareholders' Equity (Continued)

Toyota Motor Corporation

For the years ended March 31, 2011, 2012 and 2013

	U.S. dollars in millions							
	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total Toyota Motor Corporation shareholders' equity	Noncontrolling interests	Total shareholders' equity
Balances at March 31, 2012	\$4,222	\$5,855	\$126,710	\$(12,535)	\$(12,075)	\$112,177	\$5,489	\$117,666
Equity transaction with noncontrolling interests and other		7				7	53	60
Issuance during the year								
Comprehensive income								
Net income			10,230			10,230	1,290	11,520
Other comprehensive income (loss)								
Foreign currency translation adjustments				4,622		4,622	288	4,910
Unrealized gains (losses) on securities, net of reclassification adjustments				3,918		3,918	61	3,979
Pension liability adjustments				208		208	(52)	156
Total comprehensive income						18,978	1,587	20,565
Dividends paid to Toyota Motor Corporation shareholders			(2,020)			(2,020)		(2,020)
Dividends paid to noncontrolling interests							(486)	(486)
Purchase and reissuance of common stock		(3)	(0)		27	24		24
Balances at March 31, 2013	\$4,222	\$5,859	\$134,920	\$ (3,787)	\$(12,048)	\$129,166	\$6,643	\$135,809

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

Toyota Motor Corporation
For the years ended March 31, 2011, 2012 and 2013

	Yen in millions			U.S. dollars in millions
	2011	2012	2013	2013
Cash flows from operating activities				
Net income	¥ 465,485	¥ 368,302	¥ 1,083,482	\$ 11,520
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation	1,175,573	1,067,830	1,105,109	11,750
Provision for doubtful accounts and credit losses	4,140	9,623	27,367	291
Pension and severance costs, less payments	(23,414)	16,711	(20,429)	(217)
Losses on disposal of fixed assets	36,214	33,528	32,221	343
Unrealized losses on available-for-sale securities, net	7,915	53,831	2,104	22
Deferred income taxes	85,710	6,395	160,008	1,701
Equity in earnings of affiliated companies	(215,016)	(197,701)	(231,519)	(2,461)
Changes in operating assets and liabilities, and other				
(Increase) decrease in accounts and notes receivable	421,423	(585,464)	(168,260)	(1,789)
(Increase) decrease in inventories	51,808	(344,923)	50,483	537
(Increase) decrease in other current assets	38,307	(180,529)	(47,033)	(500)
Increase (decrease) in accounts payable	(406,210)	756,363	(209,284)	(2,225)
Increase (decrease) in accrued income taxes	(40,629)	20,943	22,127	235
Increase in other current liabilities	239,319	316,366	280,083	2,978
Other	183,384	111,160	364,857	3,879
Net cash provided by operating activities	¥ 2,024,009	¥ 1,452,435	¥ 2,451,316	\$ 26,064

The accompanying notes are an integral part of these consolidated financial statements.

	Yen in millions			U.S. dollars in millions
	2011	2012	2013	2013
Cash flows from investing activities				
Additions to finance receivables	¥(8,438,785)	¥(8,333,248)	¥(10,004,928)	\$(106,379)
Collection of finance receivables	7,934,364	8,007,711	9,063,011	96,364
Proceeds from sales of finance receivables	69,576	53,999	39,845	424
Additions to fixed assets excluding equipment leased to others	(629,326)	(723,537)	(854,561)	(9,086)
Additions to equipment leased to others	(1,061,865)	(808,545)	(1,119,591)	(11,904)
Proceeds from sales of fixed assets excluding equipment leased to others	51,342	36,633	39,191	417
Proceeds from sales of equipment leased to others	486,695	431,313	533,441	5,672
Purchases of marketable securities and security investments	(4,421,807)	(3,173,634)	(3,412,423)	(36,283)
Proceeds from sales of marketable securities and security investments	189,037	162,160	35,178	374
Proceeds upon maturity of marketable securities and security investments	3,527,119	2,694,665	2,633,913	28,005
Payment for additional investments in affiliated companies, net of cash acquired	(299)	(147)	16,216	172
Changes in investments and other assets, and other	177,605	209,972	3,396	36
Net cash used in investing activities	(2,116,344)	(1,442,658)	(3,027,312)	(32,188)
Cash flows from financing activities				
Proceeds from issuance of long-term debt	2,931,436	2,394,807	3,191,223	33,931
Payments of long-term debt	(2,489,632)	(2,867,572)	(2,682,136)	(28,518)
Increase in short-term borrowings	162,260	311,651	201,261	2,139
Dividends paid	(141,120)	(156,785)	(190,008)	(2,020)
Purchase of common stock, and other	(28,617)	(37,448)	(43,098)	(458)
Net cash provided by (used in) financing activities	434,327	(355,347)	477,242	5,074
Effect of exchange rate changes on cash and cash equivalents	(127,029)	(55,939)	137,851	1,466
Net increase (decrease) in cash and cash equivalents	214,963	(401,509)	39,097	416
Cash and cash equivalents at beginning of year	1,865,746	2,080,709	1,679,200	17,854
Cash and cash equivalents at end of year	¥ 2,080,709	¥ 1,679,200	¥ 1,718,297	\$ 18,270

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

1. Nature of operations

Toyota is primarily engaged in the design, manufacture, and sale of sedans, minivans, compact cars, sport-utility vehicles, trucks and related parts and accessories throughout the world. In addition, Toyota

provides financing, vehicle and equipment leasing and certain other financial services primarily to its dealers and their customers to support the sales of vehicles and other products manufactured by Toyota.

2. Summary of significant accounting policies

The parent company and its subsidiaries in Japan and its foreign subsidiaries maintain their records and prepare their financial statements in accordance with accounting principles generally accepted in Japan and those of their countries of domicile. Certain adjustments and reclassifications have been incorporated in the accompanying consolidated financial statements to conform to U.S. GAAP.

Significant accounting policies after reflecting adjustments for the above are as follows:

Basis of consolidation and accounting for investments in affiliated companies

The consolidated financial statements include the accounts of the parent company and those of its majority-owned subsidiary companies. All significant intercompany transactions and accounts have been eliminated. Investments in affiliated companies in which Toyota exercises significant influence, but which it does not control, are stated at cost plus equity in undistributed earnings. Consolidated net income includes Toyota's equity in current earnings of such companies, after elimination of unrealized intercompany profits. Investments in such

companies are reduced to net realizable value if a decline in market value is determined other-than-temporary. Investments in non-public companies in which Toyota does not exercise significant influence (generally less than a 20% ownership interest) are stated at cost. The accounts of variable interest entities as defined by U.S. GAAP are included in the consolidated financial statements, if applicable.

Estimates

The preparation of Toyota's consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The more significant estimates include: product warranties, liabilities accrued for recalls and other safety measures, allowance for doubtful accounts and credit losses, residual values for leased assets, impairment of long-lived assets, pension costs and obligations, fair value of derivative financial instruments, other-than-temporary losses on marketable securities, litigation liabilities and valuation allowance for deferred tax assets.

Translation of foreign currencies

All asset and liability accounts of foreign subsidiaries and affiliated companies are translated into Japanese yen at appropriate year-end current exchange rates and all income and expense accounts of those subsidiaries are translated at the average exchange rates for each period. The foreign currency translation adjustments are included as a component of accumulated other comprehensive income.

Foreign currency receivables and payables are translated at appropriate year-end current exchange rates and the resulting transaction gains or losses are recorded in operations currently.

Revenue recognition

Revenues from sales of vehicles and parts are generally recognized upon delivery which is considered to have occurred when the dealer has taken title to the product and the risk and reward of ownership have been substantively transferred, except as described below.

Toyota's sales incentive programs principally consist of cash payments to dealers calculated based on vehicle volume or a model sold by a dealer during a certain period of time. Toyota accrues these incentives as revenue reductions upon the sale of a vehicle corresponding to the program by the amount determined in the related incentive program.

Revenues from the sales of vehicles under which Toyota conditionally guarantees the minimum resale value are recognized on a pro rata basis from the date of sale to the first exercise date of the guarantee in a manner similar to operating lease accounting. The underlying vehicles of these transactions are

recorded as assets and are depreciated in accordance with Toyota's depreciation policy.

Revenues from retail financing contracts and finance leases are recognized using the effective yield method. Revenues from operating leases are recognized on a straight-line basis over the lease term.

The sale of certain vehicles includes a determinable amount for the contract, which entitles customers to free vehicle maintenance. Such revenues from free maintenance contracts are deferred and recognized as revenue over the period of the contract, which approximates the pattern of the related costs.

Other costs

Advertising and sales promotion costs are expensed as incurred. Advertising costs were ¥308,903 million, ¥304,713 million and ¥330,870 million (\$3,518 million) for the years ended March 31, 2011, 2012 and 2013, respectively.

Toyota generally warrants its products against certain manufacturing and other defects. Provisions for product warranties are provided for specific periods of time and/or usage of the product and vary depending upon the nature of the product, the geographic location of the sale and other factors. Toyota records a provision for estimated product warranty costs at the time the related sale is recognized based on estimates that Toyota will incur to repair or replace product parts that fail while under warranty. The amount of accrued estimated warranty costs is primarily based on historical experience as to product failures as well as current information on repair costs. The amount of warranty costs

Notes to Consolidated Financial Statements

accrued also contains an estimate of warranty claim recoveries to be received from suppliers.

In addition to product warranties above, Toyota accrues for costs of recalls and other safety measures based on management's estimates when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. Toyota employs an estimation model, to accrue at the time of vehicle sale, an amount that represents management's best estimate of expenses related to future recalls and other safety measures. The estimation model for recalls and other safety measures takes into account Toyota's historical experience of recalls and other safety measures.

Litigation liabilities are established to cover probable losses on various lawsuits based on the information currently available. Attorneys' fees are expensed as incurred.

Research and development costs are expensed as incurred. Research and development costs were ¥730,340 million, ¥779,806 million and ¥807,454 million (\$8,585 million) for the years ended March 31, 2011, 2012 and 2013, respectively.

Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

Marketable securities

Marketable securities consist of debt and equity securities. Debt and equity securities designated as available-for-sale are carried at fair value with unrealized gains or losses included as a component of accumulated other comprehensive income in shareholders' equity, net of applicable taxes. Individual securities classified as available-for-sale are reduced to net realizable value for other-than-temporary declines in market value. In determining if a decline in value is other-than-temporary, Toyota considers the length of time and the extent to which the fair value has been less than the carrying value, the financial condition and prospects of the company and Toyota's ability and intent to retain its investment in the company for a period of time sufficient to allow for any anticipated recovery in market value. Realized gains and losses, which are determined on the average-cost method, are reflected in the consolidated statements of income when realized.

Security investments in non-public companies

Security investments in non-public companies are carried at cost as fair value is not readily determinable. If the value of a non-public security investment is estimated to have declined and such decline is judged to be other-than-temporary, Toyota recognizes the impairment of the investment and the carrying value is reduced to its fair value. Determination of impairment is based on the consideration of such factors as operating results, business plans and estimated future cash flows. Fair value is determined principally through the use of the latest financial information.

Finance receivables

Finance receivables recorded on Toyota's consolidated balance sheets are comprised of the unpaid principal balance, plus accrued interest, less charge-offs, net of any unearned income and deferred origination costs and the allowance for credit losses. Deferred origination costs are amortized so as to approximate a level rate of return over the term of the related contracts.

The determination of portfolio segments is based primarily on the qualitative consideration of the nature of Toyota's business operations and finance receivables. The three portfolio segments within finance receivables are as follows:

Retail receivables portfolio segment

The retail receivables portfolio segment consists of retail installment sales contracts acquired mainly from dealers ("auto loans") including credit card loans. These contracts acquired must first meet specified credit standards. Thereafter, Toyota retains responsibility for contract collection and administration.

The contract periods of auto loans primarily range from 2 to 7 years. Toyota acquires security interests in the vehicles financed and has the right to repossess vehicles if customers fail to meet their contractual obligations. Almost all auto loans are non-recourse, which relieves the dealers from financial responsibility in the event of repossession.

Toyota classifies retail receivables portfolio segment into one class based on common risk characteristics associated with the underlying finance receivables, the similarity of the credit risks, and the quantitative materiality.

Finance lease receivables portfolio segment

Toyota acquires new vehicle lease contracts originated primarily through dealers. The contract periods of these primarily range from 2 to 5 years. Lease contracts acquired must first meet specified credit standards after which Toyota assumes ownership of the leased vehicle. Toyota is responsible for contract collection and administration during the lease period.

Toyota is generally permitted to take possession of the vehicle upon a default by the lessee. The residual value is estimated at the time the vehicle is first leased. Vehicles returned to Toyota at the end of their leases are sold by auction.

Toyota classifies finance lease receivables portfolio segment into one class based on common risk characteristics associated with the underlying finance receivables and the similarity of the credit risks.

Wholesale and other dealer loan receivables portfolio segment

Toyota provides wholesale financing to qualified dealers to finance inventories. Toyota acquires security interests in vehicles financed at wholesale. In cases where additional security interests would be required, Toyota takes dealership assets or personal assets, or both, as additional security. If a dealer defaults, Toyota has the right to liquidate any assets acquired and seek legal remedies.

Toyota also makes term loans to dealers for business acquisitions, facilities refurbishment, real estate purchases and working capital requirements. These loans are typically secured with liens on real estate, other dealership assets and/or personal assets of the dealers.

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Toyota classifies wholesale and other dealer loan receivables portfolio segment into three classes of wholesale, real estate and working capital, based on the risk characteristics associated with the underlying finance receivables.

A receivable account balance is considered impaired when, based on current information and events, it is probable that Toyota will be unable to collect all amounts due according to the terms of the contract. Factors such as payment history, compliance with terms and conditions of the underlying loan agreement and other subjective factors related to the financial stability of the borrower are considered when determining whether a loan is impaired. Impaired finance receivables include certain nonaccrual receivables for which a specific reserve has been assessed. An account modified as a troubled debt restructuring is considered to be impaired. A troubled debt restructuring occurs when an account is modified through a concession to a borrower experiencing financial difficulty.

All classes of wholesale and other dealer loan receivables portfolio segment are placed on nonaccrual status when full payment of principal or interest is in doubt, or when principal or interest

is 90 days or more contractually past due, whichever occurs first. Collateral dependent loans are placed on nonaccrual status if collateral is insufficient to cover principal and interest. Interest accrued but not collected at the date a receivable is placed on nonaccrual status is reversed against interest income. In addition, the amortization of net deferred fees is suspended.

Interest income on nonaccrual receivables is recognized only to the extent it is received in cash. Accounts are restored to accrual status only when interest and principal payments are brought current and future payments are reasonably assured. Receivable balances are written-off against the allowance for credit losses when it is probable that a loss has been realized. Retail receivables class and finance lease receivables class are not placed generally on nonaccrual status when principal or interest is 90 days or more past due. However, these receivables are generally written-off against the allowance for credit losses when payments due are no longer expected to be received or the account is 120 days contractually past due, whichever occurs first.

As of March 31, 2012 and 2013, finance receivables on nonaccrual status were as follows:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Retail	¥ 2,822	¥ 4,443	\$ 47
Finance leases	958	1,135	12
Wholesale	5,485	1,985	21
Real estate	11,736	4,354	46
Working capital	37	70	1
	¥21,038	¥11,987	\$127

As of March 31, 2012 and 2013, finance receivables past due over 90 days and still accruing were as follows:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Retail	¥24,263	¥18,442	\$196
Finance leases	7,674	3,464	37
	¥31,937	¥21,906	\$233

Allowance for credit losses

Allowance for credit losses is established to cover probable losses on finance receivables and vehicles and equipment on operating leases, resulting from the inability of customers to make required payments. Provision for credit losses is included in selling, general and administrative expenses.

The allowance for credit losses is based on a systematic, ongoing review and evaluation performed as part of the credit-risk evaluation process, historical loss experience, the size and composition of the portfolios, current economic events and conditions, the estimated fair value and adequacy of collateral and other pertinent factors. Vehicles and equipment on operating leases are not within the scope of

accounting guidance governing the disclosure of portfolio segments.

Retail receivables portfolio segment

Toyota calculates allowance for credit losses to cover probable losses on retail receivables by applying reserve rates to such receivables. Reserve rates are calculated mainly by historical loss experience, current economic events and conditions and other pertinent factors.

Finance lease receivables portfolio segment

Toyota calculates allowance for credit losses to cover probable losses on finance lease receivables by applying reserve rates to such receivables.

Notes to Consolidated Financial Statements

Reserve rates are calculated mainly by historical loss experience, current economic events and conditions and other pertinent factors such as used car markets.

Wholesale and other dealer loan receivables portfolio segment

Toyota calculates allowance for credit losses to cover probable losses on wholesale and other dealer loan receivables by applying reserve rates to such receivables. Reserve rates are calculated mainly by financial conditions of the dealers, terms of collateral setting, current economic events and conditions and other pertinent factors.

Toyota establishes specific reserves to cover the estimated losses on individually impaired receivables within the wholesale and other dealer loan receivables portfolio segment. Specific reserves on impaired receivables are determined by the present value of expected future cash flows or the fair value of collateral when it is probable that such receivables will be unable to be fully collected. The fair value of the underlying collateral is used if the receivable is collateral-dependent. The receivable is determined collateral-dependent if the repayment of the loan is expected to be provided by the underlying collateral. For the receivables in which the fair value of the underlying collateral was in excess of the outstanding balance, no allowance was provided.

Troubled debt restructurings in the retail receivables and finance lease receivables portfolio segments are specifically identified as impaired and aggregated with their respective portfolio segments when determining the allowance for credit losses. Impaired loans in the retail receivables and finance

lease receivables portfolio segments are insignificant for individual evaluation and Toyota has determined that allowance for credit losses for each of the retail receivables and finance lease receivables portfolio segments would not be materially different if they had been individually evaluated for impairment.

Specific reserves on impaired receivables within the wholesale and other dealer loan receivables portfolio segment are recorded by an increase to the allowance for credit losses based on the related measurement of impairment. Related collateral, if recoverable, is repossessed and sold and the account balance is written-off.

Any shortfall between proceeds received and the carrying cost of repossessed collateral is charged to the allowance. Recoveries are reversed from the allowance for credit losses.

Allowance for residual value losses

Toyota is exposed to risk of loss on the disposition of off-lease vehicles to the extent that sales proceeds are not sufficient to cover the carrying value of the leased asset at lease termination. Toyota maintains an allowance to cover probable estimated losses related to unguaranteed residual values on its owned portfolio. The allowance is evaluated considering projected vehicle return rates and projected loss severity. Factors considered in the determination of projected return rates and loss severity include historical and market information on used vehicle sales, trends in lease returns and new car markets, and general economic conditions. Management evaluates the foregoing factors, develops several potential loss scenarios, and reviews allowance

levels to determine whether reserves are considered adequate to cover the probable range of losses.

The allowance for residual value losses is maintained in amounts considered by Toyota to be appropriate in relation to the estimated losses on its owned portfolio. Upon disposal of the assets, the allowance for residual losses is adjusted for the difference between the net book value and the proceeds from sale.

Inventories

Inventories are valued at cost, not in excess of market, cost being determined on the "average-cost" basis, except for the cost of finished products carried by certain subsidiary companies which is determined on the "specific identification" basis or "last-in, first-out" ("LIFO") basis. Inventories valued on the LIFO basis totaled ¥220,582 million and ¥220,082 million (\$2,340 million) at March 31, 2012 and 2013, respectively. Had the "first-in, first-out" basis been used for those companies using the LIFO basis, inventories would have been ¥56,799 million and ¥66,979 million (\$712 million) higher than reported at March 31, 2012 and 2013, respectively.

Property, plant and equipment

Property, plant and equipment are stated at cost. Major renewals and improvements are capitalized; minor replacements, maintenance and repairs are charged to current operations. Depreciation of property, plant and equipment is mainly computed on the declining-balance method for the parent company and Japanese subsidiaries and on the straight-line method for foreign subsidiary companies

at rates based on estimated useful lives of the respective assets according to general class, type of construction and use. The estimated useful lives range from 2 to 65 years for buildings and from 2 to 20 years for machinery and equipment.

Vehicles and equipment on operating leases to third parties are originated by dealers and acquired by certain consolidated subsidiaries. Such subsidiaries are also the lessors of certain property that they acquire directly. Vehicles and equipment on operating leases are depreciated primarily on a straight-line method over the lease term, generally from 2 to 5 years, to the estimated residual value. Incremental direct costs incurred in connection with the acquisition of operating lease contracts are capitalized and amortized on a straight-line method over the lease term.

Long-lived assets

Toyota reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset group exceeds the estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss to be recorded is calculated by the excess of the carrying value of the asset group over its fair value. Fair value is determined mainly using a discounted cash flow valuation method.

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Goodwill and intangible assets

Goodwill is not material to Toyota's consolidated balance sheets.

Intangible assets consist mainly of software. Intangible assets with a definite life are amortized on a straight-line basis with estimated useful lives mainly of 5 years. Intangible assets with an indefinite life are tested for impairment whenever events or circumstances indicate that a carrying amount of an asset (asset group) may not be recoverable.

An impairment loss would be recognized when the carrying amount of an asset exceeds the estimated undiscounted cash flows used in determining the fair value of the asset. The amount of the impairment loss to be recorded is generally determined by the difference between the fair value of the asset using a discounted cash flow valuation method and the current book value.

Employee benefit obligations

Toyota has both defined benefit and defined contribution plans for employees' retirement benefits. Retirement benefit obligations are measured by actuarial calculations in accordance with U.S. GAAP. The funded status of the defined benefit postretirement plans is recognized on the consolidated balance sheets as prepaid pension and severance costs or accrued pension and severance costs, and the funded status change is recognized in the year in which it occurs through other comprehensive income.

Environmental matters

Environmental expenditures relating to current operations are expensed or capitalized as appropriate.

Expenditures relating to existing conditions caused by past operations, which do not contribute to current or future revenues, are expensed. Liabilities for remediation costs are recorded when they are probable and reasonably estimable, generally no later than the completion of feasibility studies or Toyota's commitment to a plan of action. The cost of each environmental liability is estimated by using current technology available and various engineering, financial and legal specialists within Toyota based on current law. Such liabilities do not reflect any offset for possible recoveries from insurance companies and are not discounted. There were no material changes in these liabilities for all periods presented.

Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

Derivative financial instruments

Toyota employs derivative financial instruments, including forward foreign currency exchange contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements and interest rate options to manage its exposure to fluctuations in interest rates and foreign currency exchange

rates. All derivative financial instruments are recorded on the consolidated balance sheets at fair value, taking into consideration the effects of legally enforceable master netting agreements that allow us to net settle positive and negative positions and offset cash collateral held with the same counterparty on a net basis. Toyota does not use derivatives for speculation or trading purposes. Changes in the fair value of derivatives are recorded each period in current earnings or through other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and the type of hedge transaction. The ineffective portion of all hedges is recognized currently in operations.

Net income attributable to Toyota Motor Corporation per share

Basic net income attributable to Toyota Motor Corporation per common share is calculated by dividing net income attributable to Toyota Motor Corporation by the weighted-average number of shares outstanding during the reported period. The calculation of diluted net income attributable to Toyota Motor Corporation per common share is similar to the calculation of basic net income attributable to Toyota Motor Corporation per share, except that the weighted-average number of shares outstanding includes the additional dilution from the assumed exercise of dilutive stock options.

Stock-based compensation

Toyota measures compensation expense for its stock-based compensation plan based on the grant-date fair value of the award, and accounts for the award.

Other comprehensive income

Other comprehensive income refers to revenues, expenses, gains and losses that, under U.S. GAAP are included in comprehensive income, but are excluded from net income as these amounts are recorded directly as an adjustment to shareholders' equity. Toyota's other comprehensive income is primarily comprised of unrealized gains/losses on marketable securities designated as available-for-sale, foreign currency translation adjustments and adjustments attributed to pension liabilities associated with Toyota's defined benefit pension plans.

Accounting changes

In June 2011, FASB issued updated guidance on the presentation of comprehensive income. This guidance requires to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statements of comprehensive income or in two separate but consecutive statements. Toyota adopted this guidance from the interim period within the fiscal year, begun after December 15, 2011. The adoption of this guidance did not have a material impact on Toyota's consolidated financial statements.

Recent pronouncements to be adopted in future periods

In December 2011, FASB issued updated guidance of disclosures about offsetting assets and liabilities. This guidance requires additional disclosures about gross and net information for assets and liabilities including financial instruments eligible for offset in

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the balance sheets. This guidance is effective for fiscal year beginning on or after January 1, 2013, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota's consolidated financial statements.

In February 2013, FASB issued updated guidance on the presentation of items reclassified out of accumulated other comprehensive income. This guidance requires to present, either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified out of each component of accumulated other

comprehensive income based on its source. This guidance is effective for fiscal year beginning on or after December 15, 2012, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota's consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform to the presentations as of and for the year ended March 31, 2013.

3. U.S. dollar amounts

U.S. dollar amounts presented in the consolidated financial statements and related notes are included solely for the convenience of the reader and are unaudited. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be

converted into, U.S. dollars. For this purpose, the rate of ¥94.05 = U.S. \$1, the approximate current exchange rate at March 31, 2013, was used for the translation of the accompanying consolidated financial amounts of Toyota as of and for the year ended March 31, 2013.

4. Supplemental cash flow information

Cash payments for income taxes were ¥211,487 million, ¥282,440 million and ¥331,007 million (\$3,519 million) for the years ended March 31, 2011, 2012 and 2013, respectively. Interest payments during the years ended March 31, 2011, 2012 and 2013 were ¥382,903 million, ¥365,109 million and ¥325,575 million (\$3,462 million), respectively.

Capital lease obligations of ¥10,478 million, ¥5,847 million and ¥3,749 million (\$40 million) were incurred for the years ended March 31, 2011, 2012 and 2013, respectively.

5. Acquisitions and dispositions

During the years ended March 31, 2011, 2012 and 2013, Toyota made several acquisitions and

dispositions, however the assets and liabilities acquired or transferred were not material.

6. Marketable securities and other securities investments

Marketable securities and other securities investments include public and corporate bonds and common stocks for which the aggregate cost, gross unrealized gains and losses and fair value are as follows:

	Yen in millions			
	March 31, 2012			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale:				
Public and corporate bonds	¥3,606,290	¥ 74,357	¥51,147	¥3,629,500
Common stocks	605,889	444,073	15,643	1,034,319
Other	449,393	19,974	11	469,356
Total	¥4,661,572	¥538,404	¥66,801	¥5,133,175
Securities not practicable to determine fair value:				
Public and corporate bonds	¥ 22,047			
Common stocks	79,420			
Total	¥ 101,467			

	Yen in millions			
	March 31, 2013			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale:				
Public and corporate bonds	¥4,350,942	¥ 211,070	¥ 8,866	¥4,553,146
Common stocks	599,371	804,405	2,593	1,401,183
Other	537,272	31,416	2	568,686
Total	¥5,487,585	¥1,046,891	¥11,461	¥6,523,015
Securities not practicable to determine fair value:				
Public and corporate bonds	¥ 20,148			
Common stocks	79,082			
Total	¥ 99,230			

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	U.S. dollars in millions			
	March 31, 2013			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale:				
Public and corporate bonds	\$46,262	\$ 2,244	\$ 94	\$48,412
Common stocks	6,373	8,553	28	14,898
Other	5,713	334	0	6,047
Total	\$58,348	\$11,131	\$122	\$69,357
Securities not practicable to determine fair value:				
Public and corporate bonds	\$ 214			
Common stocks	841			
Total	\$ 1,055			

Public and corporate bonds included in available-for-sale represent 60% of Japanese bonds, and 40% of U.S., European and other bonds as of March 31, 2012, and 49% of Japanese bonds, and 51% of U.S., European and other bonds as of March 31, 2013. Listed stocks on the Japanese stock markets represent 83% and 85% of common stocks which are included in available-for-sale as of March 31, 2012 and 2013, respectively. Public and corporate bonds include primarily government bonds, and "Other" includes primarily investment trusts.

Unrealized losses continuing over a 12 month period or more in the aggregate were not material at March 31, 2012 and 2013.

As of March 31, 2012 and 2013, maturities of public and corporate bonds and other included in available-for-sale are mainly from 1 to 10 years.

Proceeds from sales of available-for-sale securities were ¥189,037 million, ¥162,160 million and ¥35,178 million (\$374 million) for the years ended March 31, 2011, 2012 and 2013, respectively. On

those sales, gross realized gains were ¥8,974 million, ¥4,822 million and ¥1,048 million (\$11 million) and gross realized losses were ¥87 million, ¥15 million and ¥31 million (\$0 million), respectively.

During the years ended March 31, 2011, 2012 and 2013, Toyota recognized impairment losses on available-for-sale securities of ¥7,915 million, ¥53,831 million and ¥2,104 million (\$22 million), respectively, which are included in "Other income (loss), net" in the accompanying consolidated statements of income.

In the ordinary course of business, Toyota maintains long-term investment securities, included in "Marketable securities and other securities investments" and issued by a number of non-public companies which are recorded at cost, as their fair values were not readily determinable. Management employs a systematic methodology to assess the recoverability of such investments by reviewing the financial viability of the underlying companies and the prevailing market conditions in which these

companies operate to determine if Toyota's investment in each individual company is impaired and whether the impairment is other-than-temporary. Toyota periodically performs this impairment test for significant investments recorded at cost. If

the impairment is determined to be other-than-temporary, the carrying value of the investment is written-down by the impaired amount and the losses are recognized currently in operations.

7. Finance receivables

Finance receivables consist of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Retail	¥ 7,248,793	¥ 9,047,782	\$ 96,202
Finance leases	955,430	1,029,887	10,950
Wholesale and other dealer loans	2,033,954	2,615,728	27,812
	10,238,177	12,693,397	134,964
Deferred origination costs	105,533	135,398	1,439
Unearned income	(494,123)	(628,340)	(6,681)
Allowance for credit losses			
Retail	(77,353)	(83,858)	(892)
Finance leases	(30,637)	(28,928)	(307)
Wholesale and other dealer loans	(24,238)	(26,243)	(279)
Total allowance for credit losses	(132,228)	(139,029)	(1,478)
Total finance receivables, net	9,717,359	12,061,426	128,244
Less—Current portion	(4,114,897)	(5,117,660)	(54,414)
Noncurrent finance receivables, net	¥ 5,602,462	¥ 6,943,766	\$ 73,830

Finance receivables were geographically distributed as follows: in North America 58.1%, in Japan 12.0%, in Europe 10.3%, in Asia 7.1% and in Other

12.5% as of March 31, 2012, and in North America 57.6%, in Europe 10.0%, in Japan 9.9%, in Asia 9.5% and in Other 13.0% as of March 31, 2013.

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The contractual maturities of retail receivables, the future minimum lease payments on finance leases and the contractual maturities of wholesale and other dealer loans at March 31, 2013 are summarized as follows:

Years ending March 31,	Yen in millions			U.S. dollars in millions		
	Retail	Finance leases	Wholesale and other dealer loans	Retail	Finance leases	Wholesale and other dealer loans
2014	¥3,032,542	¥285,324	¥2,040,442	\$32,244	\$3,034	\$21,695
2015	2,218,871	192,978	149,091	23,593	2,052	1,585
2016	1,721,430	162,639	115,640	18,303	1,729	1,230
2017	1,127,558	65,767	125,180	11,989	699	1,331
2018	609,255	29,716	119,497	6,478	316	1,271
Thereafter	338,126	6,447	65,878	3,595	69	700
	¥9,047,782	¥742,871	¥2,615,728	\$96,202	\$7,899	\$27,812

Finance leases consist of the following:

	Yen in millions		U.S. dollars in millions
	2012	2013	2013
Minimum lease payments	¥688,642	¥ 742,871	\$ 7,899
Estimated unguaranteed residual values	266,788	287,016	3,051
	955,430	1,029,887	10,950
Deferred origination costs	3,722	3,577	38
Less—Unearned income	(90,887)	(87,537)	(931)
Less—Allowance for credit losses	(30,637)	(28,928)	(307)
Finance leases, net	¥837,628	¥ 916,999	\$ 9,750

Toyota is exposed to credit risk on Toyota's finance receivables. Credit risk is the risk of loss arising from the failure of customers or dealers to meet the terms of their contracts with

Toyota or otherwise fail to perform as agreed. Toyota estimates allowance for credit losses by variety of credit-risk evaluation process to cover probable and estimable losses above.

The table below shows the amount of the finance receivables segregated into aging categories based on the number of days outstanding as of March 31, 2012 and 2013:

	Yen in millions				
	March 31, 2012				
	Retail	Finance leases	Wholesale	Real estate	Working capital
Current	¥7,146,365	¥939,345	¥923,642	¥535,296	¥574,671
31-60 days past due	64,314	5,766	3	—	70
61-90 days past due	13,851	2,645	—	—	—
Over 90 days past due	24,263	7,674	53	98	121
Total	¥7,248,793	¥955,430	¥923,698	¥535,394	¥574,862

	Yen in millions				
	March 31, 2013				
	Retail	Finance leases	Wholesale	Real estate	Working capital
Current	¥8,923,588	¥1,021,074	¥1,305,953	¥658,114	¥651,553
31-60 days past due	84,354	3,106	45	63	—
61-90 days past due	17,312	1,661	—	—	—
Over 90 days past due	22,528	4,046	—	—	—
Total	¥9,047,782	¥1,029,887	¥1,305,998	¥658,177	¥651,553

	U.S. dollars in millions				
	March 31, 2013				
	Retail	Finance leases	Wholesale	Real estate	Working capital
Current	\$94,881	\$10,857	\$13,886	\$6,997	\$6,928
31-60 days past due	897	33	0	1	—
61-90 days past due	184	17	—	—	—
Over 90 days past due	240	43	—	—	—
Total	\$96,202	\$10,950	\$13,886	\$6,998	\$6,928

Notes to Consolidated Financial Statements

The tables below show the recorded investment for each credit quality of the finance receivable with- in the wholesale and other dealer loan receivables

portfolio segment in the United States and other regions as of March 31, 2012 and 2013:

United States

The wholesale and other dealer loan receivables portfolio segment is primarily segregated into credit qualities below based on internal risk assessments by dealers.

Performing: Account not classified as either Credit Watch, At Risk or Default

Credit Watch: Account designated for elevated attention

At Risk: Account where there is an increased likelihood that default may exist based on qualitative and quantitative factors

Default: Account is not currently meeting contractual obligations or we have temporarily waived certain contractual requirements

Yen in millions				
March 31, 2012				
	Wholesale	Real estate	Working capital	Total
Performing	¥513,632	¥307,867	¥116,871	¥ 938,370
Credit Watch	55,513	38,382	5,014	98,909
At Risk	6,394	12,157	618	19,169
Default	466	30	423	919
Total	¥576,005	¥358,436	¥122,926	¥1,057,367

Yen in millions				
March 31, 2013				
	Wholesale	Real estate	Working capital	Total
Performing	¥720,308	¥373,176	¥152,048	¥1,245,532
Credit Watch	93,643	54,801	7,485	155,929
At Risk	3,114	2,651	2,641	8,406
Default	106	131	193	430
Total	¥817,171	¥430,759	¥162,367	¥1,410,297

U.S. dollars in millions				
March 31, 2013				
	Wholesale	Real estate	Working capital	Total
Performing	\$7,659	\$3,968	\$1,616	\$13,243
Credit Watch	996	583	80	1,659
At Risk	33	28	28	89
Default	1	1	2	4
Total	\$8,689	\$4,580	\$1,726	\$14,995

Other regions

Credit qualities of the wholesale and other dealer loan receivables portfolio segment in other regions are also monitored based on internal risk assessments by dealers on a consistent basis as in the United States. These accounts classified as "Credit

Watch" or "At Risk" were not significant in other regions, and consequently the tables below summarize information for two categories, "Performing" and "Default".

Yen in millions				
March 31, 2012				
	Wholesale	Real estate	Working capital	Total
Performing	¥330,264	¥170,886	¥451,505	¥952,655
Default	17,429	6,072	431	23,932
Total	¥347,693	¥176,958	¥451,936	¥976,587

Yen in millions				
March 31, 2013				
	Wholesale	Real estate	Working capital	Total
Performing	¥485,464	¥225,808	¥488,679	¥1,199,951
Default	3,363	1,610	507	5,480
Total	¥488,827	¥227,418	¥489,186	¥1,205,431

U.S. dollars in millions				
March 31, 2013				
	Wholesale	Real estate	Working capital	Total
Performing	\$5,161	\$2,401	\$5,196	\$12,758
Default	36	17	6	59
Total	\$5,197	\$2,418	\$5,202	\$12,817

Notes to Consolidated Financial Statements

The tables below summarize information about impaired finance receivables:

	Yen in millions					
	Recorded investment		Unpaid principal balance		Individually evaluated allowance	
	March 31,		March 31,		March 31,	
	2012	2013	2012	2013	2012	2013
Impaired account balances individually evaluated for impairment with an allowance:						
Wholesale	¥ 8,105	¥11,967	¥ 8,105	¥11,967	¥2,716	¥1,450
Real estate	16,429	6,726	16,429	6,726	4,252	1,721
Working capital	995	5,246	995	5,246	573	3,691
Total	¥25,529	¥23,939	¥25,529	¥23,939	¥7,541	¥6,862
Impaired account balances individually evaluated for impairment without an allowance:						
Wholesale	¥14,015	¥ 6,236	¥14,015	¥ 6,236		
Real estate	15	9,165	15	9,165		
Working capital	38	496	38	496		
Total	¥14,068	¥15,897	¥14,068	¥15,897		
Impaired account balances aggregated and evaluated for impairment:						
Retail	¥42,438	¥40,487	¥41,790	¥39,797		
Finance leases	325	103	180	85		
Total	¥42,763	¥40,590	¥41,970	¥39,882		
Total impaired account balances:						
Retail	¥42,438	¥40,487	¥41,790	¥39,797		
Finance leases	325	103	180	85		
Wholesale	22,120	18,203	22,120	18,203		
Real estate	16,444	15,891	16,444	15,891		
Working capital	1,033	5,742	1,033	5,742		
Total	¥82,360	¥80,426	¥81,567	¥79,718		

	Yen in millions			
	Average impaired finance receivables		Interest income recognized	
	For the years ended March 31,		For the years ended March 31,	
	2012	2013	2012	2013
Total impaired account balances:				
Retail	¥44,362	¥39,616	¥3,700	¥3,056
Finance leases	279	161	7	1
Wholesale	18,734	20,618	79	166
Real estate	16,137	15,574	395	415
Working capital	2,592	3,820	79	83
Total	¥82,104	¥79,789	¥4,260	¥3,721

	U.S. dollars in millions		
	March 31, 2013		
	Recorded investment	Unpaid principal balance	Individually evaluated allowance
Impaired account balances individually evaluated for impairment with an allowance:			
Wholesale	\$127	\$127	\$16
Real estate	72	72	18
Working capital	56	56	39
Total	\$255	\$255	\$73
Impaired account balances individually evaluated for impairment without an allowance:			
Wholesale	\$ 67	\$ 67	
Real estate	97	97	
Working capital	5	5	
Total	\$169	\$169	
Impaired account balances aggregated and evaluated for impairment:			
Retail	\$430	\$423	
Finance leases	1	1	
Total	\$431	\$424	
Total impaired account balances:			
Retail	\$430	\$423	
Finance leases	1	1	
Wholesale	194	194	
Real estate	169	169	
Working capital	61	61	
Total	\$855	\$848	

	U.S. dollars in millions	
	For the year ended March 31, 2013	
	Average impaired finance receivables	Interest income recognized
Total impaired account balances:		
Retail	\$421	\$33
Finance leases	2	0
Wholesale	219	2
Real estate	165	4
Working capital	41	1
Total	\$848	\$40

The amount of finance receivables modified as a troubled debt restructuring for the year ended March 31, 2013 was not significant for all classes of finance receivables. Finance receivables modified as troubled

debt restructurings for the year ended March 31, 2013 and for which there was a payment default were not significant for all classes of such receivables.

Notes to Consolidated Financial Statements

8. Other receivables

Other receivables relate to arrangements with certain component manufacturers whereby Toyota

procures inventory for these component manufacturers and is reimbursed for the related purchases.

9. Inventories

Inventories consist of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Finished goods	¥ 981,612	¥1,007,659	\$10,714
Raw materials	347,878	388,780	4,134
Work in process	221,036	235,476	2,504
Supplies and other	71,756	83,871	891
Total	¥1,622,282	¥1,715,786	\$18,243

10. Vehicles and equipment on operating leases

Vehicles and equipment on operating leases consist of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Vehicles	¥2,536,595	¥2,999,294	\$31,890
Equipment	87,848	104,351	1,110
Less—Deferred income and other	(49,090)	(65,634)	(698)
	2,575,353	3,038,011	32,302
Less—Accumulated depreciation	(667,406)	(749,238)	(7,966)
Less—Allowance for credit losses	(8,135)	(8,020)	(86)
Vehicles and equipment on operating leases, net	¥1,899,812	¥2,280,753	\$24,250

Rental income from vehicles and equipment on operating leases was ¥475,472 million, ¥451,361 million and ¥476,935 million (\$5,071 million) for the years ended March 31, 2011, 2012 and 2013, respectively.

Future minimum rentals from vehicles and equipment on operating leases are due in installments as follows:

Years ending March 31,	Yen in millions	U.S. dollars in millions
2014	¥460,685	\$ 4,898
2015	302,690	3,218
2016	140,865	1,498
2017	38,042	405
2018	11,164	119
Thereafter	4,126	44
Total minimum future rentals	¥957,572	\$10,182

The future minimum rentals as shown above should not be considered indicative of future cash collections.

11. Allowance for doubtful accounts and credit losses

An analysis of activity within the allowance for doubtful accounts relating to trade accounts and notes receivable for the years ended March 31, 2011, 2012 and 2013 is as follows:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Allowance for doubtful accounts at beginning of year	¥46,706	¥44,047	¥44,097	\$469
Provision for doubtful accounts, net of reversal	1,806	5,843	1,745	19
Write-offs	(2,690)	(699)	(457)	(5)
Other	(1,775)	(5,094)	759	8
Allowance for doubtful accounts at end of year	¥44,047	¥44,097	¥46,144	\$491

The other amount includes the impact of consolidation and deconsolidation of certain entities due to changes in ownership interest and currency translation adjustments for the years ended March 31, 2011, 2012 and 2013.

A portion of the allowance for doubtful accounts balance at March 31, 2012 and 2013 totaling ¥31,093 million and ¥30,269 million (\$322 million), respectively, is attributed to certain non-current receivable balances which are reported as other assets in the consolidated balance sheets.

Notes to Consolidated Financial Statements

An analysis of the allowance for credit losses relating to finance receivables and vehicles and equipment on operating leases for the years ended March 31, 2011, 2012 and 2013 is as follows:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Allowance for credit losses at beginning of year	¥232,479	¥167,615	¥140,363	\$1,493
Provision for credit losses, net of reversal	2,334	3,780	25,622	272
Charge-offs	(86,115)	(51,578)	(56,701)	(603)
Recoveries	18,268	16,415	14,690	156
Other	649	4,131	23,075	246
Allowance for credit losses at end of year	¥167,615	¥140,363	¥147,049	\$1,564

The other amount primarily includes the impact of currency translation adjustments for the years ended March 31, 2011, 2012 and 2013.

An analysis of the allowance for credit losses above relating to retail receivables portfolio segment, finance lease receivables portfolio segment and wholesale and other dealer loan receivables portfolio segment for the years ended March 31, 2012 and 2013 are as follows:

	Yen in millions			U.S. dollars in millions
	For the year ended March 31, 2012			
	Retail	Finance leases	Wholesale and Other dealer loans	
Allowance for credit losses at beginning of year	¥92,199	¥36,024	¥28,580	
Provision for credit losses, net of reversal	13,569	(4,508)	(4,767)	
Charge-offs	(44,742)	(2,499)	(305)	
Recoveries	14,051	718	16	
Other	2,276	902	714	
Allowance for credit losses at end of year	¥77,353	¥30,637	¥24,238	

	Yen in millions			U.S. dollars in millions
	For the year ended March 31, 2013			
	Retail	Finance leases	Wholesale and Other dealer loans	
Allowance for credit losses at beginning of year	¥77,353	¥30,637	¥24,238	
Provision for credit losses, net of reversal	29,079	(4,063)	(2,006)	
Charge-offs	(48,528)	(2,775)	(110)	
Recoveries	12,795	590	3	
Other	13,159	4,539	4,118	
Allowance for credit losses at end of year	¥83,858	¥28,928	¥26,243	

	U.S. dollars in millions		
	For the year ended March 31, 2013		
	Retail	Finance leases	Wholesale and Other dealer loans
Allowance for credit losses at beginning of year	\$823	\$326	\$257
Provision for credit losses, net of reversal	309	(43)	(21)
Charge-offs	(516)	(30)	(1)
Recoveries	136	6	0
Other	140	48	44
Allowance for credit losses at end of year	\$892	\$307	\$279

12. Affiliated companies and variable interest entities

Investments in and transactions with affiliated companies

Summarized financial information for affiliated companies accounted for by the equity method is shown below:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Current assets	¥ 9,112,895	¥ 9,634,769	\$102,443
Noncurrent assets	6,914,208	8,495,078	90,325
Total assets	¥16,027,103	¥18,129,847	\$192,768
Current liabilities	¥ 5,847,495	¥ 6,366,002	\$ 67,687
Long-term liabilities and noncontrolling interests	4,032,045	4,541,328	48,286
Affiliated companies accounted for by the equity method shareholders' equity	6,147,563	7,222,517	76,795
Total liabilities and shareholders' equity	¥16,027,103	¥18,129,847	\$192,768
Toyota's share of affiliated companies accounted for by the equity method shareholders' equity	¥ 1,914,129	¥ 2,102,584	\$ 22,356
Number of affiliated companies accounted for by the equity method at end of period	57	56	

Notes to Consolidated Financial Statements

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Net revenues	¥21,874,143	¥22,211,233	¥24,242,046	\$257,757
Gross profit	¥ 2,342,706	¥ 2,297,660	¥ 2,620,892	\$ 27,867
Net income attributable to affiliated companies accounted for by the equity method	¥ 641,771	¥ 554,983	¥ 705,249	\$ 7,499
Equity in earnings of affiliated companies attributable to Toyota Motor Corporation	¥ 215,016	¥ 197,701	¥ 231,519	\$ 2,461

Entities comprising a significant portion of Toyota's investment in affiliated companies and percentage of ownership are presented below:

Name of affiliated companies	Percentage of ownership	
	March 31,	
	2012	2013
Denso Corporation	24.9%	24.9%
Toyota Industries Corporation	24.8%	24.8%
Aisin Seiki Co., Ltd.	23.4%	23.4%
Toyota Tsusho Corporation	22.1%	22.1%
Toyoda Gosei Co., Ltd.	43.1%	43.0%

Certain affiliated companies accounted for by the equity method with carrying amounts of ¥1,467,575 million and ¥1,582,988 million (\$16,831 million) at March 31, 2012 and 2013, respectively, were quoted on various established markets at an aggregate value of ¥1,477,413 million and ¥1,954,347 million (\$20,780 million), respectively. Toyota evaluated its investments in affiliated companies, considering the

length of time and the extent to which the quoted market prices have been less than the carrying amounts, the financial condition and near-term prospects of the affiliated companies and Toyota's ability and intent to retain those investments in the companies for a period of time. Toyota did not recognize any impairment loss for the years ended March 31, 2011, 2012 and 2013.

Account balances and transactions with affiliated companies are presented below:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Trade accounts and notes receivable, and other receivables	¥283,497	¥252,708	\$2,687
Accounts payable and other payables	707,955	592,027	6,295

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Net revenues	¥1,612,397	¥1,536,326	¥1,926,854	\$20,488
Purchases	3,655,185	3,785,284	4,020,138	42,745

Dividends from affiliated companies accounted for by the equity method for the years ended March 31, 2011, 2012 and 2013 were ¥103,169 million, ¥122,950 million and ¥126,977 million (\$1,350 million), respectively.

Toyota does not have any significant related party transactions other than transactions with affiliated companies in the ordinary course of business.

Variable interest entities

Toyota enters into securitization transactions using special-purpose entities, that are considered variable interest entities ("VIEs"). Although the finance receivables and vehicles on operating leases related to securitization transactions have been legally sold to the VIEs, Toyota has both the power to direct the activities of the VIEs that most significantly impact the VIEs' economic performance and the obligation to absorb losses of the VIEs or the right to receive benefits from the VIEs that could potentially be

significant to the VIEs. As a result, Toyota is considered the primary beneficiary of the VIEs and therefore consolidates the VIEs.

The consolidated securitization VIEs have ¥1,208,136 million in retail finance receivables, ¥65,541 million in restricted cash and ¥1,040,816 million in secured debt as of March 31, 2012 and have ¥1,135,513 million (\$12,074 million) in retail finance receivables, ¥41,664 million (\$443 million) in vehicles on operating leases, ¥58,770 million (\$625 million) in restricted cash and ¥978,095 million (\$10,400 million) in secured debt as of March 31, 2013. Risks to which Toyota is exposed including credit, interest rate, and/or prepayment risks are not incremental compared with the situation before Toyota enters into securitization transactions.

As for VIEs other than those specified above, neither the aggregate size of these VIEs nor Toyota's involvements in these VIEs are material to Toyota's consolidated financial statements.

Notes to Consolidated Financial Statements

13. Short-term borrowings and long-term debt

Short-term borrowings at March 31, 2012 and 2013 consist of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Loans, principally from banks, with a weighted-average interest at March 31, 2012 and March 31, 2013 of 1.93% and of 2.31% per annum, respectively	¥1,158,556	¥1,062,233	\$11,294
Commercial paper with a weighted-average interest at March 31, 2012 and March 31, 2013 of 0.72% and of 0.52% per annum, respectively	2,292,093	3,027,295	32,188
	¥3,450,649	¥4,089,528	\$43,482

As of March 31, 2013, Toyota has unused short-term lines of credit amounting to ¥2,063,263 million (\$21,938 million) of which ¥455,180 million (\$4,840 million) related to commercial paper programs.

Under these programs, Toyota is authorized to obtain short-term financing at prevailing interest rates for periods not in excess of 360 days.

Long-term debt at March 31, 2012 and 2013 comprises the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Unsecured loans, representing obligations principally to banks, due 2012 to 2029 in 2012 and due 2013 to 2029 in 2013 with interest ranging from 0.00% to 32.00% per annum in 2012 and from 0.00% to 27.30% per annum in 2013	¥3,064,785	¥ 3,142,411	\$ 33,412
Secured loans, representing obligations principally to finance receivables securitization due 2012 to 2050 in 2012 and due 2013 to 2050 in 2013 with interest ranging from 0.37% to 11.23% per annum in 2012 and from 0.10% to 11.75% per annum in 2013	855,015	993,019	10,558
Medium-term notes of consolidated subsidiaries, due 2012 to 2047 in 2012 and due 2013 to 2047 in 2013 with interest ranging from 0.13% to 8.50% per annum in 2012 and from 0.13% to 9.40% per annum in 2013	3,137,289	4,502,787	47,876
Unsecured notes of parent company, due 2012 to 2019 in 2012 and due 2013 to 2019 in 2013 with interest ranging from 1.07% to 3.00% per annum in 2012 and from 0.19% to 3.00% per annum in 2013	530,000	460,000	4,891
Unsecured notes of consolidated subsidiaries, due 2012 to 2031 in 2012 and due 2013 to 2031 in 2013 with interest ranging from 0.17% to 24.90% per annum in 2012 and from 0.13% to 23.00% per annum in 2013	946,460	922,636	9,810
Long-term capital lease obligations, due 2012 to 2030 in 2012 and due 2013 to 2030 in 2013 with interest ranging from 0.38% to 14.40% per annum in 2012 and from 0.40% to 14.73% per annum in 2013	21,348	21,399	228
	8,554,897	10,042,252	106,775
Less—Current portion due within one year	(2,512,620)	(2,704,428)	(28,755)
	¥6,042,277	¥ 7,337,824	\$ 78,020

As of March 31, 2013, approximately 40%, 17%, 13% and 30% of long-term debt are denominated in U.S. dollars, Japanese yen, Australian dollars and other currencies, respectively.

As of March 31, 2013, property, plant and equipment with a book value of ¥91,834 million

(\$976 million) and in addition, other assets aggregating ¥1,141,199 million (\$12,134 million) were pledged as collateral mainly for certain debt obligations of subsidiaries. These other assets principally consist of securitized finance receivables.

Notes to Consolidated Financial Statements

The aggregate amounts of annual maturities of long-term debt during the next five years are as follows:

Years ending March 31,	Yen in millions	U.S. dollars in millions
2014	¥2,704,428	\$28,755
2015	1,703,219	18,110
2016	2,090,251	22,225
2017	1,207,091	12,835
2018	1,341,901	14,268

Standard agreements with certain banks in Japan include provisions that collateral (including sums on deposit with such banks) or guarantees will be furnished upon the banks' request and that any collateral furnished, pursuant to such agreements or otherwise, will be applicable to all present or future

indebtedness to such banks. During the year ended March 31, 2013, Toyota has not received any significant such requests from these banks.

As of March 31, 2013, Toyota has unused long-term lines of credit amounting to ¥7,252,081 million (\$77,109 million).

14. Product warranties and recalls and other safety measures

Toyota provides product warranties for certain defects mainly resulting from manufacturing based on warranty contracts with its customers at the time of sale of products. Toyota accrues estimated warranty costs to be incurred in the future in accordance with the warranty contracts. In addition to product warranties, Toyota initiates recalls and other safety measures to repair or to replace parts which might be expected to fail from products safety perspectives or customer satisfaction standpoints. Toyota accrues for costs of recalls and other safety measures at the time of vehicle sale based on the amount estimated from historical experience.

Liabilities for product warranties and liabilities for recalls and other safety measures have been combined into a single table showing an aggregate liability for quality assurances due to the fact that both are liabilities for costs to repair or replace defects of vehicles and the amounts incurred for recalls and other safety measures may affect the amounts incurred for product warranties and vice versa.

Liabilities for quality assurances are included in "Accrued expenses" in the consolidated balance sheets.

The net changes in liabilities for quality assurances above for the years ended March 31, 2011, 2012 and 2013 consist of the following:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Liabilities for quality assurances at beginning of year	¥680,408	¥764,369	¥ 839,834	\$ 8,930
Payments made during year	(476,771)	(348,214)	(344,279)	(3,661)
Provision for quality assurances	588,224	436,891	491,542	5,226
Changes relating to pre-existing quality assurances	(1,701)	(7,827)	(8,383)	(89)
Other	(25,791)	(5,385)	24,309	259
Liabilities for quality assurances at end of year	¥764,369	¥839,834	¥1,003,023	\$10,665

The other amount primarily includes the impact of consolidation and deconsolidation of certain entities currency translation adjustments and the impact of due to changes in ownership interest.

The table below shows the net changes in liabilities for recalls and other safety measures which are comprised in liabilities for quality assurances above for the years ended March 31, 2011, 2012 and 2013.

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Liabilities for recalls and other safety measures at beginning of year	¥301,422	¥389,499	¥468,697	\$4,984
Payments made during year	(263,096)	(159,344)	(180,925)	(1,924)
Provision for recalls and other safety measures	356,749	237,907	270,883	2,880
Other	(5,576)	635	7,751	82
Liabilities for recalls and other safety measures at end of year	¥389,499	¥468,697	¥566,406	\$6,022

Notes to Consolidated Financial Statements

15. Other payables

Other payables are mainly related to purchases of property, plant and equipment and non-manufacturing purchases.

16. Income taxes

The components of income (loss) before income taxes comprise the following:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended
	2011	2012	2013	March 31,
Income (loss) before income taxes:				2013
Parent company and domestic subsidiaries	¥(278,229)	¥(177,852)	¥ 651,852	\$ 6,931
Foreign subsidiaries	841,519	610,725	751,797	7,994
	¥ 563,290	¥ 432,873	¥1,403,649	\$14,925

The provision for income taxes consists of the following:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended
	2011	2012	2013	March 31,
Current income tax expense:				2013
Parent company and domestic subsidiaries	¥ 85,290	¥111,363	¥178,662	\$1,900
Foreign subsidiaries	141,821	144,514	213,016	2,265
Total current	227,111	255,877	391,678	4,165
Deferred income tax expense (benefit):				
Parent company and domestic subsidiaries	(44,268)	(57,940)	140,041	1,489
Foreign subsidiaries	129,978	64,335	19,967	212
Total deferred	85,710	6,395	160,008	1,701
Total provision	¥312,821	¥262,272	¥551,686	\$5,866

Toyota is subject to a number of different income taxes which, in the aggregate, indicate a statutory rate in Japan of approximately 40.2%, 40.2% and 37.6% for the years ended March 31, 2011, 2012 and 2013, respectively. The statutory tax rates in effect for the year in which the temporary differences are expected to reverse are used to calculate the tax effects of temporary differences which are expected to reverse in the future years. Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows:

	For the years ended March 31,		
	2011	2012	2013
Statutory tax rate	40.2%	40.2%	37.6%
Increase (reduction) in taxes resulting from:			
Non-deductible expenses	2.2	1.7	0.6
Deferred tax liabilities on undistributed earnings of foreign subsidiaries	4.8	4.7	1.8
Deferred tax liabilities on undistributed earnings of affiliated companies accounted for by the equity method	12.6	9.2	4.1
Valuation allowance	8.1	14.9	1.7
Tax credits	(2.6)	(1.8)	(3.1)
The difference between the statutory tax rate in Japan and that of foreign subsidiaries	(9.3)	(9.6)	(4.8)
Unrecognized tax benefits adjustments	(0.6)	2.5	0.1
Other	0.1	(1.2)	1.3
Effective income tax rate	55.5%	60.6%	39.3%

Notes to Consolidated Financial Statements

Significant components of deferred tax assets and liabilities are as follows:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Deferred tax assets:			
Accrued pension and severance costs	¥ 236,978	¥ 230,021	\$ 2,446
Accrued expenses and liabilities for quality assurances	369,985	480,428	5,108
Other accrued employees' compensation	106,265	108,599	1,155
Operating loss carryforwards for tax purposes	337,992	160,936	1,711
Tax credit carryforwards	108,426	101,251	1,076
Property, plant and equipment and other assets	147,906	151,043	1,606
Other	296,934	227,596	2,420
Gross deferred tax assets	1,604,486	1,459,874	15,522
Less—Valuation allowance	(309,268)	(284,835)	(3,028)
Total deferred tax assets	1,295,218	1,175,039	12,494
Deferred tax liabilities:			
Unrealized gains on securities	(210,475)	(388,901)	(4,135)
Undistributed earnings of foreign subsidiaries	(27,581)	(25,713)	(274)
Undistributed earnings of affiliated companies accounted for by the equity method	(504,776)	(567,054)	(6,029)
Basis difference of acquired assets	(34,120)	(35,647)	(379)
Lease transactions	(576,809)	(650,389)	(6,915)
Other	(54,749)	(66,923)	(712)
Gross deferred tax liabilities	(1,408,510)	(1,734,627)	(18,444)
Net deferred tax liability	¥ (113,292)	¥ (559,588)	\$ (5,950)

The deferred tax assets and liabilities above that comprise the net deferred tax liability are included in the consolidated balance sheets as follows:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Deferred tax assets:			
Deferred income taxes (Current assets)	¥ 718,687	¥ 749,398	\$ 7,968
Investments and other assets—Other	91,857	100,199	1,065
Deferred tax liabilities:			
Other current liabilities	(14,953)	(23,258)	(247)
Deferred income taxes (Long-term liabilities)	(908,883)	(1,385,927)	(14,736)
Net deferred tax liability	¥(113,292)	¥ (559,588)	\$ (5,950)

The factors used to assess the likelihood of realization of the deferred tax assets are the future reversal of existing taxable temporary differences, the future taxable income and available tax planning strategies that are prudent and feasible. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a valuation allowance is needed for deferred tax assets which are not more-likely-than-not to be realized.

The accounting for deferred tax assets represents Toyota's current best estimate based on all available evidence. Unanticipated events or changes could result in re-evaluating the realizability of deferred tax assets.

The valuation allowance mainly relates to deferred tax assets of operating loss and foreign tax credit carryforwards for tax purposes that are not expected to be realized. The net changes in the total valuation allowance for deferred tax assets for the years ended March 31, 2011, 2012 and 2013 consist of the following:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Valuation allowance at beginning of year	¥239,269	¥280,685	¥309,268	\$3,288
Additions	55,791	96,754	38,285	407
Deductions	(10,077)	(65,566)	(70,986)	(755)
Other	(4,298)	(2,605)	8,268	88
Valuation allowance at end of year	¥280,685	¥309,268	¥284,835	\$3,028

The other amount includes the impact of consolidation and deconsolidation of certain entities due to changes in ownership interest and currency translation adjustments during the years ended March 31, 2011, 2012 and 2013.

Because management intends to reinvest undistributed earnings of foreign subsidiaries to the extent not expected to be remitted in the foreseeable future,

Operating loss carryforwards for tax purposes as of March 31, 2013 in Japan and foreign countries were ¥76,280 million (\$811 million) and ¥422,133 million (\$4,488 million), respectively, and are available as an offset against future taxable income. The majority of these carryforwards in Japan and foreign countries expire in years 2014 to 2022 and expire in years 2014 to 2033, respectively. Tax credit carryforwards as of March 31, 2013 in Japan and foreign countries were ¥90,439 million (\$961 million) and ¥10,812 million (\$115 million), respectively, and the majority of these carryforwards in Japan and foreign countries expire in years 2014 to 2016 and expire in years 2014 to 2033, respectively.

management has made no provision for income taxes on those undistributed earnings aggregating ¥2,718,554 million (\$28,905 million) as of March 31, 2013. Toyota estimates an additional tax provision of ¥118,998 million (\$1,265 million) would be required if the full amount of those undistributed earnings were remitted.

Notes to Consolidated Financial Statements

A summary of the gross unrecognized tax benefits changes for the years ended March 31, 2011, 2012 and 2013 is as follows:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Balance at beginning of year	¥23,965	¥15,453	¥16,901	\$180
Additions based on tax positions related to the current year	213	4,187	2,401	26
Additions for tax positions of prior years	12,564	10,801	4,339	46
Reductions for tax positions of prior years	(16,133)	(363)	(1,619)	(17)
Reductions for tax positions related to lapse of statute of limitations	—	—	—	—
Reductions for settlements	(2,794)	(12,820)	(2,776)	(30)
Other	(2,362)	(357)	3,201	34
Balance at end of year	¥15,453	¥16,901	¥22,447	\$239

The amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was not material at March 31, 2011, 2012 and 2013, respectively. Toyota does not believe it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next twelve months.

Interest and penalties related to income tax liabilities are included in "Other income (loss), net". The

amounts of interest and penalties accrued as of and recognized for the years ended March 31, 2011, 2012 and 2013, respectively, were not material.

Toyota remains subject to income tax examination for the tax returns related to the years beginning on and after April 1, 2006 and January 1, 2000, with various tax jurisdictions in Japan and foreign countries, respectively.

17. Shareholders' equity

Changes in the number of shares of common stock issued have resulted from the following:

	For the years ended March 31,		
	2011	2012	2013
Common stock issued:			
Balance at beginning of year	3,447,997,492	3,447,997,492	3,447,997,492
Issuance during the year	—	—	—
Purchase and retirement	—	—	—
Balance at end of year	3,447,997,492	3,447,997,492	3,447,997,492

The Companies Act provides that an amount equal to 10% of distributions from surplus paid by the parent company and its Japanese subsidiaries be appropriated as a capital reserve or a retained earnings reserve. No further appropriations are required when the total amount of the capital reserve and the retained earnings reserve reaches 25% of stated capital.

The retained earnings reserve included in retained earnings as of March 31, 2012 and 2013 was ¥173,711 million and ¥175,735 million (\$1,869 million), respectively. The Companies Act provides that the retained earnings reserve of the parent company and its Japanese subsidiaries is restricted and unable to be used for dividend payments, and is excluded from the calculation of the profit available for dividend.

The amounts of statutory retained earnings of the parent company available for dividend payments to shareholders were ¥5,348,279 million and ¥5,858,551 million (\$62,292 million) as of March 31, 2012 and 2013, respectively. In accordance with

customary practice in Japan, the distributions from surplus are not accrued in the financial statements for the corresponding period, but are recorded in the subsequent accounting period after shareholders' approval has been obtained. Retained earnings at March 31, 2013 include amounts representing year-end cash dividends of ¥190,046 million (\$2,020 million), ¥60 (\$0.64) per share, which were approved at the Ordinary General Shareholders' Meeting, held on June 14, 2013.

Retained earnings at March 31, 2013 include ¥1,576,055 million (\$16,758 million) relating to equity in undistributed earnings of affiliated companies accounted for by the equity method.

On January 1, 2012, the parent company implemented share exchanges as a result of which the parent company became a wholly-owning parent company and each of Toyota Auto Body Co., Ltd. and Kanto Auto Works, Ltd. became a wholly-owned subsidiary, and the parent company acquired additional shares of each subsidiary. As a result of these share exchanges, the parent

Notes to Consolidated Financial Statements

company issued 31,151,148 shares of treasury stock, and treasury stock decreased by ¥125,819 million and losses on disposal of treasury stock occurred in the amount of ¥45,916 million. As a result, additional paid-in capital decreased by ¥551 million and retained earnings decreased by

¥45,365 million, respectively. As a result of acquiring additional shares of each subsidiary, noncontrolling interests decreased by ¥117,881 million, accumulated other comprehensive income (loss) decreased by ¥6,503 million and additional paid-in capital increased by ¥44,481 million.

Detailed components of accumulated other comprehensive income (loss) in Toyota Motor Corporation shareholders' equity at March 31, 2012 and 2013 and the related changes, net of taxes for the years ended March 31, 2011, 2012 and 2013 consist of the following:

	Yen in millions			
	Foreign currency translation adjustments	Unrealized gains (losses) on securities	Pension liability adjustments	Accumulated other comprehensive income (loss)
Balances at March 31, 2010	¥ (872,776)	¥194,285	¥(168,344)	¥ (846,835)
Other comprehensive income (loss)	(287,613)	(26,058)	15,785	(297,886)
Balances at March 31, 2011	(1,160,389)	168,227	(152,559)	(1,144,721)
Equity transaction with noncontrolling interests and other	—	751	(7,254)	(6,503)
Other comprehensive income (loss)	(87,729)	129,328	(69,208)	(27,609)
Balances at March 31, 2012	(1,248,118)	298,306	(229,021)	(1,178,833)
Other comprehensive income (loss)	434,638	368,507	19,565	822,710
Balances at March 31, 2013	¥ (813,480)	¥666,813	¥(209,456)	¥ (356,123)

	U.S. dollars in millions			
	Foreign currency translation adjustments	Unrealized gains (losses) on securities	Pension liability adjustments	Accumulated other comprehensive income (loss)
Balances at March 31, 2012	\$(13,271)	\$3,171	\$(2,435)	\$(12,535)
Other comprehensive income (loss)	4,622	3,918	208	8,748
Balances at March 31, 2013	\$ (8,649)	\$7,089	\$(2,227)	\$ (3,787)

Tax effects allocated to each component of other comprehensive income (loss) for the years ended March 31, 2011, 2012 and 2013 are as follows:

	Yen in millions		
	Pre-tax amount	Tax amount	Net-of-tax amount
For the year ended March 31, 2011			
Foreign currency translation adjustments	¥ (294,279)	¥ 6,666	¥(287,613)
Unrealized gains (losses) on securities:			
Unrealized net holding gains (losses) arising for the year	(31,899)	9,643	(22,256)
Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation	(6,358)	2,556	(3,802)
Pension liability adjustments	26,681	(10,896)	15,785
Other comprehensive income (loss)	¥ (305,855)	¥ 7,969	¥(297,886)

For the year ended March 31, 2012			
Equity transaction with noncontrolling interests and other	¥ (10,874)	¥ 4,371	¥ (6,503)
Foreign currency translation adjustments	(95,677)	7,948	(87,729)
Unrealized gains (losses) on securities:			
Unrealized net holding gains (losses) arising for the year	164,872	(65,642)	99,230
Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation	50,332	(20,234)	30,098
Pension liability adjustments	(111,722)	42,514	(69,208)
Other comprehensive income (loss)	¥ (3,069)	¥ (31,043)	¥ (34,112)

For the year ended March 31, 2013			
Foreign currency translation adjustments	¥ 447,302	¥ (12,664)	¥ 434,638
Unrealized gains (losses) on securities:			
Unrealized net holding gains (losses) arising for the year	517,169	(175,839)	341,330
Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation	45,253	(18,076)	27,177
Pension liability adjustments	30,232	(10,667)	19,565
Other comprehensive income (loss)	¥1,039,956	¥(217,246)	¥ 822,710

	U.S. dollars in millions		
	Pre-tax amount	Tax amount	Net-of-tax amount
For the year ended March 31, 2013			
Foreign currency translation adjustments	\$ 4,756	\$ (134)	\$4,622
Unrealized gains (losses) on securities:			
Unrealized net holding gains (losses) arising for the year	5,499	(1,870)	3,629
Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation	481	(192)	289
Pension liability adjustments	321	(113)	208
Other comprehensive income (loss)	\$11,057	\$(2,309)	\$8,748

Notes to Consolidated Financial Statements

18. Stock-based compensation

In June 1997, the parent company's shareholders approved a stock option plan for board members. In June 2001, the shareholders approved an amendment of the plan to include both board members and key employees. Each year until June 2010, since the plans' inception, the shareholders have approved the authorization for the grant of options for the purchase of Toyota's common stock. Authorized shares for each year that remain ungranted are unavailable for grant in future years. Stock options granted in and after August 2006 have terms of 8 years and an exercise price equal to 1.025 times the closing price of Toyota's common stock on the date of grant. These options generally vest 2 years from the date of grant.

For the years ended March 31, 2011, 2012 and 2013, Toyota recognized stock-based compensation expenses for stock options of ¥2,522 million, ¥1,539 million and ¥325 million (\$3 million) as selling, general and administrative expenses.

The weighted-average grant-date fair value of options granted during the year ended March 31, 2011 was ¥724 per share. The fair value of options granted is amortized over the option vesting period in determining net income attributable to Toyota Motor Corporation in the consolidated statements of income. The grant-date fair value of options granted is estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2011
Dividend rate	1.5%
Risk-free interest rate	0.3%
Expected volatility	32%
Expected holding period (years)	5.0

The following table summarizes Toyota's stock option activity:

	Number of shares	Yen		Yen in millions
		Weighted-average exercise price	Weighted-average remaining contractual life in years	
Options outstanding at March 31, 2010	13,716,700	¥5,363	5.23	¥ —
Granted	3,435,000	3,183		
Exercised	—	—		
Canceled	(1,364,900)	4,759		
Options outstanding at March 31, 2011	15,786,800	4,941	5.04	¥ 565
Granted	—	—		
Exercised	—	—		
Canceled	(3,256,800)	5,059		
Options outstanding at March 31, 2012	12,530,000	4,910	4.55	¥1,065
Granted	—	—		
Exercised	(645,000)	3,328		
Canceled	(1,036,000)	5,907		
Options outstanding at March 31, 2013	10,849,000	¥4,909	3.56	¥5,921
Options exercisable at March 31, 2011	9,347,800	¥5,821	3.79	¥ —
Options exercisable at March 31, 2012	9,778,000	¥5,396	4.05	¥ —
Options exercisable at March 31, 2013	10,849,000	¥4,909	3.56	¥5,921

No options were exercised for the years ended March 31, 2011 and 2012. The total intrinsic value of options exercised for the year ended March 31, 2013 was ¥364 million (\$4 million).

No cash was received from the exercise of stock options for the years ended March 31, 2011 and

2012. Cash received from the exercise of stock options for the year ended March 31, 2013 was ¥2,147 million (\$23 million).

The following table summarizes information for options outstanding and options exercisable at March 31, 2013:

Exercise price range	Outstanding				Exercisable		
	Number of shares	Weighted-average exercise price		Weighted-average remaining life	Number of shares	Weighted-average exercise price	
		Yen	U.S. dollars			Yen	U.S. dollars
¥3,183 – 5,000	7,480,000	¥4,068	\$43	4.31	7,480,000	¥4,068	\$43
5,001 – 7,278	3,369,000	6,774	72	1.89	3,369,000	6,774	72
3,183 – 7,278	10,849,000	4,909	52	3.56	10,849,000	4,909	52

Notes to Consolidated Financial Statements

19. Employee benefit plans

Pension and severance plans

Upon terminations of employment, employees of the parent company and subsidiaries in Japan are entitled, under the retirement plans of each company, to lump-sum indemnities or pension payments, based on current rates of pay and lengths of service or the number of "points" mainly determined by those. Under normal circumstances, the minimum payment prior to retirement age is an amount based on voluntary retirement. Employees receive additional benefits on involuntary retirement, including retirement at the age limit.

Effective October 1, 2004, the parent company amended its retirement plan to introduce a "point" based retirement benefit plan. Under the new plan, employees are entitled to lump-sum or pension payments determined based on accumulated "points" vested in each year of service.

There are three types of "points" that vest in each year of service consisting of "service period points" which are attributed to the length of service, "job title points" which are attributed to the job title of each employee, and "performance points" which are attributed to the annual performance evaluation of each employee. Under normal circumstances, the minimum payment prior to retirement age is an amount reflecting an adjustment rate applied to

represent voluntary retirement. Employees receive additional benefits upon involuntary retirement, including retirement at the age limit.

Effective October 1, 2005, the parent company partly amended its retirement plan and introduced the quasi cash-balance plan under which benefits are determined based on the variable-interest crediting rate rather than the fixed-interest crediting rate as was in the pre-amended plan.

The parent company and most subsidiaries in Japan have contributory funded defined benefit pension plans, which are pursuant to the Corporate Defined Benefit Pension Plan Law (CDBPPL). The contributions to the plans are funded with several financial institutions in accordance with the applicable laws and regulations. These pension plan assets consist principally of common stocks, government bonds and insurance contracts.

Most foreign subsidiaries have pension plans or severance indemnity plans covering substantially all of their employees under which the cost of benefits are currently invested or accrued. The benefits for these plans are based primarily on lengths of service and current rates of pay.

Toyota uses a March 31 measurement date for its benefit plans.

Information regarding Toyota's defined benefit plans is as follows:

Japanese plans

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Change in benefit obligation:			
Benefit obligation at beginning of year	¥1,362,053	¥1,480,387	\$15,740
Service cost	57,241	60,261	641
Interest cost	30,660	27,804	296
Plan participants' contributions	834	918	10
Plan amendments	632	(3,462)	(37)
Net actuarial loss	67,098	90,667	964
Acquisition and other	27,435	(776)	(8)
Benefits paid	(65,566)	(61,388)	(653)
Benefit obligation at end of year	1,480,387	1,594,411	16,953
Change in plan assets:			
Fair value of plan assets at beginning of year	885,741	927,545	9,862
Actual return on plan assets	1,493	145,141	1,543
Acquisition and other	27,947	(264)	(3)
Employer contributions	50,423	53,906	573
Plan participants' contributions	834	918	10
Benefits paid	(38,893)	(36,988)	(393)
Fair value of plan assets at end of year	927,545	1,090,258	11,592
Funded status	¥ 552,842	¥ 504,153	\$ 5,361

Amounts recognized in the consolidated balance sheets as of March 31, 2012 and 2013 are comprised of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Accrued expenses (Accrued pension and severance costs)	¥ 19,553	¥ 25,160	\$ 268
Accrued pension and severance costs	553,096	582,491	6,193
Investments and other assets—			
Other (Prepaid pension and severance costs)	(19,807)	(103,498)	(1,100)
Net amount recognized	¥552,842	¥504,153	\$5,361

Notes to Consolidated Financial Statements

Amounts recognized in accumulated other comprehensive income (loss) as of March 31, 2012 and 2013 are comprised of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Net actuarial loss	¥(381,770)	¥(333,203)	\$(3,543)
Prior service costs	57,930	53,360	567
Net transition obligation	—	—	—
Net amount recognized	¥(323,840)	¥(279,843)	\$(2,976)

The accumulated benefit obligation for all defined benefit pension plans was ¥1,379,373 million and ¥1,494,011 million (\$15,885 million) at March 31, 2012 and 2013, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for which the accumulated benefit obligations exceed plan assets are as follows:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Projected benefit obligation	¥728,469	¥749,561	\$7,970
Accumulated benefit obligation	639,196	685,763	7,291
Fair value of plan assets	153,945	165,262	1,757

Components of the net periodic pension cost are as follows:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Service cost	¥61,134	¥57,241	¥60,261	\$641
Interest cost	31,782	30,660	27,804	296
Expected return on plan assets	(21,200)	(21,558)	(22,352)	(238)
Amortization of prior service costs	(24,421)	(16,326)	(8,033)	(86)
Recognized net actuarial loss	15,029	28,342	16,619	177
Amortization of net transition obligation	1,944	1,626	—	—
Net periodic pension cost	¥64,268	¥79,985	¥74,299	\$790

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) are as follows:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Net actuarial gain (loss)	¥(15,734)	¥(87,163)	¥32,122	\$341
Recognized net actuarial loss	15,029	28,342	16,619	177
Prior service costs	1,287	(632)	3,462	37
Amortization of prior service costs	(24,421)	(16,326)	(8,033)	(86)
Amortization of net transition obligation	1,944	1,626	—	—
Other	10,529	63	(173)	(2)
Total recognized in other comprehensive income (loss)	¥(11,366)	¥(74,090)	¥43,997	\$467

The other amount includes the impact of transition to defined contribution pension plans and consolidation and deconsolidation of certain entities due to changes in ownership interest during the years ended March 31, 2011, 2012 and 2013.

The estimated prior service costs and net actuarial loss that will be amortized from accumulated other comprehensive income (loss) into net periodic pension cost during the year ending March 31, 2014 are ¥(5,000) million (\$53 million) and ¥12,200 million (\$130 million), respectively.

Weighted-average assumptions used to determine benefit obligations as of March 31, 2012 and 2013 are as follows:

	March 31,	
	2012	2013
Discount rate	2.0%	1.7%
Rate of compensation increase	2.3%	2.2%

As of March 31, 2012 and 2013, the parent company and certain subsidiaries in Japan employ "point" based retirement benefit plans and do not

use the rates of compensation increase to determine benefit obligations.



Toyota Global Vision

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Weighted-average assumptions used to determine net periodic pension cost for the years ended March 31, 2011, 2012 and 2013 are as follows:

	For the years ended March 31,		
	2011	2012	2013
Discount rate	2.3%	2.3%	2.0%
Expected return on plan assets	2.3%	2.5%	2.5%
Rate of compensation increase	2.3%	2.3%	2.3%

During the years ended March 31, 2011, 2012 and 2013, the parent company and certain subsidiaries in Japan employ "point" based retirement benefit plans and do not use the rates of compensation increase to determine net periodic pension cost.

The expected rate of return on plan assets is determined after considering several applicable factors including, the composition of plan assets held, assumed risks of asset management, historical results of the returns on plan assets, Toyota's principal policy for plan asset management, and forecasted market conditions.

Toyota's policy and objective for plan asset management is to maximize returns on plan assets to meet future benefit payment requirements under risks which Toyota considers permissible. Asset allocations under the plan asset management are determined based on plan asset management policies of each plan which are established to achieve the optimized asset compositions in terms of the long-term overall plan asset management.

Excepting equity securities contributed by Toyota, approximately 50% of the plan assets is invested in equity securities, approximately 30% is invested in debt securities, and the rest of them is invested in insurance contracts and other products. When actual allocations are not in line with target allocations, Toyota rebalances its investments in accordance with the policies. Prior to making individual investments, Toyota performs in-depth assessments of corresponding factors including category of products, industry type, currencies and liquidity of each potential investment under consideration to mitigate concentrations of risks such as market risk and foreign currency exchange rate risk. To assess performance of the investments, Toyota establishes benchmark return rates for each individual investment, combines these individual benchmark rates based on the asset composition ratios within each asset category, and compares the combined rates with the corresponding actual return rates on each asset category.

The following table summarizes the fair value of classes of plan assets as of March 31, 2012 and 2013. See note 26 to the consolidated financial statements for three levels of input which are used to measure fair value.

	Yen in millions			
	March 31, 2012			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Common stocks	¥353,282	¥ —	¥ —	¥353,282
Commingled funds	—	158,027	—	158,027
	353,282	158,027	—	511,309
Debt securities:				
Government bonds	63,327	—	—	63,327
Commingled funds	—	176,596	—	176,596
Other	—	20,155	591	20,746
	63,327	196,751	591	260,669
Insurance contracts	—	83,993	—	83,993
Other	27,006	4,503	40,065	71,574
Total	¥443,615	¥443,274	¥40,656	¥927,545

	Yen in millions			
	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Common stocks	¥440,971	¥ —	¥ —	¥ 440,971
Commingled funds	—	184,879	—	184,879
	440,971	184,879	—	625,850
Debt securities:				
Government bonds	81,867	—	—	81,867
Commingled funds	—	203,933	—	203,933
Other	—	23,594	441	24,035
	81,867	227,527	441	309,835
Insurance contracts	—	91,326	—	91,326
Other	17,789	3,923	41,535	63,247
Total	¥540,627	¥507,655	¥41,976	¥1,090,258

Notes to Consolidated Financial Statements

	U.S. dollars in millions			
	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Equity securities:				
Common stocks	\$4,689	\$ —	\$ —	\$ 4,689
Commingled funds	—	1,966	—	1,966
	4,689	1,966	—	6,655
Debt securities:				
Government bonds	870	—	—	870
Commingled funds	—	2,168	—	2,168
Other	—	251	5	256
	870	2,419	5	3,294
Insurance contracts	—	971	—	971
Other	189	42	441	672
Total	\$5,748	\$5,398	\$446	\$11,592

The following is description of the assets, information about the valuation techniques used to measure fair value, key inputs and significant assumptions:

Quoted market prices for identical securities are used to measure fair value of common stocks.

Common stocks include 69% of Japanese stocks and 31% of foreign stocks as of March 31, 2012, and 71% of Japanese stocks and 29% of foreign stocks as of March 31, 2013.

Quoted market prices for identical securities are used to measure fair value of government bonds. Government bonds include 35% of Japanese government bonds and 65% of foreign government bonds as of March 31, 2012, and 44% of Japanese government bonds and 56% of foreign government bonds as of March 31, 2013.

Commingled funds are beneficial interests of collective trust. The fair values of commingled funds are measured using the net asset value ("NAV") provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.

The fair values of insurance contracts are measured using contracted amount with accrued interest.

Other consists of cash equivalents, other private placement investment funds and other assets. The fair values of other private placement investment funds are measured using the NAV provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.

The following tables summarize the changes in Level 3 plan assets measured at fair value for the years ended March 31, 2011, 2012 and 2013:

	Yen in millions		
	For the year ended March 31, 2011		
	Debt securities	Other	Total
Balance at beginning of year	¥928	¥37,421	¥38,349
Actual return on plan assets	7	934	941
Purchases, sales and settlements	(189)	19	(170)
Other	—	—	—
Balance at end of year	¥746	¥38,374	¥39,120

	Yen in millions		
	For the year ended March 31, 2012		
	Debt securities	Other	Total
Balance at beginning of year	¥746	¥38,374	¥39,120
Actual return on plan assets	5	(1,762)	(1,757)
Purchases, sales and settlements	(160)	3,453	3,293
Other	—	—	—
Balance at end of year	¥591	¥40,065	¥40,656

	Yen in millions		
	For the year ended March 31, 2013		
	Debt securities	Other	Total
Balance at beginning of year	¥591	¥40,065	¥40,656
Actual return on plan assets	3	438	441
Purchases, sales and settlements	(153)	1,032	879
Other	—	—	—
Balance at end of year	¥441	¥41,535	¥41,976

	U.S. dollars in millions		
	For the year ended March 31, 2013		
	Debt securities	Other	Total
Balance at beginning of year	\$ 6	\$426	\$432
Actual return on plan assets	0	4	4
Purchases, sales and settlements	(1)	11	10
Other	—	—	—
Balance at end of year	\$ 5	\$441	\$446

Toyota expects to contribute ¥54,094 million (\$575 million) to its pension plans in the year ending March 31, 2014.



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Notes to Consolidated Financial Statements

The following pension benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Years ending March 31,	Yen in millions	U.S. dollars in millions
2014	¥ 62,508	\$ 665
2015	64,803	689
2016	66,445	706
2017	66,497	707
2018	67,780	721
from 2019 to 2023	379,369	4,034
Total	¥707,402	\$7,522

Foreign plans

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Change in benefit obligation:			
Benefit obligation at beginning of year	¥367,125	¥467,000	\$4,965
Service cost	21,298	27,943	297
Interest cost	21,739	24,300	258
Plan participants' contributions	221	246	3
Plan amendments	108	(43)	(0)
Net actuarial loss	50,222	38,986	415
Acquisition and other	13,061	82,907	881
Benefits paid	(6,774)	(8,179)	(87)
Benefit obligation at end of year	467,000	633,160	6,732
Change in plan assets:			
Fair value of plan assets at beginning of year	297,644	343,226	3,649
Actual return on plan assets	14,816	46,359	493
Acquisition and other	19,600	60,138	640
Employer contributions	16,125	35,354	376
Plan participants' contributions	221	246	3
Benefits paid	(5,180)	(6,084)	(65)
Fair value of plan assets at end of year	343,226	479,239	5,096
Funded status	¥123,774	¥153,921	\$1,636

Amounts recognized in the consolidated balance sheets as of March 31, 2012 and 2013 are comprised of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Accrued expenses (Accrued pension and severance costs)	¥ 1,523	¥ 1,762	\$ 18
Accrued pension and severance costs	155,306	183,621	1,953
Investments and other assets—			
Other (Prepaid pension and severance costs)	(33,055)	(31,462)	(335)
Net amount recognized	¥123,774	¥153,921	\$1,636

Amounts recognized in accumulated other comprehensive income (loss) as of March 31, 2012 and 2013 are comprised of the following:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Net actuarial loss	¥(75,069)	¥(96,151)	\$(1,022)
Prior service costs	(2,333)	(1,921)	(20)
Net transition obligation	—	—	—
Net amount recognized	¥(77,402)	¥(98,072)	\$(1,042)

The accumulated benefit obligation for all defined benefit pension plans was ¥385,348 million and ¥533,551 million (\$5,673 million) at March 31, 2012 and 2013, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for which the accumulated benefit obligations exceed plan assets are as follows:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Projected benefit obligation	¥229,015	¥251,596	\$2,675
Accumulated benefit obligation	190,422	213,934	2,275
Fair value of plan assets	52,123	43,277	460

Notes to Consolidated Financial Statements

Components of the net periodic pension cost are as follows:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended
	2011	2012	2013	March 31,
Service cost	¥21,288	¥21,298	¥27,943	\$297
Interest cost	20,720	21,739	24,300	258
Expected return on plan assets	(21,164)	(22,864)	(23,177)	(246)
Amortization of prior service costs	389	351	369	4
Recognized net actuarial loss	1,066	1,783	2,884	31
Amortization of net transition obligation	—	—	—	—
Net periodic pension cost	¥22,299	¥22,307	¥32,319	\$344

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) are as follows:

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended
	2011	2012	2013	March 31,
Net actuarial loss	¥(6,244)	¥(58,270)	¥(15,804)	\$(168)
Recognized net actuarial loss	1,066	1,783	2,884	31
Prior service costs	142	(108)	43	0
Amortization of prior service costs	389	351	369	4
Amortization of net transition obligation	—	—	—	—
Other	30,466	5,888	(8,162)	(87)
Total recognized in other comprehensive income (loss)	¥25,819	¥(50,356)	¥(20,670)	\$(220)

The other amount includes the impact of consolidation and deconsolidation of certain entities due to changes in ownership interest and currency translation adjustments during the years ended March 31, 2011, 2012 and 2013.

The estimated prior service costs and net actuarial loss that will be amortized from accumulated other comprehensive income (loss) into net periodic pension cost during the year ending March 31, 2014 are ¥300 million (\$3 million) and ¥4,400 million (\$47 million), respectively.

Weighted-average assumptions used to determine benefit obligations as of March 31, 2012 and 2013 are as follows:

	March 31,	
	2012	2013
Discount rate	5.0%	4.5%
Rate of compensation increase	4.5%	4.6%

Weighted-average assumptions used to determine net periodic pension cost for the years ended March 31, 2011, 2012 and 2013 are as follows:

	For the years ended March 31,		
	2011	2012	2013
Discount rate	6.2%	5.7%	5.0%
Expected return on plan assets	7.4%	7.3%	7.0%
Rate of compensation increase	4.5%	4.4%	4.5%

The expected rate of return on plan assets is determined after considering several applicable factors including, the composition of plan assets held, assumed risks of asset management, historical results of the returns on plan assets, Toyota's principal policy for plan asset management, and forecasted market conditions.

Toyota's policy and objective for plan asset management is to maximize returns on plan assets to meet future benefit payment requirements under risks which Toyota considers permissible. Asset allocations under the plan asset management are determined based on plan asset management policies of each plan which are established to achieve the optimized asset compositions in terms of the long-term overall plan asset management. Excepting equity securities contributed by Toyota, approximately 60% of the plan assets is invested in

equity securities, approximately 30% is invested in debt securities, and the rest of them is invested in other products. When actual allocations are not in line with target allocations, Toyota rebalances its investments in accordance with the policies. Prior to making individual investments, Toyota performs in-depth assessments of corresponding factors including category of products, industry type, currencies and liquidity of each potential investment under consideration to mitigate concentrations of risks such as market risk and foreign currency exchange rate risk. To assess performance of the investments, Toyota establishes benchmark return rates for each individual investment, combines these individual benchmark rates based on the asset composition ratios within each asset category, and compares the combined rates with the corresponding actual return rates on each asset category.



Notes to Consolidated Financial Statements

The following table summarizes the fair value of classes of plan assets as of March 31, 2012 and 2013. See note 26 to the consolidated financial statements for three levels of input which are used to measure fair value.

	Yen in millions			
	March 31, 2012			
	Level 1	Level 2	Level 3	Total
Equity securities				
Common stocks	¥114,955	¥ —	¥ —	¥114,955
Commingled funds	—	74,815	—	74,815
	114,955	74,815	—	189,770
Debt securities				
Government bonds	25,084	—	—	25,084
Commingled funds	—	43,062	—	43,062
Other	—	29,278	—	29,278
	25,084	72,340	—	97,424
Insurance contracts				
Other	21,184	3,471	31,377	56,032
Total	¥161,223	¥150,626	¥31,377	¥343,226

	Yen in millions			
	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Equity securities				
Common stocks	¥183,611	¥ —	¥ —	¥183,611
Commingled funds	—	86,539	—	86,539
	183,611	86,539	—	270,150
Debt securities				
Government bonds	47,083	—	—	47,083
Commingled funds	—	42,754	—	42,754
Other	—	40,486	—	40,486
	47,083	83,240	—	130,323
Insurance contracts				
Other	—	1,202	—	1,202
	30,739	6,218	40,607	77,564
Total	¥261,433	¥177,199	¥40,607	¥479,239

	U.S. dollars in millions			
	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Equity securities				
Common stocks	\$1,952	\$ —	\$ —	\$1,952
Commingled funds	—	920	—	920
	1,952	920	—	2,872
Debt securities				
Government bonds	501	—	—	501
Commingled funds	—	455	—	455
Other	—	430	—	430
	501	885	—	1,386
Insurance contracts				
Other	—	13	—	13
	327	66	432	825
Total	\$2,780	\$1,884	\$432	\$5,096

The following is description of the assets, information about the valuation techniques used to measure fair value, key inputs and significant assumptions:

Quoted market prices for identical securities are used to measure fair value of common stocks.

Common stocks include mainly foreign stocks as of March 31, 2012 and 2013.

Quoted market prices for identical securities are used to measure fair value of government bonds. Government bonds include mainly foreign government bonds as of March 31, 2012 and 2013.

Commingled funds are beneficial interests of collective trust. The fair values of commingled funds are measured using the NAV provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.

Other consists of cash equivalents, other private placement investment funds and other assets.

The fair values of other private placement investment funds are measured using the NAV provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.

Notes to Consolidated Financial Statements

The following tables summarize the changes in Level 3 plan assets measured at fair value for the years ended March 31, 2011, 2012 and 2013:

	Yen in millions		
	For the year ended March 31, 2011		
	Debt securities	Other	Total
Balance at beginning of year	¥2,663	¥ 9,097	¥11,760
Actual return on plan assets	305	974	1,279
Purchases, sales and settlements	(2,759)	11,471	8,712
Other	(209)	(1,065)	(1,274)
Balance at end of year	¥ —	¥20,477	¥20,477

	Yen in millions		
	For the year ended March 31, 2012		
	Debt securities	Other	Total
Balance at beginning of year	¥—	¥20,477	¥20,477
Actual return on plan assets	—	1,243	1,243
Purchases, sales and settlements	—	9,514	9,514
Other	—	143	143
Balance at end of year	¥—	¥31,377	¥31,377

	Yen in millions		
	For the year ended March 31, 2013		
	Debt securities	Other	Total
Balance at beginning of year	¥—	¥31,377	¥31,377
Actual return on plan assets	—	2,472	2,472
Purchases, sales and settlements	—	2,599	2,599
Other	—	4,159	4,159
Balance at end of year	¥—	¥40,607	¥40,607

	U.S. dollars in millions		
	For the year ended March 31, 2013		
	Debt securities	Other	Total
Balance at beginning of year	\$—	\$334	\$334
Actual return on plan assets	—	26	26
Purchases, sales and settlements	—	28	28
Other	—	44	44
Balance at end of year	\$—	\$432	\$432

Toyota expects to contribute ¥8,688 million (\$92 million) to its pension plans in the year ending March 31, 2014.

The following pension benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Years ending March 31,	Yen in millions	U.S. dollars in millions
2014	¥ 8,535	\$ 91
2015	9,264	99
2016	9,955	106
2017	10,660	113
2018	11,491	122
from 2019 to 2023	73,651	783
Total	¥123,556	\$1,314

Postretirement benefits other than pensions and postemployment benefits

Toyota's U.S. subsidiaries provide certain health care and life insurance benefits to eligible retired employees. In addition, Toyota provides benefits to certain former or inactive employees after employment, but before retirement. These benefits are

provided through various insurance companies, health care providers and others. The costs of these benefits are recognized over the period the employee provides credited service to Toyota. Toyota's obligations under these arrangements are not material.

20. Derivative financial instruments

Toyota employs derivative financial instruments, including foreign exchange forward contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements and interest rate options to manage its exposure to fluctuations in interest rates and foreign currency exchange rates. Toyota does not use derivatives for speculation or trading.

Fair value hedges

Toyota enters into interest rate swaps and interest rate currency swap agreements mainly to convert its fixed-rate debt to variable-rate debt. Toyota uses interest rate swap agreements in managing interest rate risk exposure. Interest rate swap agreements are executed as either an integral part of specific debt transactions or on a portfolio basis. Toyota

uses interest rate currency swap agreements to hedge exposure to currency exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies. Notes and loans payable issued in foreign currencies are hedged by concurrently executing interest rate currency swap agreements, which involve the exchange of foreign currency principal and interest obligations for each functional currency obligations at agreed-upon currency exchange and interest rates.

For the years ended March 31, 2011, 2012 and 2013, the ineffective portion of Toyota's fair value hedge relationships was not material. For fair value hedging relationships, the components of each derivative's gain or loss are included in the assessment of hedge effectiveness.

Notes to Consolidated Financial Statements

Undesignated derivative financial instruments

Toyota uses foreign exchange forward contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements, and interest rate options, to manage its exposure to foreign

currency exchange rate fluctuations and interest rate fluctuations from an economic perspective, and for which Toyota is unable or has elected not to apply hedge accounting.

Fair value and gains or losses on derivative financial instruments

The following table summarizes the fair values of derivative financial instruments as of March 31, 2012 and 2013:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Derivative financial instruments designated as hedging instruments:			
Interest rate and currency swap agreements			
Prepaid expenses and other current assets	¥ 7,166	¥ 10,769	\$ 114
Investments and other assets—Other	61,174	39,569	421
Total	¥ 68,340	¥ 50,338	\$ 535
Other current liabilities	¥ (2,060)	¥ (2,554)	\$ (27)
Other long-term liabilities	(303)	(143)	(2)
Total	¥ (2,363)	¥ (2,697)	\$ (29)
Undesignated derivative financial instruments:			
Interest rate and currency swap agreements			
Prepaid expenses and other current assets	¥ 61,983	¥ 27,731	\$ 295
Investments and other assets—Other	157,642	139,419	1,482
Total	¥ 219,625	¥ 167,150	\$ 1,777
Other current liabilities	¥ (38,338)	¥ (37,133)	\$ (395)
Other long-term liabilities	(120,666)	(122,420)	(1,301)
Total	¥(159,004)	¥(159,553)	\$(1,696)
Foreign exchange forward and option contracts			
Prepaid expenses and other current assets	¥ 9,531	¥ 7,340	\$ 78
Investments and other assets—Other	—	—	—
Total	¥ 9,531	¥ 7,340	\$ 78
Other current liabilities	¥ (21,736)	¥ (36,087)	\$ (384)
Other long-term liabilities	(70)	(5)	(0)
Total	¥ (21,806)	¥ (36,092)	\$ (384)

As of March 31, 2012 and 2013, the amounts of counterparty netting and cash collateral received that partially offset derivative assets were ¥218,509 million and ¥158,807 million (\$1,689 million), respectively. The amounts of counterparty netting

and cash collateral pledged that partially offset derivative liabilities were ¥(90,963) million and ¥(86,477) million (\$919) million, respectively. These amounts included in the above table were offset in the consolidated balance sheets.

The following table summarizes the notional amounts of derivative financial instruments as of March 31, 2012 and 2013:

	Yen in millions				U.S. dollars in millions	
	March 31,				March 31,	
	2012	2013		2013		
	Designated derivative financial instruments	Undesignated derivative financial instruments	Designated derivative financial instruments	Undesignated derivative financial instruments	Designated derivative financial instruments	Undesignated derivative financial instruments
Interest rate and currency swap agreements	¥344,623	¥10,607,666	¥235,219	¥12,689,774	\$2,501	\$134,926
Foreign exchange forward and option contracts	—	2,199,627	—	2,104,048	—	22,371
Total	¥344,623	¥12,807,293	¥235,219	¥14,793,822	\$2,501	\$157,297

Notes to Consolidated Financial Statements

The following table summarizes the gains and losses on derivative financial instruments and hedged items reported in the consolidated statements of income for the years ended March 31, 2011, 2012 and 2013:

	Yen in millions			
	For the years ended March 31,			
	2011		2012	
	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items
Derivative financial instruments designated as hedging instruments—Fair value hedge:				
Interest rate and currency swap agreements				
Cost of financing operations	¥ 71,491	¥(68,741)	¥ (1,354)	¥2,999
Interest expense	(166)	166	—	—
Undesignated derivative financial instruments:				
Interest rate and currency swap agreements				
Cost of financing operations	¥ 72,082	¥ —	¥35,834	¥ —
Foreign exchange gain (loss), net	(1,393)	—	(28)	—
Foreign exchange forward and option contracts				
Cost of financing operations	(2,693)	—	(3,815)	—
Foreign exchange gain (loss), net	110,211	—	53,272	—

	Yen in millions		U.S. dollars in millions	
	For the year ended March 31,		For the year ended March 31,	
	2013		2013	
	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items
Derivative financial instruments designated as hedging instruments—Fair value hedge:				
Interest rate and currency swap agreements				
Cost of financing operations	¥(23,965)	¥24,738	\$(255)	\$263
Interest expense	—	—	—	—
Undesignated derivative financial instruments:				
Interest rate and currency swap agreements				
Cost of financing operations	¥(24,204)	¥ —	\$(257)	\$ —
Foreign exchange gain (loss), net	1,617	—	17	—
Foreign exchange forward and option contracts				
Cost of financing operations	(4,572)	—	(49)	—
Foreign exchange gain (loss), net	(49,239)	—	(524)	—

Undesignated derivative financial instruments are used to manage risks of fluctuations in interest rates to certain borrowing transactions and in foreign currency exchange rates of certain currency receivables and payables. Toyota accounts for these derivative financial instruments as economic hedges with changes in the fair value recorded directly into current period earnings.

Unrealized gains or (losses) on undesignated derivative financial instruments reported in the cost of financing operations for the years ended March 31, 2011, 2012 and 2013 were ¥93,370 million, ¥(14,934) million and ¥(60,727) million (\$646 million) those reported in foreign exchange gain (loss), net were ¥(240) million, ¥(5,543) million and ¥(7,447) million (\$79) million, respectively.

Cash flows from transactions of derivative financial instruments are included in cash flows from operating activities in the consolidated statements of cash flows.

21. Other financial instruments

Toyota has certain financial instruments, including financial assets and liabilities which arose in the normal course of business. These financial instruments are executed with creditworthy financial institutions, and virtually all foreign currency contracts are denominated in U.S. dollars, euros and other currencies of major developed countries. Financial instruments involve, to varying degrees, market risk as instruments are subject to price fluctuations, and elements of credit risk in the event a counterparty should default. In the unlikely event the counterparties fail to meet the contractual terms of a foreign

Credit risk related contingent features

Toyota enters into International Swaps and Derivatives Association Master Agreements with counterparties. These Master Agreements contain a provision requiring either Toyota or the counterparty to settle the contract or to post assets to the other party in the event of a ratings downgrade below a specified threshold.

The aggregate fair value amount of derivative financial instruments that contain credit risk related contingent features that are in a net liability position after being offset by cash collateral as of March 31, 2013 is ¥3,289 million (\$35 million). The aggregate fair value amount of assets that are already posted as cash collateral as of March 31, 2013 is ¥17,305 million (\$184 million). If the ratings of Toyota decline below specified thresholds, the maximum amount of assets to be posted or for which Toyota could be required to settle the contracts is ¥3,289 million (\$35 million) as of March 31, 2013.

currency or an interest rate instrument, Toyota's risk is limited to the fair value of the instrument. Although Toyota may be exposed to losses in the event of nonperformance by counterparties on financial instruments, it does not anticipate significant losses due to the nature of its counterparties. Counterparties to Toyota's financial instruments represent, in general, international financial institutions. Additionally, Toyota does not have a significant exposure to any individual counterparty. Toyota believes that the overall credit risk related to its financial instruments is not significant.

Notes to Consolidated Financial Statements

The following table summarizes the estimated fair values of Toyota's financial instruments, excluding marketable securities and other securities investments, affiliated companies and derivative financial instruments. See note 26 to the consolidated financial statements for three levels of input which are used to measure fair value.

	Yen in millions				
	March 31, 2012				
	Carrying amount	Estimated fair value			Total
Level 1		Level 2	Level 3		
Assets (Liabilities):					
Cash and cash equivalents	¥1,679,200	¥1,444,276	¥ 234,924	¥ —	¥ 1,679,200
Time deposits	80,301	—	80,301	—	80,301
Total finance receivables, net	8,879,731	—	—	9,137,936	9,137,936
Other receivables	408,547	—	—	408,547	408,547
Short-term borrowings	(3,450,649)	—	(3,256,078)	(194,571)	(3,450,649)
Long-term debt including the current portion	(8,533,549)	—	(7,835,970)	(847,223)	(8,683,193)

	Yen in millions				
	March 31, 2013				
	Carrying amount	Estimated fair value			Total
Level 1		Level 2	Level 3		
Assets (Liabilities):					
Cash and cash equivalents	¥ 1,718,297	¥1,342,356	¥ 375,941	¥ —	¥ 1,718,297
Time deposits	106,700	—	106,700	—	106,700
Total finance receivables, net	11,144,427	—	—	11,434,936	11,434,936
Other receivables	432,693	—	—	432,693	432,693
Short-term borrowings	(4,089,528)	—	(4,089,528)	—	(4,089,528)
Long-term debt including the current portion	(10,020,853)	—	(9,244,942)	(979,196)	(10,224,138)

	U.S. dollars in millions				
	March 31, 2013				
	Carrying amount	Estimated fair value			Total
Level 1		Level 2	Level 3		
Assets (Liabilities):					
Cash and cash equivalents	\$ 18,270	\$14,273	\$ 3,997	\$ —	\$ 18,270
Time deposits	1,135	—	1,135	—	1,135
Total finance receivables, net	118,495	—	—	121,584	121,584
Other receivables	4,601	—	—	4,601	4,601
Short-term borrowings	(43,482)	—	(43,482)	—	(43,482)
Long-term debt including the current portion	(106,548)	—	(98,298)	(10,412)	(108,710)

Cash and cash equivalents and time deposits

In the normal course of business, substantially all cash and cash equivalents and time deposits are highly liquid and are carried at amounts which approximate fair value due to its short duration. Cash equivalents and time deposits include negotiable certificate of deposit measured at fair value on a recurring basis. Where money market funds produce a daily net asset value in an active market, this value is used to determine the fair value of the fund investment, and the investment is classified in Level 1. All other types of cash and cash equivalents and time deposits are classified in Level 2.

Finance receivables, net

The fair values of finance receivables are estimated by discounting expected cash flows to present value using internal assumptions, including prepayment speeds, expected credit losses and collateral value. Certain impaired finance receivables are measured at fair value on a nonrecurring basis based on collateral values.

As unobservable inputs are utilized, finance receivables are classified in Level 3.

Other receivables

Other receivables are short-term receivables. These receivables are carried at amounts which approximate fair value, and the difference between the carrying amount and the fair value is not material. These receivables are classified in Level 3.

Short-term borrowings and long-term debt

The fair values of short-term borrowings and long-term debt including the current portion, except for secured loans provided by securitization transactions using special-purpose entities, are estimated based on the discounted amounts of future cash flows using Toyota's current borrowing rates for similar liabilities. As these inputs are observable, these debts are classified in Level 2.

The fair values of the secured loans provided by securitization transactions are estimated based on current market rates and credit spreads for debt with similar maturities. Internal assumptions including prepayment speeds and expected credit losses are used to estimate the timing of cash flows to be paid on the underlying securitized assets. As these valuations utilize unobservable inputs, the secured loans are classified in Level 3. See note 12 to the consolidated financial statements for information regarding the secured loans.

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22. Lease commitments

Toyota leases certain assets under capital lease and operating lease arrangements.

An analysis of leased assets under capital leases is as follows:

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Class of property:			
Building	¥12,230	¥13,999	\$149
Machinery and equipment	31,698	32,252	343
Less—Accumulated depreciation	(20,284)	(23,843)	(254)
	¥23,644	¥22,408	\$238

Amortization expenses under capital leases for the years ended March 31, 2011, 2012 and 2013 were ¥5,966 million, ¥5,572 million and ¥5,265 million (\$56 million), respectively.

Future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of March 31, 2013 are as follows:

Years ending March 31,	Yen in millions	U.S. dollars in millions
2014	¥ 4,993	\$ 53
2015	3,542	38
2016	2,790	30
2017	2,409	25
2018	2,049	22
Thereafter	12,926	137
Total minimum lease payments	28,709	305
Less—Amount representing interest	(7,310)	(77)
Present value of net minimum lease payments	21,399	228
Less—Current obligations	(4,096)	(44)
Long-term capital lease obligations	¥17,303	\$184

Rental expenses under operating leases for the years ended March 31, 2011, 2012 and 2013 were ¥89,029 million, ¥91,052 million and ¥90,081 million (\$958 million), respectively.

The minimum rental payments required under operating leases relating primarily to land, buildings and equipment having initial or remaining non-cancelable lease terms in excess of one year at March 31, 2013 are as follows:

Years ending March 31,	Yen in millions	U.S. dollars in millions
2014	¥11,299	\$120
2015	9,398	100
2016	7,988	85
2017	6,347	67
2018	5,354	57
Thereafter	21,491	229
Total minimum future rentals	¥61,877	\$658

23. Other commitments and contingencies, concentrations and factors that may affect future operations

Commitments

Commitments outstanding as of March 31, 2013 for the purchase of property, plant and equipment and other assets totaled ¥203,901 million (\$2,168 million).

Guarantees

Toyota enters into contracts with Toyota dealers to guarantee customers' payments of their installment payables that arise from installment contracts between customers and Toyota dealers, as and when requested by Toyota dealers. Guarantee periods are set to match maturity of installment payments, and as of March 31, 2013, range from 1 month to 35 years; however, they are generally shorter than the useful lives of products sold. Toyota is required to execute its guarantee primarily when customers are unable to make required payments.

The maximum potential amount of future payments as of March 31, 2013 is ¥1,849,493 million (\$19,665 million). Liabilities for guarantees totaling

¥6,590 million (\$70 million) have been provided as of March 31, 2013. Under these guarantee contracts, Toyota is entitled to recover any amount paid by Toyota from the customers whose original obligations Toyota has guaranteed.

Legal Proceedings

Product Recalls

From time-to-time, Toyota issues vehicle recalls and takes other safety measures including safety campaigns relating to its vehicles. In November 2009, Toyota announced a safety campaign in North America for certain models of Toyota and Lexus vehicles related to floor mat entrapment of accelerator pedals, and later expanded it to include additional models. In January 2010, Toyota announced a recall in North America for certain models of Toyota vehicles related to sticking and slow-to-return accelerator pedals. Also in January 2010, Toyota recalled in Europe, China and other regions



Notes to Consolidated Financial Statements

certain models of Toyota vehicles related to sticking accelerator pedals. In February 2010, Toyota announced a worldwide recall related to the software program that controls the antilock braking system in certain vehicle models including the Prius. Set forth below is a description of various claims, lawsuits and government investigations involving Toyota in the United States relating to these recalls and other safety measures.

Class Action and Consolidated Litigation

Approximately 200 putative class actions and more than 500 individual product liability personal injury cases have been filed since November 2009 alleging that certain Toyota, Lexus and Scion vehicles contain defects that lead to unintended acceleration. In April 2010, the approximately 190 putative class actions in federal court as well as the federal product liability personal injury cases and warranty and lemon law cases were consolidated for pretrial proceedings into a single multi-district litigation in the United States District Court for the Central District of California. Approximately 10 putative class actions and various product liability personal injury cases pending in state courts were subsequently consolidated into the federal action. The remaining class actions lawsuits are pending in a consolidated state action in California.

In December 2012, Toyota and the plaintiffs announced that they had reached an agreement to settle the economic loss claims in the consolidated federal action. The court preliminarily approved the agreement and held the final approval hearing in June 2013. The court took the matter under

submission and scheduled a hearing in July 2013 for the presentation of additional information. In fiscal 2013, Toyota recorded a \$1.1 billion pre-tax charge against earnings to cover the estimated costs of this resolution and other potential recall-related resolutions, including the resolution of the civil litigation filed by the Orange County District Attorney and the state attorneys general's investigation discussed below.

The settlement provides a customer support program covering certain vehicle parts, the free installation of a brake override system on the remaining floor mat entrapment safety campaign vehicles and funds for cash payments to customers who do not receive the brake override system, cash payments to individuals who allegedly suffered a loss on the sale, lease or insuring the residual value of Toyota's vehicles and funds for safety-related research and education programs. The settlement does not cover product liability personal injury claims in the consolidated federal action or pending in various state courts in the United States.

In April 2013, Toyota announced that the court had approved an agreement to resolve the civil action filed by the Orange County District Attorney in California state court seeking, among other things, statutory penalties alleging that Toyota sold and marketed defective vehicles in violation of various California statutes. The amount of the settlement, which was not material to Toyota, was included in the charge taken in fiscal 2013.

Beginning in February 2010, Toyota was sued in approximately 20 putative class actions alleging defects in the antilock braking system in various

hybrid vehicles that cause the vehicles to fail to stop in a timely manner when driving in certain road conditions. The plaintiffs seek an order requiring Toyota to repair the vehicles and claim that all owners and lessees of vehicles, including those for which recalls have been implemented, should be compensated for the alleged defects related to the antilock braking system. These cases have been consolidated into two actions, one in the United States District Court for the Central District of California and one in the Los Angeles County Superior Court. In January 2013, the Court in the federal case issued an order denying the plaintiff's motion for class certification and granting summary judgment in favor of Toyota on the claims of the principal named plaintiff for the cases relating to recalled vehicles. A class certification hearing in connection with the claims related to those vehicles that were not recalled is scheduled in July 2013.

From February through March 2010, Toyota was sued in 6 putative shareholder class actions on behalf of investors in Toyota ADRs and common stock. The cases alleged violations of the Securities Exchange Act of 1934 and Japan's Financial Instruments and Exchange Act and were consolidated into a single action in the United States District Court for the Central District of California. The judge dismissed with prejudice the claims based on Japan's Financial Instruments and Exchange Act, and Toyota reached an agreement to resolve the claims asserted on behalf of purchasers of Toyota's ADRs for an amount not material to Toyota. The court approved the settlement in March 2013.

While Toyota has resolved or is attempting to resolve many of these matters, Toyota believes that it has meritorious defenses to all of them and will vigorously defend those matters not resolved.

Government Investigations

In February 2010, Toyota received a subpoena from the U.S. Attorney for the Southern District of New York and a voluntary request and subpoena from the SEC. The subpoenas and the voluntary request primarily seek documents related to unintended acceleration and certain financial records. This is a coordinated investigation and has included interviews of Toyota and non-Toyota witnesses, as well as production of documents. In June 2010, Toyota received a second voluntary request and subpoena from the SEC and a subpoena from the U.S. Attorney for the Southern District of New York seeking production of documents related to the recalls of the steering relay rod. Toyota is cooperating with the U.S. Attorney's Office and SEC in their investigations, which are on-going.

In June 2012, Toyota announced an amendment to the 2009 floor mat entrapment safety campaign to include model year 2010 RX350 and RX450h. Toyota submitted additional documents related to this amendment pursuant to NHTSA's request. In October 2012, Toyota filed an additional amendment to include model year 2008 through 2011 Land Cruiser. In December 2012, Toyota announced an agreement with NHTSA to resolve timeliness claims related to the model year 2010 RX350 and RX450h safety campaign under which Toyota agreed to make a \$17.4 million payment to the U.S. Treasury.

Notes to Consolidated Financial Statements

Toyota also received subpoenas and formal and informal requests from various states' attorneys general, including the Executive Committee for a group of 30 states' plus one territory's attorney general, and certain local governmental agencies regarding various recalls, the facts underlying those recalls and customer handling related to those recalls. In February 2013, Toyota and the attorneys general resolved these investigations for an amount not material to Toyota. Such amount was included in the charge taken in fiscal 2013. In connection with this settlement, Toyota also made commitments to continue to conduct certain activities it is already undertaking.

Beyond the amounts accrued for the recall-related matters, Toyota is unable to estimate a range of reasonably possible loss, if any, for the other recall-related matters because (i) many of the proceedings are in evidence gathering stages, (ii) significant factual issues need to be resolved, (iii) the legal theory or nature of the claims is unclear, (iv) the outcome of future motions or appeals is unknown and/or (v) the outcomes of other matters of these types vary widely and do not appear sufficiently similar to offer meaningful guidance. Although Toyota cannot estimate a reasonable range of loss based on currently available information, the resolution of these matters could have an adverse effect on Toyota's financial position, results of operations or cash flows.

Other Proceedings

Toyota has various other legal actions, other governmental proceedings and other claims pending against it, including other product liability claims in

the United States. For the same reasons discussed above relating to the recall-related legal proceedings, Toyota is unable to estimate a range of reasonably possible loss, if any, beyond the amounts accrued, with respect to these claims. Based upon information currently available to Toyota, however, Toyota believes that its losses from these matters, if any, would not have a material adverse effect on Toyota's financial position, results of operations or cash flows.

Environmental Matters and Others

In October 2000, the European Union brought into effect a directive that requires member states to promulgate regulations implementing the following: (i) manufacturers shall bear all or a significant part of the costs for taking back end-of-life vehicles put on the market after July 1, 2002 and dismantling and recycling those vehicles. Beginning January 1, 2007, this requirement became applicable to vehicles put on the market before July 1, 2002; (ii) manufacturers may not use certain hazardous materials in vehicles to be sold after July 2003; (iii) vehicles type-approved and put on the market after December 15, 2008, shall be re-usable and/or recyclable to a minimum of 85% by weight per vehicle and shall be re-usable and/or recoverable to a minimum of 95% by weight per vehicle; and (iv) end-of-life vehicles must meet actual re-use of 80% and re-use as material or energy of 85%, respectively, of vehicle weight by 2006, rising respectively to 85% and 95% by 2015. A law to implement the directive came into effect in all member states including Bulgaria, Romania that joined the European Union

in January 2007. Currently, there are uncertainties surrounding the implementation of the applicable regulations in different European Union member states, particularly regarding manufacturer responsibilities and resultant expenses that may be incurred.

In addition, under this directive member states must take measures to ensure that car manufacturers, distributors and other auto-related economic operators establish adequate used vehicle collection and treatment facilities and to ensure that hazardous materials and recyclable parts are removed from vehicles prior to shredding. This directive impacts Toyota's vehicles sold in the European Union and Toyota is introducing vehicles that are in compliance with such measures taken by the member states pursuant to the directive.

Based on the legislation that has been enacted to date, Toyota has provided for its estimated liability

related to covered vehicles in existence as of March 31, 2013. Depending on the legislation that will be enacted subject to other circumstances, Toyota may be required to revise the accruals for the expected costs. Although Toyota does not expect its compliance with the directive to result in significant cash expenditures, Toyota is continuing to assess the impact of this future legislation on its financial position, results of operations and cash flows.

Toyota purchases materials that are equivalent to approximately 10% of material costs from a supplier which is an affiliated company.

The parent company has a concentration of labor supply in employees working under collective bargaining agreements and a substantial portion of these employees are working under the agreement that will expire on December 31, 2014.

24. Segment data

The operating segments reported below are the segments of Toyota for which separate financial information is available and for which operating income/loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

The major portions of Toyota's operations on a worldwide basis are derived from the Automotive and Financial Services business segments. The Automotive segment designs, manufactures and

distributes sedans, minivans, compact cars, sport-utility vehicles, trucks and related parts and accessories. The Financial Services segment consists primarily of financing, and vehicle and equipment leasing operations to assist in the merchandising of the parent company and its affiliated companies products as well as other products. The All Other segment includes the design, manufacturing and sales of housing, telecommunications and other business.

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The following tables present certain information regarding Toyota's industry segments and operations by geographic areas and overseas revenues by destination as of and for the years ended March 31, 2011, 2012 and 2013.

Segment operating results and assets

As of and for the year ended March 31, 2011:

	Yen in millions				
	Automotive	Financial Services	All Other	Inter-segment Elimination/Unallocated Amount	Consolidated
Net revenues					
Sales to external customers	¥17,322,753	¥ 1,173,168	¥ 497,767	¥ —	¥18,993,688
Inter-segment sales and transfers	14,567	19,037	474,485	(508,089)	—
Total	17,337,320	1,192,205	972,252	(508,089)	18,993,688
Operating expenses	17,251,347	833,925	937,010	(496,873)	18,525,409
Operating income	¥ 85,973	¥ 358,280	¥ 35,242	¥ (11,216)	¥ 468,279
Assets	¥11,341,558	¥13,365,394	¥1,146,720	¥3,964,494	¥29,818,166
Investment in equity method investees	1,784,539	3,519	3,045	26,885	1,817,988
Depreciation expenses	819,075	330,865	25,633	—	1,175,573
Capital expenditure	691,867	991,330	21,058	(13,064)	1,691,191

As of and for the year ended March 31, 2012:

	Yen in millions				
	Automotive	Financial Services	All Other	Inter-segment Elimination/Unallocated Amount	Consolidated
Net revenues					
Sales to external customers	¥16,964,378	¥ 1,071,737	¥ 547,538	¥ —	¥18,583,653
Inter-segment sales and transfers	30,168	28,587	501,377	(560,132)	—
Total	16,994,546	1,100,324	1,048,915	(560,132)	18,583,653
Operating expenses	16,972,863	793,886	1,006,853	(545,576)	18,228,026
Operating income	¥ 21,683	¥ 306,438	¥ 42,062	¥ (14,556)	¥ 355,627
Assets	¥12,261,814	¥13,172,548	¥1,161,224	¥4,055,379	¥30,650,965
Investment in equity method investees	1,877,720	3,887	4,765	27,757	1,914,129
Depreciation expenses	744,067	298,757	25,006	—	1,067,830
Capital expenditure	796,839	683,161	35,340	16,742	1,532,082

As of and for the year ended March 31, 2013:

	Yen in millions				
	Automotive	Financial Services	All Other	Inter-segment Elimination/Unallocated Amount	Consolidated
Net revenues					
Sales to external customers	¥20,378,762	¥ 1,150,042	¥ 535,388	¥ —	¥22,064,192
Inter-segment sales and transfers	40,338	20,628	531,073	(592,039)	—
Total	20,419,100	1,170,670	1,066,461	(592,039)	22,064,192
Operating expenses	19,474,396	854,850	1,012,845	(598,787)	20,743,304
Operating income	¥ 944,704	¥ 315,820	¥ 53,616	¥ 6,748	¥ 1,320,888
Assets	¥13,179,741	¥16,231,473	¥1,310,115	¥4,761,988	¥35,483,317
Investment in equity method investees	2,033,040	4,925	6,968	57,651	2,102,584
Depreciation expenses	745,880	336,528	22,701	—	1,105,109
Capital expenditure	937,695	1,005,326	29,286	1,845	1,974,152

	U.S. dollars in millions				
	Automotive	Financial Services	All Other	Inter-segment Elimination/Unallocated Amount	Consolidated
Net revenues					
Sales to external customers	\$216,680	\$ 12,228	\$ 5,693	\$ —	\$234,601
Inter-segment sales and transfers	429	219	5,646	(6,294)	—
Total	217,109	12,447	11,339	(6,294)	234,601
Operating expenses	207,064	9,089	10,769	(6,366)	220,556
Operating income	\$ 10,045	\$ 3,358	\$ 570	\$ 72	\$ 14,045
Assets	\$140,135	\$172,583	\$13,930	\$50,633	\$377,281
Investment in equity method investees	21,617	52	74	613	22,356
Depreciation expenses	7,931	3,578	241	—	11,750
Capital expenditure	9,970	10,689	311	20	20,990

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Geographic Information

As of and for the year ended March 31, 2011:

	Yen in millions					Inter-segment Elimination/Unallocated Amount	Consolidated
	Japan	North America	Europe	Asia	Other		
Net revenues							
Sales to external customers	¥ 6,966,929	¥5,327,809	¥1,920,416	¥3,138,112	¥1,640,422	¥ —	¥18,993,688
Inter-segment sales and transfers	4,019,317	101,327	61,081	236,422	168,694	(4,586,841)	—
Total	10,986,246	5,429,136	1,981,497	3,374,534	1,809,116	(4,586,841)	18,993,688
Operating expenses	11,348,642	5,089,633	1,968,349	3,061,557	1,648,987	(4,591,759)	18,525,409
Operating income (loss)	¥ (362,396)	¥ 339,503	¥ 13,148	¥ 312,977	¥ 160,129	¥ 4,918	¥ 468,279
Assets	¥11,285,864	¥9,910,828	¥1,931,231	¥2,138,499	¥2,044,379	¥2,507,365	¥29,818,166
Long-lived assets	3,123,042	2,276,332	305,627	344,304	259,855	—	6,309,160

As of and for the year ended March 31, 2012:

	Yen in millions					Inter-segment Elimination/Unallocated Amount	Consolidated
	Japan	North America	Europe	Asia	Other		
Net revenues							
Sales to external customers	¥ 7,293,804	¥4,644,348	¥1,917,408	¥3,116,849	¥1,611,244	¥ —	¥18,583,653
Inter-segment sales and transfers	3,873,515	107,538	76,538	217,425	148,931	(4,423,947)	—
Total	11,167,319	4,751,886	1,993,946	3,334,274	1,760,175	(4,423,947)	18,583,653
Operating expenses	11,374,359	4,565,477	1,976,150	3,077,484	1,651,361	(4,416,805)	18,228,026
Operating income (loss)	¥ (207,040)	¥ 186,409	¥ 17,796	¥ 256,790	¥ 108,814	¥ (7,142)	¥ 355,627
Assets	¥12,034,423	¥9,693,232	¥1,960,532	¥2,433,312	¥2,175,493	¥2,353,973	¥30,650,965
Long-lived assets	2,981,985	2,197,197	263,070	412,959	380,169	—	6,235,380

As of and for the year ended March 31, 2013:

	Yen in millions					Inter-segment Elimination/Unallocated Amount	Consolidated
	Japan	North America	Europe	Asia	Other		
Net revenues							
Sales to external customers	¥ 7,910,456	¥ 6,167,821	¥2,003,113	¥4,058,629	¥1,924,173	¥ —	¥22,064,192
Inter-segment sales and transfers	4,910,562	116,604	80,000	326,847	170,092	(5,604,105)	—
Total	12,821,018	6,284,425	2,083,113	4,385,476	2,094,265	(5,604,105)	22,064,192
Operating expenses	12,244,683	6,062,500	2,056,651	4,009,421	1,960,521	(5,590,472)	20,743,304
Operating income	¥ 576,335	¥ 221,925	¥ 26,462	¥ 376,055	¥ 133,744	¥ (13,633)	¥ 1,320,888
Assets	¥12,296,731	¥11,841,471	¥2,199,256	¥3,305,319	¥2,616,164	¥3,224,376	¥35,483,317
Long-lived assets	2,929,346	2,633,067	288,288	590,021	410,517	—	6,851,239

	U.S. dollars in millions					Inter-segment Elimination/Unallocated Amount	Consolidated
	Japan	North America	Europe	Asia	Other		
Net revenues							
Sales to external customers	\$ 84,109	\$ 65,580	\$21,299	\$43,154	\$20,459	\$ —	\$234,601
Inter-segment sales and transfers	52,212	1,240	850	3,475	1,809	(59,586)	—
Total	136,321	66,820	22,149	46,629	22,268	(59,586)	234,601
Operating expenses	130,193	64,460	21,868	42,630	20,846	(59,441)	220,556
Operating income	\$ 6,128	\$ 2,360	\$ 281	\$ 3,999	\$ 1,422	\$ (145)	\$ 14,045
Assets	\$130,747	\$125,906	\$23,384	\$35,144	\$27,817	\$34,283	\$377,281
Long-lived assets	31,147	27,996	3,065	6,274	4,365	—	72,847

"Other" consists of Central and South America, Oceania and Africa.

Revenues are attributed to geographies based on the country location of the parent company or the subsidiary that transacted the sale with the external customer.

There are no any individually material countries with respect to revenues, and long-lived assets included in other foreign countries.

Unallocated amounts included in assets represent assets held for corporate purposes, which mainly consist of cash and cash equivalents and

marketable securities. Such corporate assets were ¥4,613,672 million, ¥4,749,259 million and ¥5,599,970 million (\$59,542 million), as of March 31, 2011, 2012 and 2013, respectively.

Transfers between industries or geographic segments are made at amounts which Toyota's management believes approximate arm's-length transactions. In measuring the reportable segments' income or losses, operating income consists of revenue less operating expenses.



Notes to Consolidated Financial Statements

Overseas Revenues by destination

The following information shows revenues that are attributed to countries based on location of customers, excluding customers in Japan. In addition to the disclosure requirements under U.S. GAAP, Toyota discloses this information in order to provide financial statements users with valuable information.

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
North America	¥5,398,278	¥4,715,804	¥6,790,453	\$72,200
Europe	1,793,932	1,817,944	1,901,118	20,214
Asia	3,280,384	3,284,392	3,940,175	41,894
Other	3,196,114	3,103,383	3,929,775	41,784

"Other" consists of Central and South America, Oceania, Africa and the Middle East, etc.

Certain financial statements data on non-financial services and financial services businesses

The financial data below presents separately Toyota's non-financial services and financial services businesses.

Balance sheets

	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Non-Financial Services Businesses			
Current assets			
Cash and cash equivalents	¥ 1,104,636	¥ 1,107,409	\$ 11,775
Marketable securities	1,015,626	1,204,447	12,806
Trade accounts and notes receivable, less allowance for doubtful accounts	2,031,472	2,033,831	21,625
Inventories	1,622,154	1,715,634	18,242
Prepaid expenses and other current assets	1,464,124	1,597,514	16,986
Total current assets	7,238,012	7,658,835	81,434
Investments and other assets	6,218,377	7,462,767	79,349
Property, plant and equipment	4,510,716	4,741,357	50,413
Total Non-Financial Services Businesses assets	17,967,105	19,862,959	211,196
Financial Services Businesses			
Current assets			
Cash and cash equivalents	574,564	610,888	6,495
Marketable securities	165,444	241,216	2,565
Finance receivables, net	4,114,897	5,117,660	54,414
Prepaid expenses and other current assets	685,611	693,036	7,369
Total current assets	5,540,516	6,662,800	70,843
Noncurrent finance receivables, net	5,602,462	6,943,766	73,830
Investments and other assets	304,906	515,025	5,476
Property, plant and equipment	1,724,664	2,109,882	22,434
Total Financial Services Businesses assets	13,172,548	16,231,473	172,583
Eliminations	(488,688)	(611,115)	(6,498)
Total assets	¥30,650,965	¥35,483,317	\$377,281

* Assets in the non-financial services include unallocated corporate assets.



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	Yen in millions		U.S. dollars in millions
	March 31,		March 31,
	2012	2013	2013
Non-Financial Services Businesses			
Current liabilities			
Short-term borrowings	¥ 715,019	¥ 576,685	\$ 6,132
Current portion of long-term debt	339,441	185,582	1,973
Accounts payable	2,234,316	2,092,722	22,251
Accrued expenses	1,737,490	2,092,102	22,245
Income taxes payable	123,344	140,935	1,499
Other current liabilities	1,175,801	1,186,870	12,619
Total current liabilities	6,325,411	6,274,896	66,719
Long-term liabilities			
Long-term debt	503,070	521,428	5,544
Accrued pension and severance costs	700,211	754,360	8,021
Other long-term liabilities	531,982	969,668	10,310
Total long-term liabilities	1,735,263	2,245,456	23,875
Total Non-Financial Services Businesses liabilities	8,060,674	8,520,352	90,594
Financial Services Businesses			
Current liabilities			
Short-term borrowings	3,040,373	3,861,699	41,060
Current portion of long-term debt	2,218,526	2,538,249	26,988
Accounts payable	27,095	37,655	400
Accrued expenses	96,247	105,901	1,126
Income taxes payable	10,434	15,331	163
Other current liabilities	536,291	632,025	6,720
Total current liabilities	5,928,966	7,190,860	76,457
Long-term liabilities			
Long-term debt	5,555,112	6,876,849	73,119
Accrued pension and severance costs	8,191	11,752	125
Other long-term liabilities	520,252	724,337	7,702
Total long-term liabilities	6,083,555	7,612,938	80,946
Total Financial Services Businesses liabilities	12,012,521	14,803,798	157,403
Eliminations	(488,708)	(613,689)	(6,525)
Total liabilities	19,584,487	22,710,461	241,472
Total Toyota Motor Corporation shareholders' equity	10,550,261	12,148,035	129,166
Noncontrolling interests	516,217	624,821	6,643
Total shareholders' equity	11,066,478	12,772,856	135,809
Total liabilities and shareholders' equity	¥30,650,965	¥35,483,317	\$377,281

Statements of income

	Yen in millions			U.S. dollars in millions
	For the years ended March 31,			For the year ended March 31,
	2011	2012	2013	2013
Non-Financial Services Businesses				
Net revenues	¥17,826,986	¥17,534,872	¥20,943,634	\$222,686
Costs and expenses				
Cost of revenues	15,986,741	15,796,635	18,034,256	191,752
Selling, general and administrative	1,723,071	1,676,999	1,899,997	20,202
Total costs and expenses	17,709,812	17,473,634	19,934,253	211,954
Operating income	117,174	61,238	1,009,381	10,732
Other income (expense), net	88,840	69,935	79,837	849
Income before income taxes and equity in earnings of affiliated companies	206,014	131,173	1,089,218	11,581
Provision for income taxes	178,795	141,558	436,223	4,638
Equity in earnings of affiliated companies	214,229	196,544	230,078	2,446
Net income	241,448	186,159	883,073	9,389
Less: Net income attributable to noncontrolling interests	(54,055)	(82,181)	(119,359)	(1,269)
Net income attributable to Toyota Motor Corporation—Non-Financial Services Businesses	187,393	103,978	763,714	8,120
Financial Services Businesses				
Net revenues	1,192,205	1,100,324	1,170,670	12,447
Costs and expenses				
Cost of revenues	636,374	615,563	633,306	6,734
Selling, general and administrative	197,551	178,323	221,544	2,355
Total costs and expenses	833,925	793,886	854,850	9,089
Operating income	358,280	306,438	315,820	3,358
Other income (expense), net	1,349	(4,679)	(970)	(10)
Income before income taxes and equity in earnings of affiliated companies	359,629	301,759	314,850	3,348
Provision for income taxes	134,094	120,725	116,033	1,234
Equity in earnings of affiliated companies	787	1,157	1,441	15
Net income	226,322	182,191	200,258	2,129
Less: Net income attributable to noncontrolling interests	(3,251)	(2,566)	(1,961)	(21)
Net income attributable to Toyota Motor Corporation—Financial Services Businesses	223,071	179,625	198,297	2,108
Eliminations	(2,281)	(44)	152	2
Net income attributable to Toyota Motor Corporation	¥ 408,183	¥ 283,559	¥ 962,163	\$ 10,230



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Statements of cash flows

	Yen in millions			Yen in millions		
	For the year ended March 31, 2011			For the year ended March 31, 2012		
	Non-Financial Services Businesses	Financial Services Businesses	Consolidated	Non-Financial Services Businesses	Financial Services Businesses	Consolidated
Cash flows from operating activities						
Net income	¥ 241,448	¥ 226,322	¥ 465,485	¥ 186,159	¥ 182,191	¥ 368,302
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation	844,708	330,865	1,175,573	769,073	298,757	1,067,830
Provision for doubtful accounts and credit losses	1,806	2,334	4,140	5,843	3,780	9,623
Pension and severance costs, less payments	(24,867)	1,453	(23,414)	15,410	1,301	16,711
Losses on disposal of fixed assets	36,076	138	36,214	33,448	80	33,528
Unrealized losses on available-for-sale securities, net	7,915	—	7,915	53,831	—	53,831
Deferred income taxes	(17,258)	103,035	85,710	(82,792)	89,199	6,395
Equity in earnings of affiliated companies	(214,229)	(787)	(215,016)	(196,544)	(1,157)	(197,701)
Changes in operating assets and liabilities, and other	591,378	(106,416)	487,402	182,931	(73,020)	93,916
Net cash provided by operating activities	1,466,977	556,944	2,024,009	967,359	501,131	1,452,435
Cash flows from investing activities						
Additions to finance receivables	—	(14,323,261)	(8,438,785)	—	(13,455,792)	(8,333,248)
Collection of and proceeds from sales of finance receivables	—	13,887,751	8,003,940	—	13,168,058	8,061,710
Additions to fixed assets excluding equipment leased to others	(621,302)	(8,024)	(629,326)	(713,867)	(9,670)	(723,537)
Additions to equipment leased to others	(78,559)	(983,306)	(1,061,865)	(135,054)	(673,491)	(808,545)
Proceeds from sales of fixed assets excluding equipment leased to others	50,742	600	51,342	36,203	430	36,633
Proceeds from sales of equipment leased to others	17,700	468,995	486,695	20,689	410,624	431,313
Purchases of marketable securities and security investments	(4,063,499)	(358,308)	(4,421,807)	(2,565,772)	(607,862)	(3,173,634)
Proceeds from sales of and maturity of marketable securities and security investments	3,423,618	292,538	3,716,156	2,227,812	629,013	2,856,825
Payment for additional investments in affiliated companies, net of cash acquired	(299)	—	(299)	(147)	—	(147)
Changes in investments and other assets, and other	394,479	18,303	177,605	213,957	(12,206)	209,972
Net cash used in investing activities	(877,120)	(1,004,712)	(2,116,344)	(916,179)	(550,896)	(1,442,658)
Cash flows from financing activities						
Proceeds from issuance of long-term debt	15,318	2,934,588	2,931,436	39,803	2,379,152	2,394,807
Payments of long-term debt	(309,862)	(2,306,139)	(2,489,632)	(294,646)	(2,608,135)	(2,867,572)
Increase (decrease) in short-term borrowings	(86,884)	122,619	162,260	238,072	93,002	311,651
Dividends paid	(141,120)	—	(141,120)	(156,785)	—	(156,785)
Purchase of common stock, and other	(28,617)	—	(28,617)	(37,448)	—	(37,448)
Net cash provided by (used in) financing activities	(551,165)	751,068	434,327	(211,004)	(135,981)	(355,347)
Effect of exchange rate changes on cash and cash equivalents	(76,960)	(50,069)	(127,029)	(36,093)	(19,846)	(55,939)
Net increase (decrease) in cash and cash equivalents	(38,268)	253,231	214,963	(195,917)	(205,592)	(401,509)
Cash and cash equivalents at beginning of year	1,338,821	526,925	1,865,746	1,300,553	780,156	2,080,709
Cash and cash equivalents at end of year	¥1,300,553	¥ 780,156	¥2,080,709	¥1,104,636	¥ 574,564	¥1,679,200



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	Yen in millions			U.S. dollars in millions		
	For the year ended March 31, 2013			For the year ended March 31, 2013		
	Non-Financial Services Businesses	Financial Services Businesses	Consolidated	Non-Financial Services Businesses	Financial Services Businesses	Consolidated
Cash flows from operating activities						
Net income	¥ 883,073	¥ 200,258	¥ 1,083,482	\$ 9,389	\$ 2,129	\$ 11,520
Adjustments to reconcile net income to net cash provided by operating activities						
Depreciation	768,581	336,528	1,105,109	8,172	3,578	11,750
Provision for doubtful accounts and credit losses	1,745	25,622	27,367	19	272	291
Pension and severance costs, less payments	(23,514)	3,085	(20,429)	(250)	33	(217)
Losses on disposal of fixed assets	32,005	216	32,221	341	2	343
Unrealized losses on available-for-sale securities, net	2,104	—	2,104	22	—	22
Deferred income taxes	89,834	70,743	160,008	955	753	1,701
Equity in earnings of affiliated companies	(230,078)	(1,441)	(231,519)	(2,446)	(15)	(2,461)
Changes in operating assets and liabilities, and other	472,514	32,066	292,973	5,024	341	3,115
Net cash provided by operating activities	1,996,264	667,077	2,451,316	21,226	7,093	26,064
Cash flows from investing activities						
Additions to finance receivables	—	(16,877,678)	(10,004,928)	—	(179,454)	(106,379)
Collection of and proceeds from sales of finance receivables	—	15,784,681	9,102,856	—	167,832	96,788
Additions to fixed assets excluding equipment leased to others	(839,756)	(14,805)	(854,561)	(8,929)	(157)	(9,086)
Additions to equipment leased to others	(129,070)	(990,521)	(1,119,591)	(1,372)	(10,532)	(11,904)
Proceeds from sales of fixed assets excluding equipment leased to others	38,051	1,140	39,191	405	12	417
Proceeds from sales of equipment leased to others	68,571	464,870	533,441	729	4,943	5,672
Purchases of marketable securities and security investments	(2,980,821)	(431,602)	(3,412,423)	(31,694)	(4,589)	(36,283)
Proceeds from sales of and maturity of marketable securities and security investments	2,285,566	383,525	2,669,091	24,301	4,078	28,379
Payment for additional investments in affiliated companies, net of cash acquired	16,216	—	16,216	172	—	172
Changes in investments and other assets, and other	17,206	(77,848)	3,396	183	(828)	36
Net cash used in investing activities	(1,524,037)	(1,758,238)	(3,027,312)	(16,205)	(18,695)	(32,188)
Cash flows from financing activities						
Proceeds from issuance of long-term debt	182,114	3,089,484	3,191,223	1,937	32,849	33,931
Payments of long-term debt	(328,380)	(2,415,566)	(2,682,136)	(3,492)	(25,684)	(28,518)
Increase (decrease) in short-term borrowings	(162,782)	388,416	201,261	(1,731)	4,130	2,139
Dividends paid	(190,008)	—	(190,008)	(2,020)	—	(2,020)
Purchase of common stock, and other	(43,098)	—	(43,098)	(458)	—	(458)
Net cash provided (used in) financing activities	(542,154)	1,062,334	477,242	(5,764)	11,295	5,074
Effect of exchange rate changes on cash and cash equivalents	72,700	65,151	137,851	773	693	1,466
Net increase in cash and cash equivalents	2,773	36,324	39,097	30	386	416
Cash and cash equivalents at beginning of year	1,104,636	574,564	1,679,200	11,745	6,109	17,854
Cash and cash equivalents at end of year	¥1,107,409	¥ 610,888	¥ 1,718,297	\$11,775	\$ 6,495	\$ 18,270

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25. Per share amounts

Reconciliations of the differences between basic and diluted net income attributable to Toyota Motor Corporation per share for the years ended March 31, 2011, 2012 and 2013 are as follows:

	Yen in millions	Thousands of shares	Yen	U.S. dollars in millions	U.S. dollars
	Net income attributable to Toyota Motor Corporation	Weighted-average shares	Net income attributable to Toyota Motor Corporation per share	Net income attributable to Toyota Motor Corporation	Net income attributable to Toyota Motor Corporation per share
For the year ended March 31, 2011					
Basic net income attributable to Toyota Motor Corporation per common share	¥408,183	3,135,881	¥130.17		
Effect of dilutive securities					
Assumed exercise of dilutive stock options	(0)	34			
Diluted net income attributable to Toyota Motor Corporation per common share	¥408,183	3,135,915	¥130.16		
For the year ended March 31, 2012					
Basic net income attributable to Toyota Motor Corporation per common share	¥283,559	3,143,470	¥ 90.21		
Effect of dilutive securities					
Assumed exercise of dilutive stock options	(3)	0			
Diluted net income attributable to Toyota Motor Corporation per common share	¥283,556	3,143,470	¥ 90.20		
For the year ended March 31, 2013					
Basic net income attributable to Toyota Motor Corporation per common share	¥962,163	3,166,909	¥303.82	\$10,230	\$3.23
Effect of dilutive securities					
Assumed exercise of dilutive stock options	(32)	246		(0)	
Diluted net income attributable to Toyota Motor Corporation per common share	¥962,131	3,167,155	¥303.78	\$10,230	\$3.23

Stock options that were not included in the computation of diluted net income attributable to Toyota Motor Corporation per share for the years ended March 31, 2011, 2012 and 2013 were 12,403 thousand shares, 12,530 thousand shares and 8,682 thousand shares, respectively, because the options'

exercise prices were greater than the average market price per common share during the period.

In addition to the disclosure requirements under U.S. GAAP, Toyota discloses the information below in order to provide financial statements users with valuable information.

The following table shows Toyota Motor Corporation shareholders' equity per share as of March 31, 2012 and 2013. Toyota Motor Corporation shareholders' equity per share amounts are calculated by dividing Toyota Motor Corporation shareholders' equities' amount at the end of each period by the number of shares issued and outstanding, excluding treasury stock at the end of the corresponding period.

	Yen in millions	Thousands of shares	Yen	U.S. dollars in millions	U.S. dollars
	Toyota Motor Corporation Shareholders' equity	Shares issued and outstanding at the end of the year (excluding treasury stock)	Toyota Motor Corporation Shareholders' equity per share	Toyota Motor Corporation Shareholders' equity	Toyota Motor Corporation Shareholders' equity per share
As of March 31, 2012	¥10,550,261	3,166,810	¥3,331.51		
As of March 31, 2013	12,148,035	3,167,429	3,835.30	\$129,166	\$40.78

26. Fair value measurements

In accordance with U.S. GAAP, Toyota classifies fair value into three levels of input as follows which are used to measure it.

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the assets or liabilities

Level 3: Unobservable inputs for assets or liabilities

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The following table summarizes the fair values of the assets and liabilities measured at fair value on a recurring basis at March 31, 2012 and 2013. Transfers between levels of the fair value are recognized at the end of their respective reporting periods:

	Yen in millions			
	March 31, 2012			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	¥ 485,119	¥ 223,385	¥ —	¥ 708,504
Time deposits	—	50,000	—	50,000
Marketable securities and other securities investments				
Public and corporate bonds	3,389,882	237,934	1,684	3,629,500
Common stocks	1,034,319	—	—	1,034,319
Other	40,619	428,737	—	469,356
Derivative financial instruments	—	289,931	7,565	297,496
Total	¥4,949,939	¥1,229,987	¥ 9,249	¥6,189,175
Liabilities:				
Derivative financial instruments	¥ —	¥ (180,347)	¥(2,826)	¥ (183,173)
Total	¥ —	¥ (180,347)	¥(2,826)	¥ (183,173)

	Yen in millions			
	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	¥ 245,264	¥ 375,941	¥ —	¥ 621,205
Time deposits	—	57,572	—	57,572
Marketable securities and other securities investments				
Public and corporate bonds	3,753,451	792,806	6,889	4,553,146
Common stocks	1,401,183	—	—	1,401,183
Other	49,731	518,955	—	568,686
Derivative financial instruments	—	217,745	7,083	224,828
Total	¥5,449,629	¥1,963,019	¥13,972	¥7,426,620
Liabilities:				
Derivative financial instruments	¥ —	¥ (196,386)	¥ (1,956)	¥ (198,342)
Total	¥ —	¥ (196,386)	¥ (1,956)	¥ (198,342)

	U.S. dollars in millions			
	March 31, 2013			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents	\$ 2,608	\$ 3,997	\$ —	\$ 6,605
Time deposits	—	612	—	612
Marketable securities and other securities investments				
Public and corporate bonds	39,909	8,430	73	48,412
Common stocks	14,898	—	—	14,898
Other	529	5,518	—	6,047
Derivative financial instruments	—	2,315	75	2,390
Total	\$57,944	\$20,872	\$148	\$78,964
Liabilities:				
Derivative financial instruments	\$ —	\$ (2,088)	\$ (21)	\$ (2,109)
Total	\$ —	\$ (2,088)	\$ (21)	\$ (2,109)

Notes to Consolidated Financial Statements

The following is description of the assets and liabilities measured at fair value, information about the valuation techniques used to measure fair value, key inputs and significant assumption:

Cash equivalents and time deposits

Cash equivalents include money market funds and other investments with original maturities of three months or less. Cash equivalents classified in Level 2 include primarily negotiable certificate of deposit with original maturities of three months or less. These are measured at fair value using observable interest rates in the market. Time deposits include negotiable certificate of deposit with original maturities over three months. These are measured at fair value using observable interest rates in the market.

Marketable securities and other securities investments

Marketable securities and other securities investments include public and corporate bonds, common stocks and other investments. Public and corporate bonds include primarily government bonds and represent 60% of Japanese bonds, and 40% of U.S., European and other bonds as of March 31, 2012, and 49% of Japanese bonds, and 51% of U.S., European and other bonds as of March 31, 2013. Listed stocks on the Japanese stock markets represent 83% and 85% of common stocks as of March 31, 2012 and 2013,

respectively. Toyota uses primarily quoted market prices for identical assets to measure fair value of these securities. "Other" includes primarily investment trusts. Generally, Toyota uses quoted market prices for similar assets or quoted non-active market prices for identical assets to measure fair value of these securities. These assets are classified in Level 2.

Derivative financial instruments

See note 20 to the consolidated financial statements about derivative financial instruments. Toyota estimates the fair value of derivative financial instruments using industry-standard valuation models that require observable inputs including interest rates and foreign exchange rates, and the contractual terms. The usage of these models does not require significant judgment to be applied. These derivative financial instruments are classified in Level 2. In other certain cases when market data is not available, key inputs to the fair value measurement include quotes from counterparties, and other market data. Toyota assesses the reasonableness of changes of the quotes using observable market data. These derivative financial instruments are classified in Level 3. Toyota's derivative fair value measurements consider assumptions about counterparty and our own non-performance risk, using such as credit default probabilities.

The following table summarizes the changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the periods ended March 31, 2011, 2012 and 2013:

	Yen in millions		
	For the year ended March 31, 2011		
	Marketable securities and other securities investments	Derivative financial instruments	Total
Balance at beginning of year	¥13,134	¥ 5,892	¥19,026
Total gains (losses)			
Included in earnings	433	31,338	31,771
Included in other comprehensive income (loss)	779	—	779
Purchases, issuances and settlements	(810)	(8,381)	(9,191)
Other	(13,536)	(22,055)	(35,591)
Balance at end of year	¥ —	¥ 6,794	¥ 6,794

	Yen in millions		
	For the year ended March 31, 2012		
	Marketable securities and other securities investments	Derivative financial instruments	Total
Balance at beginning of year	¥ —	¥6,794	¥6,794
Total gains (losses)			
Included in earnings	—	6,476	6,476
Included in other comprehensive income (loss)	—	—	—
Purchases and issuances	—	—	—
Settlements	—	(3,832)	(3,832)
Other	1,684	(4,699)	(3,015)
Balance at end of year	¥1,684	¥4,739	¥6,423

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	Yen in millions		
	For the year ended March 31, 2013		
	Marketable securities and other securities investments	Derivative financial instruments	Total
Balance at beginning of year	¥1,684	¥4,739	¥ 6,423
Total gains (losses)			
Included in earnings	24	2,118	2,142
Included in other comprehensive income (loss)	58	—	58
Purchases and issuances	3,607	—	3,607
Settlements	(1,563)	(2,343)	(3,906)
Other	3,079	613	3,692
Balance at end of year	¥6,889	¥5,127	¥12,016

	U.S. dollars in millions		
	For the year ended March 31, 2013		
	Marketable securities and other securities investments	Derivative financial instruments	Total
Balance at beginning of year	\$18	\$50	\$ 68
Total gains (losses)			
Included in earnings	0	22	22
Included in other comprehensive income (loss)	1	—	1
Purchases and issuances	38	—	38
Settlements	(16)	(25)	(41)
Other	32	7	39
Balance at end of year	\$73	\$54	\$127

“Included in earnings” in marketable securities and other securities investments and derivative financial instruments are included in “Other income (loss), net” and “Cost of financing operations” in the accompanying consolidated statements of income, respectively.

In the reconciliation table above, derivative financial instruments are presented net of assets and liabilities. The other amount includes consolidated retained interests in securitized financial receivables of ¥(13,165) million, certain derivative financial instruments transferred into Level 2 due to be measured at observable inputs of ¥(21,413) million and the impact of currency translation adjustments for the year ended March 31, 2011, and includes the impacts of level transfers and currency translation adjustments for the year ended March 31, 2012,

and includes the currency translation adjustments for the year ended March 31, 2013.

As of March 31, 2013, the Level 3 assets and liabilities measured at fair value on a recurring basis are not significant.

Certain assets and liabilities are measured at fair value on a nonrecurring basis. During the years ended March 31, 2012 and 2013, Toyota measured certain finance receivables at fair value of ¥32,056 million and ¥32,974 million (\$351 million) based on the collateral value, resulting in gains of ¥1,736 million and ¥978 million (\$10 million). This fair value measurement on a nonrecurring basis is classified in Level 3. See note 21 to the consolidated financial statements for the fair value measurement. These Level 3 financial assets are not significant.



Management's Annual Report on Internal Control over Financial Reporting

Toyota's management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Toyota's internal control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of Toyota's assets;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that Toyota's receipts and expenditures are being made only in accordance with authorizations of Toyota's management and directors; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Toyota's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Toyota's management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in "Internal Control — Integrated Framework (1992)" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, management concluded that Toyota's internal control over financial reporting was effective as of March 31, 2013.

PricewaterhouseCoopers Aarata, an independent registered public accounting firm that audited the consolidated financial statements included in this report, has also audited the effectiveness of Toyota's internal control over financial reporting as of March 31, 2013, as stated in its report included herein.



Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of Toyota Jidosha Kabushiki Kaisha ("Toyota Motor Corporation")

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of Toyota Motor Corporation and its subsidiaries at March 31, 2012 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our

responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also

included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized

acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers Aarata

Nagoya, Japan

June 24, 2013

Investor Information (As of March 31, 2013)

Corporate Data

Company Name: Toyota Motor Corporation

Established: August 28, 1937

Common Stock: ¥397,049 million

Fiscal Year-End: March 31

Public Accounting Firm:

PricewaterhouseCoopers Aarata

Number of Affiliates:

[Consolidated Subsidiaries] 509

[Affiliates Accounted for by the Equity Method] 56

Number of Employees:

68,978 (Consolidated: 333,498)

Corporate Web Site:

[Corporate Information]

<http://www.toyota-global.com>

[IR Information]

<http://www.toyota-global.com/investors>

Stock Data

Number of Shares Authorized: 10,000,000,000 shares

Number of Shares Issued: 3,447,997,492 shares

Number of Treasury Stock: 280,568,824 shares

Number of Shareholders: 628,902

Number of Shares per Trading Unit: 100 shares

Stock Listings:

[Japan] Tokyo, Nagoya, Osaka, Fukuoka, Sapporo

[Overseas] New York, London

Securities Code:

[Japan] 7203

American Depositary Receipts (ADR): [Ratio] 1 ADR=2 common stocks [Symbol] TM

Transfer Agent in Japan:

Mitsubishi UFJ Trust and Banking Corporation
10-11, Higashisuna, 7-chome, Koutou-ku, Tokyo 137-8081, Japan
Japan Toll-Free: (0120)232-711

Depository and Transfer Agent for ADR: The Bank of New York Mellon
101 Barclay Street, New York, NY 10286, U.S.A.
Tel: (866)238-8978 U.S. Toll-Free: (888)269-2377, (888) BNY-ADRS
[Depository Receipts] <http://www.adrbnymellon.com>
[Transfer Agent] <http://www.bnymellon.com/shareowner>

Contact Points for Investors

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Tel: (0565)28-2121 Fax: (0565)23-5721

Tokyo Head Office 4-18, Koraku 1-chome, Bunkyo-ku
Tokyo 112-8701, Japan
Tel: (03)3817-7111 Fax: (03)3817-9092

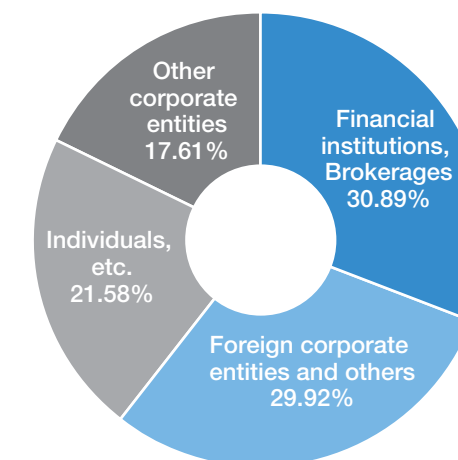
U.S.A. Toyota Motor North America, Inc. 601 Lexington Avenue, 49th Floor, New York, NY 10022, U.S.A.
Tel: (212)223-0303 Fax: (212)759-7670

U.K. Toyota Motor Europe NV/SA Curzon Square, 25 Park Lane, London W1K 1RA, U.K.
Tel: (207)290-8513 Fax: (207)290-8502

Major Shareholders (Top 10)

Name	Number of Shares Held (Thousands)
Japan Trustee Services Bank, Ltd.	328,913
Toyota Industries Corporation	218,515
The Master Trust Bank of Japan, Ltd.	185,036
State Street Bank and Trust Company	132,366
Nippon Life Insurance Company	129,455
The Bank of New York Mellon as Depository Bank for Depository Receipt Holders	82,399
Trust & Custody Services Bank, Ltd.	75,309
Mitsui Sumitomo Insurance Company, Limited	66,063
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	61,752
DENSO CORPORATION	58,903

Ownership Breakdown



Note: Individuals, etc. include shares of 280 million treasury stock.

Toyota's Stock Price and Trading Volume on the Tokyo Stock Exchange

