

# Toyota Announces First Half Fiscal Year 2011 Financial Results

November 05, 2010

(All consolidated financial information has been prepared in accordance with accounting principles generally accepted in the United States of America)

November 5, 2010

[For additional supporting materials, click here.](#)

TOYOTA MOTOR CORPORATION (TMC) today announced financial results for the six months ended September 30, 2010.

On a consolidated basis, net revenues for the first half of the fiscal year totaled 9,678.4 billion yen, an increase of 15.5 percent compared to the same period last fiscal year. Operating income increased from a loss of 136.9 billion yen to 323.1 billion yen, while income before income taxes and equity in earnings of affiliated companies was 392.0 billion yen. Net income\* increased from a loss of 56.0 billion yen to 289.1 billion yen.

Operating income, compared to the same period last fiscal year, increased by 460.0 billion yen. Major factors contributing to the increase include the effects of marketing efforts of 570.0 billion yen and cost reduction efforts of 90.0 billion yen.

Consolidated vehicle sales for the first half totaled 3,715 thousand units, an increase of 585 thousand units compared to the same period last fiscal year.

Commenting on the first half results, TMC Executive Vice President Satoshi Ozawa said, "Operating income improved significantly despite the substantial negative impact from the strong Yen. This was due to our marketing efforts such as improved sales by 585 thousand vehicles and decreased loan-loss and residual-loss related expenses in our financial services for the first quarter, and to our cost reduction efforts such as our company-wide VA activities in close collaborations with our suppliers."

With regard to our operating income by region, we achieved year-on-year improvement in all regions for the first half fiscal year.

In Japan, operating loss improved by 205.7 billion yen, to a loss of 52.0 billion yen.

In North America, operating income increased by 119.0 billion yen to 145.9 billion yen, including 9.8 billion yen of valuation losses on interest rate swaps. Operating income, excluding the impact of valuation losses from interest rate swaps, increased by 143.7 billion yen to 155.7 billion yen. The increase was due to improved earnings from the financial services segment.

In Europe, operating loss improved by 9.7 billion yen, to a loss of 8.9 billion yen.

Operating income in Asia increased by 98.8 billion yen, to 164.2 billion yen.

In Central and South America, Oceania and Africa, operating income increased by 32.3 billion yen to 72.9 billion yen.

In the financial services segment, operating income increased by 59.3 billion yen, to 183.7 billion yen compared to the same period last fiscal year, including 0.4 billion yen of valuation losses from interest rate swaps. Excluding these valuation losses, operating income increased by 76.6 billion yen to 184.1 billion yen. This was thanks to our better-than-expected used car pricing that resulted in a decrease in our loan-loss and residual-loss related expenses, partially through reversal of the relevant provisions as reported for the first quarter as well as an increase in our lending balance following reinforcement of our financing programs.

Regarding the forecasts for fiscal year 2011, TMC has revised its consolidated vehicle sales for the full fiscal year ending March 31, 2011 from 7.38 million to 7.41 million units, an increase of 30 thousand units from previously announced forecast in August 2010. Based on the assumption of 85 yen to the US Dollar and 112 yen to the Euro on average for the full year, TMC revised its consolidated financial forecasts for fiscal year 2011 to net revenues of 19.0 trillion yen, operating income of 380.0 billion yen, income before income taxes and equity in earnings of affiliated companies of 410.0 billion yen and net income of 350.0 billion yen.

Commenting on the amended FY 2011 forecasts, Executive Vice President Ozawa said, “We currently find ourselves in a very tough business environment, characterized by the radically and seriously appreciated Yen in recent months, the risk of slowdown in demand recovery in the United States and Europe and falling demand following the end of the eco-car subsidies in Japan. Nevertheless, we will do our utmost in order to deliver as many vehicles as possible to our customers while continuing to improve our profit structure through further fixed cost and variable cost reduction activities.”

TMC also announced an interim cash dividend of 20 yen per share, in consideration of such factors as operating results and investment plans.

\*Net income attributable to Toyota Motor Corporation

*(Further information is also available on the Internet at [www.toyota.co.jp](http://www.toyota.co.jp))*

### **Cautionary Statement with Respect to Forward-Looking Statements**

This release contains forward-looking statements that reflect Toyota's plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include: (i) changes in economic conditions and market demand affecting, and the competitive environment in, the automotive markets in Japan, North America, Europe, 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 Canadian dollar and the British pound; (iii) changes in funding environment in financial markets; (iv) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management; (v) 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; (vi) political instability in the markets in which Toyota operates; (vii) Toyota's ability to timely develop and achieve market acceptance of new products that meet customer demand; (viii) any damage to Toyota's brand image; and (ix) fuel shortages or interruptions in

transportation systems, labor strikes, work stoppages or other interruptions to, or difficulties in, the employment of labor in the major markets where Toyota purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold.

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