

# TOYOTA

## TOYOTA REPORT

Business Report for the 105<sup>th</sup> Fiscal Year

For the Period from April 1,2008 to March 31,2009

Reference document of the 105th ordinary general meeting



TOYOTA MOTOR CORPORATION

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To Our Shareholders:



#### Guiding Principles at Toyota

1. Honor the language and spirit of the law of every nation and undertake open and fair corporate 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 the communities.
3. Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all 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 individual creativity and teamwork value, while honoring mutual trust and respect between labor and management.
6. Pursue growth in harmony with the global community through innovative management.
7. Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

We are pleased to report on our business results for FY2009 (April 1, 2008 through March 31, 2009). I would like to express our gratitude for your ongoing understanding and support for our company.

The consolidated business results of Toyota Motor Corporation (“TMC”) and its consolidated subsidiaries (together “Toyota”) for FY2009 reflect extremely difficult conditions, recording a loss for the fiscal year. This stems from a number of factors, including a substantial contraction of the automotive market caused by the rapid deterioration of the world economy following the onset of the financial crisis last autumn, changes in the market structure with a marked shift toward small vehicles and low-price vehicles, and the sharp appreciation of the yen.

In our view, it would be very difficult to maintain a year-end dividend at a level similar to that of the previous fiscal year. Thus, we will propose a year-end dividend of 35 yen per share at the FY2009 Ordinary General Shareholders’ Meeting. This, combined with the interim dividend of 65 yen per share, will result in a total annual dividend of 100 yen per share for FY2009.

The business environment is expected to remain very difficult. However, in order to improve profit at the earliest possible stage, we will be making efforts to deliver more vehicles to more customers by making thorough improvements to our existing models and by launching various new models such as the new Prius. In parallel, we will be working exhaustively to eliminate waste throughout our organization, through joint efforts to reduce costs and to reform operations in the areas of technology, procurement, and production. By revisiting our fundamental principles of “Customer First,” “Genchi-Genbutsu,” and “Continuous Improvement” that enabled us to achieve growth, we will focus on customers’ viewpoint and provide high-quality, reasonably priced products that will attract customers, accelerate commercialization of next-generation technologies in the areas of environment, energy and safety, and construct a corporate structure to flexibly respond to changes in the business environment.

We will rigorously strive to overcome these difficulties as a group and we look forward to your ongoing support.

Katsuaki Watanabe  
President

## **1. Outlook of Associated Companies**

### **(1) Progress and Achievement in Operation**

#### **General Economic Environment in FY2009**

Reviewing the general economic environment for the fiscal year ended March 2009 ("FY2009"), the disorder in the financial markets originating from the subprime mortgage crisis in the United States has become more serious during the second half of FY2009 and spread not only to Europe but also to resource-rich countries and emerging countries, causing a global financial crisis. As a result, the real economy weakened and the world economy fell into a severe recession.

The automotive industry is experiencing a rapid contraction of markets globally, particularly in Japan, the United States, and Europe where the market declined by 20% to more than 30% in the second half of FY2009. The automotive market in resource-rich countries and emerging countries, which were growing continuously, encountered a sudden slowdown and resulted in extremely severe condition.

#### **Overview of Operations**

Under these unexpected rapidly changing business environment, Toyota launched attractive products and actively engaged in marketing activities to attract more customers to its products.

The newly introduced "iQ," a model distinct for its ultra-high-efficiency package, won high honors in Japan, including the Japan Car of the Year Award. In Europe, where there are more interests in environmentally friendly models, Toyota began introducing new products with outstanding environmentally friendly features, such as the iQ and the new Avensis. In North America, Toyota managed to maintain a high market share in a declining market through various efforts to spur demand, including the launch of the Venza, a model designed exclusively for the region.

Despite its diligent marketing activities with dealers throughout the world, Toyota could not escape the worldwide market contraction. As a result, global vehicle sales for FY2009, including Daihatsu and Hino brands, decreased by 1,103 thousand units (or 11.7%) from FY2008 to a total of 8,327 thousand units. To respond to the sharp decline of vehicle sales, TMC established an "Emergency Profit Improvement Committee" in November of 2008 and as a group, has been swiftly and actively promoting activities to improve profit.

Specifically, in order to deliver more vehicles to more customers, Toyota strived to increase sales by swiftly implementing careful specifications tailored to market needs and increasing the number of sales destinations.

As for capital expenditures, Toyota reviewed and revised its plans for construction and production capacity expansions by reducing the scope or postponing such plans. Emergency cost improvement activities were also implemented jointly in the areas of technology, procurement, and production, while cost reduction efforts were also made through business restructuring.

In production, Toyota streamlined production lines of several manufacturing plants in Japan and overseas in order to maintain appropriate levels of inventory. In North America, Toyota worked to reconstruct its production system and temporarily halted production at several plants responding to the sharp decline of the truck market. From this year, non-operation days have been established in Japan and Europe as a mean to adjust production.



iQ

## Consolidated Financial Results for FY2009

In spite of our diligent efforts to promote sales and improve efficiency across management, consolidated financial results for FY2009 were affected by a substantial decline in the number of vehicles sold due to the rapid contraction in global market and the significant appreciation of the value of the yen in the second half of FY2009. As a result, consolidated net revenues decreased by 5,759.7 billion yen (or 21.9%) to 20,529.5 billion yen and consolidated operating income decreased by 2,731.3 billion yen to an operating loss of 461.0 billion yen compared with FY2008. To our disappointment, consolidated net income for FY2009 decreased by 2,154.8 billion yen to a net loss of 437.0 billion yen compared with FY2008. We truly regret to disturb our shareholders.

The breakdown of consolidated net revenues is as follows:

Yen in millions

	FY2009 (April 2008 through March 2009)	FY2008 (April 2007 through March 2008)	Increase (Decrease)	Change (%)
Vehicles	15,635,490	20,723,588	(5,088,098)	(24.6)
Parts & components for overseas production	298,176	342,244	(44,068)	(12.9)
Parts	1,575,316	1,785,684	(210,368)	(11.8)
Other	1,041,519	1,308,738	(267,219)	(20.4)
Total Automotive	18,550,501	24,160,254	(5,609,753)	(23.2)
Financial Services	1,355,850	1,468,730	(112,880)	(7.7)
Other	623,219	660,256	(37,037)	(5.6)
Total	20,529,570	26,289,240	(5,759,670)	(21.9)

Notes:

1. Consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.
2. The amounts represent net revenues from external customers.
3. Net revenues do not include consumption taxes, etc.

## Environmental Initiatives

As Toyota moves forward with its business development amidst the current difficult conditions, it is strongly aware of the urgent responses required to cope with the environmental crisis facing us: “there can be no future for automobiles without a focus on measures for the environment and energy.” Positioning environmental initiatives as a management priority, we are endeavoring to decrease environmental burdens, including carbon dioxide emissions.

With regard to our hybrid system, a core technology for the solution to environmental challenges, we have been continuing with our efforts to improve performance and fuel efficiency, reducing size and weight as well as cost. In FY2009, we launched the Crown Hybrid. We will continue to promote our hybrid system by expanding the vehicle lineup by launching models such as the new Prius and the Lexus RX450h and HS250h.



Crown Hybrid



RX450h

## Non-Automotive Operations

In non-automotive areas, we are also actively developing businesses to meet diverse customer needs. Our financial services business has been contributing to our efforts to promote the sales of Toyota products based on appropriate risk management measures amidst the worldwide financial crisis. In the housing business, Toyota strengthened product value by extending product life cycle and remarkably reducing environmental burdens. Toyota will continue to make efforts to create comfortable houses suitable for the environment and climate of Japan.

### (2) Funding

Capital investment in the automotive business is mainly financed with funds gained from business operations, borrowings and bond issues. Funds necessary for the financial services business are mainly financed through the issuance of bonds, medium-term notes and commercial papers. The balance of debt as of the end of FY2009 was 12,618.6 billion yen.

### (3) Capital Expenditures

With respect to capital expenditures, Toyota made investments in environmental areas such as increasing production capacity of batteries for hybrid vehicles and investments to introduce new products, while striving to enhance investment efficiency. As a result, consolidated capital expenditures for FY2009 were 1,302.5 billion yen.

### (4) Consolidated Financial Summary

Yen in millions unless otherwise stated

	FY2006 (April 2005 through March 2006)	FY2007 (April 2006 through March 2007)	FY2008 (April 2007 through March 2008)	FY2009 (April 2008 through March 2009)
Net revenues	21,036,909	23,948,091	26,289,240	20,529,570
Operating income (loss)	1,878,342	2,238,683	2,270,375	(461,011)
Net income (loss)	1,372,180	1,644,032	1,717,879	(436,937)
Net income (loss) per share - Basic (yen)	421.76	512.09	540.65	(139.13)
Shareholders' equity	10,560,449	11,836,092	11,869,527	10,061,207
Total assets	28,731,595	32,574,779	32,458,320	29,062,037



## **(5) Issues to be Addressed**

As for our future business environment, there is a rising concern of a further downside in the world economy caused by an even more vicious cycle of the financial crisis and the weakening of the real economy. Japanese economy also has risks that the recession deepens further and lasts longer, reflecting a decline in corporate profits due to drops in exports and industrial production, and lower consumer confidence. Although the automotive market is expected to expand over the medium- to long-term particularly in resource-rich countries and emerging countries, those markets are undergoing a rapid contraction because of the worldwide economic deceleration. In addition, the competition in the automotive market is more intense globally, as shown in the fierce competition with respect to compact cars and low-price cars, and the acceleration in development of technologies and introduction of new products while environmental awareness is growing throughout the world.

Under these unprecedented severe circumstances, Toyota is working to create a structure that can respond flexibly to short-term changes in demand and eliminate waste, while implementing reforms to establish a strong yet flexible corporate structure to achieve steady growth in the medium- to long-term. To carry out these reforms, Toyota Group as a whole will make an even greater effort to address the following agenda. First, we intend to reinforce our customer-oriented products by listening to the opinions and demands of customers in each country and region, based on Genchi Genbutsu (going to the source), to provide attractive high-quality products at a low price and to respond to changing customer needs. As we expect customer demand for fuel-efficient vehicles such as hybrid vehicles and compact vehicles to increase in the future, we will accelerate development to improve quality and performance of such vehicles while reducing cost. We will also work to improve our lineup of commercial vehicles and low-priced vehicles, which are expected to be in greater demand in resource-rich and emerging countries.

Second, we will promote to commercialize next-generation environmental, energy and safety technologies at an early stage. In the area of environmental responses, which is one of our priority management issue, we are focusing on the use of diverse energy sources that can replace oil through the practical use of plug-in hybrid vehicles that can be charged from household power supplies, mass production of electric vehicles, development of next-generation batteries, use of biofuel as an alternative fuel source, and development of fuel cell vehicles.

Third, we are creating a structure for efficient development, production and sales that can respond flexibly to changes in the external environment. Such measures include working with suppliers to dramatically increase the efficiency of development, creating a production structure that can withstand changes in demand and currency exchange rates, reducing lead times from development to sales, and strengthening sales capabilities in line with local conditions.

By addressing these agenda, Toyota is working to enhance its corporate value as a company that maintains growth in harmony with society by revisiting its fundamental principles of “Customer First,” “Genchi Genbutsu,” and “Continuous Improvement,” which are the sources of its growth, and responding flexibly and promptly to the changes in the market environment. Toyota fulfills its social responsibilities by carrying out its

Corporate Social Responsibility (CSR) through philanthropic activities undertaken through corporate ethics including full compliance with applicable laws and regulations.

Though surrounded by circumstances grimmer than ever before, we will decisively strive towards an earlier recovery of performance with a sense of shared purpose among all executives and employees in Japan and overseas, together with the suppliers and dealers with whom we work as partners in business. We sincerely hope that our shareholders will continue to extend their patronage and support to us.

## (6) Policy on Distribution of Surplus by Resolution of the Board of Directors

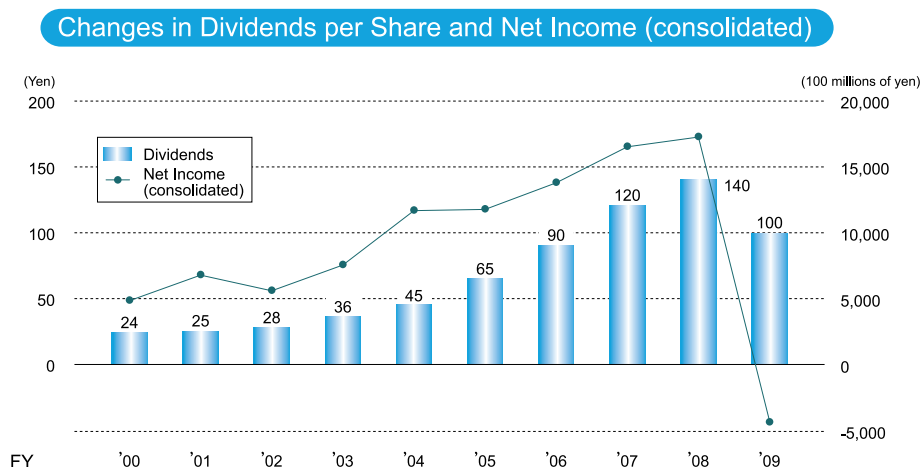
TMC deems the benefit of its shareholders as one of its priority management policies, and it is working to implement reforms to establish a corporate structure that can achieve continuous growth in order to enhance its corporate value.

TMC will strive to continue to pay dividends while giving due consideration to factors such as business results for each term, investment plans and its cash reserves.

In order to flexibly respond to the changing economic conditions, TMC will utilize its internal funds (1) to secure a solid management foundation, (2) to improve product performance to respond to customer needs, (3) to make efforts to commercialize next-generation technologies such as environment, energy and safety technologies at an early stage, and (4) to establish a structure for development, production and sales in both the domestic and overseas markets.

TMC pays dividends twice a year – an interim dividend and a year-end dividend –, and in order to secure an opportunity to directly seek shareholders’ opinions, TMC will treat payments of year-end dividends as a matter to be resolved at the 105th Ordinary General Shareholders’ Meeting, even though TMC’s articles of incorporation stipulate that retained earnings can be distributed as dividends pursuant to the resolution of the board of directors.

TMC will not repurchase its own shares for the time being, as it decided to prioritize securing its cash reserves under the present business environment.



**(7) Main Business**

Business		Main products
Automotive Operations	Passenger vehicles	LS, LS600h, GS, GS450h, ES, IS, IS F, SC, LX, GX, RX, RX400h Century, Crown, Crown Hybrid, Mark X, Avalon, Camry, Camry Hybrid, Comfort, Premio, Allion, Avenis, Prius, Corolla, Belta, Solara, Scion tC, BLADE, Matrix, Auris, Raum, Ractis, bB, Porte, ist, Vitz, Passo, iQ, Aygo, Mark X Zio, Succeed wagon, Probox Wagon, Estima, Estima Hybrid, Sienna, Isis, Ipsum, Innova, WISH, SIENTA, Passo Sette, AVANZA, Alphard, Vellfire, Hiace wagon, Noah, Voxy, Land Cruiser wagon, Sequoia, Hilux Surf, Harrier, Harrier Hybrid, Highlander, Highlander Hybrid, Fortuner, FJ Cruiser, Venza, Vanguard, RAV4, Rush, Volkswagen vehicles, etc.
	Trucks and buses	Succeed Van, Probox Van, Hiace, Regius Ace Van, Quick Delivery, Townace, Liteace, Tundra, Tacoma, Hilux, Dyna, Toyoace, Land Cruiser, Coaster, etc.
	Parts & components for overseas production	Various units and parts for overseas production
	Parts	Various maintenance parts for both domestic and overseas use
Financial Services Operations		Auto sales financing, leasing, etc.
Other Operations	Housing	Espacio GX, Espacio Mezzo, Espacio EF Urban Wind, Espacio EF3, Espacio EF, Sincé Aventino, Sincé All, Sincé Vietrois, Sincé All, Sincé Raison, Sincé Cada, Sincé Smart Stage mew, Sincé piana, Vie α, Crest, T-fine, M&f, NS, DS, Le, ZELK, Season Stage, Sincé Smart Maison, T Stage, etc.

\* Hino brand products (trucks and buses) and Daihatsu brand products (mini-vehicles and passenger vehicles) are not included in the above table.

**(8) Main Sites**

**<Toyota>**

Name	Location
Head Office	Aichi Prefecture
Tokyo Head Office	Tokyo
Nagoya Office	Aichi Prefecture
Honsha Plant	Aichi Prefecture
Motomachi Plant	Aichi Prefecture
Kamigo Plant	Aichi Prefecture
Takaoka Plant	Aichi Prefecture
Miyoshi Plant	Aichi Prefecture
Tsutsumi Plant	Aichi Prefecture
Myochi Plant	Aichi Prefecture
Shimoyama Plant	Aichi Prefecture
Kinu-ura Plant	Aichi Prefecture
Tahara Plant	Aichi Prefecture
Teiho Plant	Aichi Prefecture
Hirose Plant	Aichi Prefecture
Higashi-Fuji Technical Center	Shizuoka Prefecture

**<Domestic and overseas subsidiaries>**

Please see section “(10) Status of Principal Subsidiaries.”

**(9) Employees**

Number of employees	Change from end of FY2008
320,808	+4,687

**(10) Status of Principal Subsidiaries**

	Company name	Location	Capital/ subscription	Percentage ownership interest	Main business
Japan	Toyota Financial Services Corporation	Aichi Prefecture	million yen 78,525	100.00	Management of domestic and overseas financial companies, etc.
	Hino Motors, Ltd.	Tokyo	72,717	50.21*	Manufacture and sales of automobiles
	Toyota Motor Kyushu, Inc.	Fukuoka Prefecture	45,000	100.00	Manufacture and sales of automobiles
	Daihatsu Motor Co., Ltd.	Osaka Prefecture	28,404	51.33*	Manufacture and sales of automobiles
	Toyota Finance Corporation	Tokyo	16,500	100.00*	Finance of automobile sales, card business
	Toyota Auto Body Co., Ltd.	Aichi Prefecture	10,371	56.28*	Manufacture and sales of automobiles
	Kanto Auto Works, Ltd.	Kanagawa Prefecture	6,850	50.47*	Manufacture and sales of automobiles
North America	Toyota Motor Engineering & Manufacturing North America, Inc.	U.S.A.	in thousands USD 1,958,949	100.00*	Management of manufacturing companies in North America
	Toyota Motor Manufacturing, Kentucky, Inc.	U.S.A.	USD 1,180,000	100.00*	Manufacture and sales of automobiles
	Toyota Motor North America, Inc.	U.S.A.	USD 1,005,400	100.00*	Government, public affairs and research of North America
	Toyota Motor Credit Corporation	U.S.A.	USD 915,000	100.00*	Finance of automobile sales
	Toyota Motor Manufacturing, Indiana, Inc.	U.S.A.	USD 620,000	100.00*	Manufacture and sales of automobiles
	Toyota Motor Sales, U.S.A., Inc.	U.S.A.	USD 365,000	100.00*	Sales of automobiles
	Toyota Motor Manufacturing Canada Inc.	Canada	CAD 680,000	100.00	Manufacture and sales of automobiles
	Toyota Credit Canada Inc.	Canada	CAD 60,000	100.00*	Finance of automobile sales
Europe	Toyota Motor Europe NV/SA	Belgium	in thousands EUR 2,524,346	100.00	Management of all European affiliates
	Toyota Motor Manufacturing France S.A.S.	France	EUR 380,078	100.00*	Manufacture and sales of automobiles
	Toyota Motor Italia S.p.A.	Italy	EUR 38,958	100.00*	Sales of automobiles
	Toyota Kreditbank GmbH	Germany	EUR 30,000	100.00*	Finance of automobile sales
	Toyota Deutschland GmbH	Germany	EUR 5,726	100.00*	Sales of automobiles
Toyota France S.A.S.	France	EUR 2,123	100.00*	Sales of automobiles	

	Company name	Location	Capital/ subscription	Percentage ownership interest	Main business
Europe	Toyota Motor Finance (Netherlands) B.V.	Netherlands	in thousands EUR 908	100.00*	Loans to overseas Toyota related companies
	Toyota Motor Manufacturing (UK) Ltd.	U.K.	GBP 300,000	100.00*	Manufacture and sales of automobiles
	Toyota (GB) PLC	U.K.	GBP 2,600	100.00*	Sales of automobiles
	OOO "TOYOTA MOTOR"	Russia	RUB 29,369	100.00*	Sales of automobiles
Asia	Toyota Motor (China) Investment Co., Ltd.	China	in thousands USD 118,740	100.00	Sales of automobiles
	P.T. Toyota Motor Manufacturing Indonesia	Indonesia	IDR 19,523,503	95.00	Manufacture and sales of automobiles
	Toyota Motor Asia Pacific Pte Ltd.	Singapore	SGD 6,000	100.00	Sales of automobiles
	Toyota Motor Thailand Co., Ltd.	Thailand	THB 7,520,000	86.43	Manufacture and sales of automobiles
	Toyota Leasing (Thailand) Co., Ltd.	Thailand	THB 6,000,000	79.17*	Finance of automobile sales
	Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.	Thailand	THB 1,300,000	100.00*	Production support for entities in Asia and Oceania
Other	Toyota Motor Corporation Australia Ltd.	Australia	in thousands AUD 481,100	100.00	Manufacture and sales of automobiles
	Toyota Finance Australia Ltd.	Australia	AUD 120,000	100.00*	Finance of automobile sales
	Toyota do Brasil Ltda.	Brazil	BRL 709,980	100.00	Manufacture and sales of automobiles
	Toyota South Africa Motors (Pty) Ltd.	South Africa	ZAR 50	100.00*	Manufacture and sales of automobiles

Notes:

1. \* Indicates that the ownership interest includes such ratio of the subsidiaries.
2. The ownership interests are calculated based on the total number of shares issued at the end of the fiscal year.

## 2. Status of Shares

(1) Total Number of Shares Authorized **10,000,000,000 shares**

(2) Total Number of Shares Issued **3,447,997,492 shares**

(3) Number of Shareholders **653,433**

### (4) Major Shareholders

Name of Shareholders	Investment in the Company by the Shareholders	
	Number of shares (1,000 shares)	Ownership Interest (%)
Japan Trustee Services Bank, Ltd.	353,082	11.26
Toyota Industries Corporation	201,195	6.42
The Master Trust Bank of Japan, Ltd.	192,363	6.13
Nippon Life Insurance Company	130,791	4.17
State Street Bank and Trust Company	119,887	3.82
The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	85,081	2.71
Trust & Custody Services Bank, Ltd.	84,527	2.70
Tokio Marine & Nichido Fire Insurance Co., Ltd.	83,821	2.67
Mitsui Sumitomo Insurance Company, Limited	65,166	2.08
JPMorgan Chase Bank	60,854	1.94

Notes:

1. The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders, which changed its name from Hero and Company on December 19, 2008, is the nominee of the Bank of New York Mellon, which is the Depositary for holders of TMC's American Depositary Receipts (ADRs).
2. Percentage of equity participation is calculated excluding treasury stock (312,115 thousand shares).

### (5) Other Significant Matters Pertaining to Shares

During FY2009, TMC repurchased 14,947 thousand of its own shares and disposed of 1,803 thousand shares of treasury stock (transfer of shares upon exercise of Stock Acquisition Rights, 119 thousand shares; transfer of shares in a share for share exchange to make Central Motor Co., Ltd. its wholly owned subsidiary, 1,683 thousand shares).

### 3. Status of Stock Acquisition Rights, Etc.

#### (1) Status of Stock Acquisition Rights as of the End of FY2009

1) Number of Stock Acquisition Rights issued:

132,757

2) Type and Number of Shares to be Issued or Transferred upon Exercise of Stock Acquisition Rights

13,275,700 shares of common stock of TMC (The number of shares to be issued or transferred upon exercise of one Stock Acquisition Right is 100).

3) Stock Acquisition Rights held by TMC's Directors and Corporate Auditors

	Series (Exercise price)	Expiration Date	Number of Stock Acquisition Rights	Number of holders
Directors	2nd (3,116 yen)	July 31, 2009	1,116	17
	3rd (4,541 yen)	July 31, 2010	1,778	17
	4th (4,377 yen)	July 31, 2011	3,717	26
	5th (6,140 yen)	July 31, 2014	9,000	30
	6th (7,278 yen)	July 31, 2015	9,600	30
	7th (4,726 yen)	July 31, 2016	10,100	30
Corporate Auditors	2nd (3,116 yen)	July 31, 2009	6	1
	3rd (4,541 yen)	July 31, 2010	100	1
	4th (4,377 yen)	July 31, 2011	99	1

Note:

The Stock Acquisition Rights held by Corporate Auditors in the above table have been acquired prior to their assumption of office and are exercisable by Corporate Auditors.



## **(2) Status of Stock Acquisition Rights Issued during FY2009**

1) Number of Stock Acquisition Rights issued:

34,940

2) Type and number of shares to be issued or transferred upon exercise of Stock Acquisition Rights

3,494,000 shares of common stock of TMC (The number of shares to be issued or transferred upon exercise of one Stock Acquisition Right is 100).

3) Issue price of Stock Acquisition Rights

Stock Acquisition Rights shall be issued without consideration.

4) Amount to be paid upon exercise of Stock Acquisition Rights

4,726.00 yen

5) Conditions of exercise of Stock Acquisition Rights

(i) The exercise period of the Stock Acquisition Rights is from August 1, 2010 to July 31, 2016.

(ii) Stock Acquisition Right may not be partially exercised.

(iii) The grantees of the Stock Acquisition Rights must, at the time of the closing of the Ordinary General Shareholders' Meeting to be held for the last fiscal year ending within two (2) years after the closing of the FY2008 Ordinary General Shareholders' Meeting, be a Director, Managing Officer, employee, etc. of TMC or its affiliates to which the grantee belongs at the time such rights are granted.

(iv) The grantee of the Stock Acquisition Rights may exercise his or her Stock Acquisition Rights for up to two (2) years after the grantee loses his or her position as a Director, Managing Officer or an employee, etc. of TMC or its affiliates to which the grantee belongs at the time of such rights are granted. However, if the grantee loses such position due to retirement of office or resignation for personal reasons, or removal from office or dismissal, the Stock Acquisition Rights will expire immediately.

(v) Stock Acquisition Rights may not be inherited.

(vi) Other exercise conditions shall be provided for in "Agreement for the Grant of Options to acquire common shares of Toyota Motor Corporation" between TMC and the grantees of the Stock Acquisition Rights.

6) Events and conditions of acquisition of Stock Acquisition Rights by TMC

Stock Acquisition Rights may be acquired by TMC without consideration, on a date that shall be provided by the Board of Directors, if the Ordinary General Shareholders' Meeting approves a proposal on a merger agreement in which TMC will be dissolved, or a proposal on a share exchange agreement or a share transfer by which TMC will become a wholly-owned subsidiary of another

company.

7) Details of Preferential Conditions

TMC issued Stock Acquisition Rights without consideration to Directors, Managing Officers and employees, etc., of TMC and its affiliates.

8) Breakdown of Stock Acquisition Rights granted to Managing Officers, engineers and employees of TMC, Officers and employees of TMC's subsidiaries, and employees of TMC's affiliates

	Number of Stock Acquisition Rights	Type and number of shares to be issued or transferred upon the exercise of Stock Acquisition Rights (common stock)	Total number of persons in which Stock Acquisition Rights were granted
Managing Officers of TMC	10,000	1,000,000 shares	50
Engineers of TMC	400	40,000 shares	4
Employees of TMC	10,180	1,018,000 shares	455
Officers and employees of TMC's subsidiaries	4,120	412,000 shares	84
Employees of TMC's affiliates	140	14,000 shares	4

#### 4. Status of Directors and Corporate Auditors

##### (1) Directors and Corporate Auditors

Name	Position	Main areas of responsibility	Other executive duties
Fujio Cho	*Chairman of the Board		<ul style="list-style-type: none"> <li>- Director of Toyota Motor Sales, U.S.A., Inc.</li> <li>- Corporate Auditor of DENSO CORPORATION</li> <li>- Director of Central Japan Railway Company</li> <li>- Director of Toyota Motor Europe NV/SA</li> <li>- Director of Toyota Motor North America, Inc.</li> <li>- Director of Sony Corporation</li> </ul>
Katsuhiro Nakagawa	*Vice Chairman of the Board		<ul style="list-style-type: none"> <li>- Director of Toyota Motor Sales, U.S.A., Inc.</li> <li>- Director of Toyota Motor Europe NV/SA</li> <li>- Director of Toyota Motor North America, Inc.</li> <li>- Corporate Auditor of Shochiku Co., Ltd.</li> <li>- Corporate Auditor of Aichi Steel Corporation</li> </ul>
Kazuo Okamoto	*Vice Chairman of the Board		<ul style="list-style-type: none"> <li>- Director of Toyota Boshoku Corporation</li> <li>- Corporate Auditor of Toyoda Gosei Co., Ltd.</li> <li>- Director of Toyota Motor Europe NV/SA</li> <li>- Director of Toyota Motor Engineering &amp; Manufacturing North America, Inc.</li> </ul>
Katsuaki Watanabe	*President, Member of the Board		<ul style="list-style-type: none"> <li>- Corporate Auditor of KDDI CORPORATION</li> <li>- Corporate Auditor of Toyota Financial Services Corporation</li> <li>- Director of Toyota Motor Sales, U.S.A., Inc.</li> <li>- Director of Toyota Motor Europe NV/SA</li> <li>- Director of Toyota Motor North America, Inc.</li> <li>- Corporate Auditor of Toyota Industries Corporation</li> <li>- Director of Toyota Motor Engineering &amp; Manufacturing North America, Inc.</li> </ul>
Kyoji Sasazu	*Executive Vice President, Member of the Board	<ul style="list-style-type: none"> <li>- Business Development</li> <li>- Purchasing</li> <li>- Housing</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate Auditor of JTEKT Corporation</li> </ul>

Name	Position	Main areas of responsibility	Other executive duties
Mitsuo Kinoshita	*Executive Vice President, Member of the Board	<ul style="list-style-type: none"> <li>- Corporate Planning, Research</li> <li>- Government &amp; Public Affairs</li> <li>- General Affairs (Global Audit, General Administration &amp; Human Resources, Finance &amp; Accounting, Information Systems)</li> <li>- CSR &amp; Environmental Affairs</li> <li>- Information System Group (Chief Officer)</li> <li>- Global Audit Dept.</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Toyota Financial Services Corporation</li> <li>- Corporate Auditor of Aichi Steel Corporation</li> <li>- Director of Toyota Motor Sales, U.S.A., Inc.</li> <li>- Director of Toyota Motor Engineering &amp; Manufacturing North America, Inc.</li> <li>- Director of Toyota Motor Europe NV/SA</li> <li>◇Director of New United Motor Manufacturing, Inc.</li> <li>- Director of Aioi Insurance Co., Ltd.</li> </ul>
Takeshi Uchiyamada	*Executive Vice President, Member of the Board	<ul style="list-style-type: none"> <li>- Production</li> <li>- TQM</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Toyota Motor Engineering &amp; Manufacturing North America, Inc.</li> <li>- Chairman of Toyota Motor Technical Center (China) Co., Ltd.</li> <li>- Director of Toyota Motor Europe NV/SA</li> <li>- Director of JTEKT Corporation</li> </ul>
Masatami Takimoto	*Executive Vice President, Member of the Board	<ul style="list-style-type: none"> <li>- Quality</li> <li>- Research &amp; Development (R&amp;D Management Center, LEXUS Development Center, Toyota Passenger Vehicle Development Center 1, Toyota Passenger Vehicle Development Center 2, Toyota Commercial Vehicle Development Center, Vehicle Control System Engineering Management, Future Project, Motor Sports, Battery Research, Technical Administration, Design, R&amp;D 1, R&amp;D 2)</li> <li>- Fuel Cell System Development</li> <li>- Design Group (Chief Officer)</li> <li>- Fuel Cell System Development Group (Chief Officer)</li> </ul>	

Name	Position	Main areas of responsibility	Other executive duties
Akio Toyoda	*Executive Vice President, Member of the Board	<ul style="list-style-type: none"> <li>- Product Management</li> <li>- e-TOYOTA</li> <li>- IT &amp; ITS</li> <li>- Global Planning Operations</li> <li>- Japan Sales Operations</li> <li>- Overseas (Americas, Europe &amp; Africa, China, Asia, Oceania &amp; Middle East)</li> <li>- Customer Service</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Toyota Financial Services Corporation</li> <li>- Chairman of Toyota Motor Europe NV/SA</li> <li>- Chairman of Toyota Motor (China), Investment Co., Ltd.</li> <li>- Corporate Auditor of Toyota Boshoku Corporation</li> <li>- Chairman and CEO of Toyota Motor North America, Inc.</li> <li>- Director of Toyota Motor Sales, U.S.A., Inc.</li> <li>- Director of Toyota Motor Asia Pacific Pte Ltd.</li> <li>- Director of Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.</li> </ul>
Yukitoshi Funo	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- The Americas Operations Group (Chief Officer)</li> <li>- Chairman of Toyota Motor Sales, U.S.A., Inc.</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman of Toyota Motor Sales, U.S.A., Inc.</li> <li>- Vice President of Caltly Design Research, Inc.</li> <li>- Director of Toyota Motor Engineering &amp; Manufacturing North America, Inc.</li> <li>- Director of Toyota Motor Credit Corporation</li> <li>- President of Toyota Motor Personnel Services, U.S.A., Inc.</li> <li>- Director of Toyota Motor North America, Inc.</li> </ul>
Atsushi Niimi	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Purchasing Group (Chief Officer)</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Toyota Motor Engineering &amp; Manufacturing North America, Inc.</li> <li>- Corporate Auditor of KYOWA LEATHER CLOTH CO., LTD.</li> </ul>
Hiroshi Takada	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Global Planning Operations Group (Chief Officer)</li> <li>- Product Management Div.</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Toyota Motor North America, Inc.</li> <li>◇Director of New United Motor Manufacturing, Inc.</li> <li>- Director of Toyota Motor Europe NV/SA</li> </ul>
Teiji Tachibana	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Government &amp; Public Affairs Group (Chief Officer)</li> <li>- Housing Group (Chief Officer)</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman and Representative Director of Toyota Housing Corporation</li> </ul>
Shinichi Sasaki	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- IT &amp; ITS Group (Chief Officer)</li> <li>- Customer Service Operations Group (Chief Officer)</li> <li>- e-TOYOTA Div.</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate Auditor of SHIROKI CORPORATION</li> </ul>
Akira Okabe	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Asia, Oceania &amp; Middle East Operations Group (Chief Officer)</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman of Toyota Motor Asia Pacific Pte Ltd.</li> <li>- Director of Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd.</li> </ul>

Name	Position	Main areas of responsibility	Other executive duties
Yoichiro Ichimaru	Senior Managing Director, Member of the Board	- Japan Sales Operations Group (Chief Officer)	
Shoji Ikawa	Senior Managing Director, Member of the Board	- Fuel Cell System Development Group (Deputy Chief Officer) - Production Engineering Group (Chief Officer)	
Koichi Ina	Senior Managing Director, Member of the Board	- Strategic Production Planning Group (Chief Officer) - Manufacturing Group (Chief Officer)	- Director of Toyota Motor Kyushu, Inc. - Corporate Auditor of CHUO SPRING CO., LTD. - Chairman of Toyota Motor Asia Pacific Engineering and Manufacturing Co., Ltd. - Chairman of Toyota Motor Engineering & Manufacturing North America, Inc. - Director of Toyota Motor Manufacturing Canada Inc. - Director of Toyota Motor Asia Pacific Pte Ltd.
Shinzo Kobuki	Senior Managing Director, Member of the Board	- R&D Group 2 (Chief Officer) - R&D Management Center - Vehicle Control System Engineering Management Div. - Future Project Div. - Battery Research Div.	- Director of HAMAMATSU PHOTONICS K.K.
Akira Sasaki	Senior Managing Director, Member of the Board	- China Operations Group (Chief Officer) - Vice Chairman of Toyota Motor (China) Investment Co., Ltd.	- Vice Chairman of Toyota Motor (China), Investment Co., Ltd. - Vice Chairman of FAW Toyota Motor Sales Co., Ltd. - Vice Chairman of FAW Toyota (Changchun) Engine Co., Ltd. - Chairman of Guangqi Toyota Engine Co., Ltd. - Vice Chairman of Guangqi Toyota Motor Co., Ltd. - Vice Chairman of Sichuan FAW Toyota Motor Co., Ltd. - Vice Chairman of Tianjin FAW Toyota Engine Co., Ltd. - Vice Chairman of Tianjin FAW Toyota Motor Co., Ltd. - Chairman of Toyota FAW (Tianjin) Dies Co., Ltd. - Vice Chairman of Tong Fang Global Logistics Co., Ltd - Vice Chairman of Toyota Motor Technical Center (China) Co.,Ltd.

Name	Position	Main areas of responsibility	Other executive duties
Tadashi Arashima	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Europe &amp; Africa Operations Group (Chief Officer)</li> <li>- President of Toyota Motor Europe NV/SA</li> </ul>	<ul style="list-style-type: none"> <li>- President of Toyota Motor Europe NV/SA</li> </ul>
Mamoru Furuhashi	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Government &amp; Public Affairs Group (Deputy Chief Officer)</li> </ul>	
Satoshi Ozawa	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- General Administration &amp; Human Resources Group (Chief Officer)</li> <li>- Corporate Planning Div.</li> <li>- Research Div.</li> <li>- CSR &amp; Environmental Affairs Div.</li> </ul>	
Iwao Nihashi	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Quality Group (Chief Officer)</li> <li>- TQM Promotion Div.</li> </ul>	
Yasuhiko Ichihashi	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Technical Administration Group (Chief Officer)</li> <li>- R&amp;D Group 1 (Chief Officer)</li> <li>- LEXUS Development Center</li> <li>- Toyota Passenger Vehicle Development Center 1</li> <li>- Toyota Passenger Vehicle Development Center 2</li> <li>- Toyota Commercial Vehicle Development Center</li> </ul>	<ul style="list-style-type: none"> <li>- Corporate Auditor of Toyota Motor Kyushu, Inc.</li> <li>- Corporate Auditor of TOKAI RIKKA CO., LTD.</li> </ul>
Tadashi Yamashina	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Motor Sports Div.</li> <li>- Chairman of Toyota Motorsport GmbH</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman of Toyota Motorsport GmbH</li> </ul>
Takahiko Ijichi	Senior Managing Director, Member of the Board	<ul style="list-style-type: none"> <li>- Business Development Group (Chief Officer)</li> <li>- Accounting Group (Chief Officer)</li> </ul>	<ul style="list-style-type: none"> <li>- Director of Toyota Financial Services Corporation</li> <li>- Director of Toyota Finance Corporation</li> <li>- Corporate Auditor of TRINITY INDUSTRIAL CORPORATION</li> <li>- Director of Toyota Motor (China), Investment Co., Ltd.</li> <li>- Director of Toyota Motor Thailand Co., Ltd.</li> <li>- Director of Toyota Motor Asia Pacific Pte Ltd.</li> <li>- Director of Toyota Motor Corporation Australia Ltd.</li> <li>- Corporate Auditor of Toyota Motor Kyushu, Inc.</li> <li>- Director of Toyota Motor Credit Corporation</li> <li>- Corporate Auditor of P.T. Toyota Motor Manufacturing Indonesia</li> <li>- Corporate Auditor of HAMAMATSU PHOTONICS K.K.</li> </ul>

Name	Position	Main areas of responsibility	Other executive duties
Tetsuo Agata	Senior Managing Director, Member of the Board	- President of Toyota Motor Engineering & Manufacturing North America, Inc.	- President of Toyota Motor Engineering & Manufacturing North America, Inc. - Senior Vice President of Toyota Motor North America, Inc. - Director of Toyota Motor Manufacturing, Kentucky, Inc. - Director of Toyota Motor Manufacturing, Indiana, Inc. - Vice President of TSSC, Inc. ◇Director of New United Motor Manufacturing, Inc. - Director of Toyota Motor Manufacturing Canada Inc. - President of TABC Holding, Inc. - President of Toyota Motor Manufacturing, Northern Kentucky, Inc.
Shoichiro Toyoda	Honorary Chairman, Member of the Board		- Director of DENSO CORPORATION - Corporate Auditor of Aisin Seiki Co., Ltd. - Director of Toyota Motor Sales, U.S.A., Inc. - Representative Director of Toyota Central Research and Development Laboratories, Incorporated - Representative Director of Genesis Research Institute, Incorporated - Chairman and Representative Director of Towa Real Estate Co., Ltd. - Director of Toyota Motor Europe NV/SA - Director of Toyota Motor North America, Inc.
Hiroshi Okuda	Senior Advisor, Member of the Board		- Director of Toyota Motor Sales, U.S.A., Inc. - Director of KDDI CORPORATION - Director of Toyota Motor Europe NV/SA - Director of Toyota Motor North America, Inc. - Corporate Auditor of Toyota Industries Corporation
Yoshikazu Amano	Full-time Corporate Auditor		
Chiaki Yamaguchi	Full-time Corporate Auditor		- Corporate Auditor of Toyota Financial Services Corporation
Masaki Nakatsugawa	Full-time Corporate Auditor		
Yoichi Kaya	Corporate Auditor		- Assistant Director of Research Institute of Innovative Technology for the Earth - Outside Corporate Auditor of NIPPON STEEL CORPORATION



Name	Position	Main areas of responsibility	Other executive duties
Yoichi Morishita	Corporate Auditor		- Executive Advisor of Panasonic Corporation - Outside Corporate Auditor of The Kansai Electric Power Co., Inc.
Akishige Okada	Corporate Auditor		- Corporation Advisor of Sumitomo Mitsui Banking Corporation - Outside Director of MITSUI & CO., LTD. - Outside Corporate Auditor of Mitsui Fudosan Co., Ltd. - Outside Director of DAICEL CHEMICAL INDUSTRIES, LTD.
Kunihiro Matsuo	Corporate Auditor		- Attorney - Outside Director of ASAHI GLASS CO., LTD. - Outside Corporate Auditor of MITSUI & CO., LTD. - Outside Corporate Auditor of Sampo Japan Insurance Inc.

Notes:

1. \* Representative Director
2. Mr. Yoichi Kaya, Mr. Yoichi Morishita, Mr. Akishige Okada and Mr. Kunihiro Matsuo, all of whom are Corporate Auditors are Outside Corporate Auditors as provided in Article 2, Item 16 of the Corporation Act.
3. The company marked with ◇ operates in the same business category as TMC.
4. The “other executive duties” are listed chronologically, in principle, based on the dates the executives assumed their present positions.
5. Guangzhou Toyota Motor Co., Ltd. changed its name to Guangqi Toyota Motor Co., Ltd. on September 23, 2008.

## (2) Amount of Compensation to Directors and Corporate Auditors for FY2009

Category	Directors		Corporate Auditors (incl. Outside Corporate Auditors)		Total	
	No. of persons	Amount (million yen)	No. of persons	Amount (million yen)	No. of persons	Amount (million yen)
Compensation to Directors and Corporate Auditors	33	1,589	7 (4)	228 (63)	40	1,818
Executive bonus	-	-	/	/	-	-
Retirement bonus	/	/	7 (4)	22 (4)	7	22
Total	/	1,589	/	251 (68)	/	1,840

### Notes:

- The number of persons includes those eligible to receive compensation in FY2009, not those in office.
- No bonus for FY2009 is payable to Directors.
- Figures representing the provision for retirement bonus for Corporate Auditors are provided to indicate the figures representing the retirement bonus. The retirement bonus system for Corporate Auditors was abolished as of the closing of the FY2008 Ordinary General Shareholders' Meeting held on June 24, 2008.
- In addition to the above, the following accounting cost is recorded as non-monetary compensation to Directors:  
Stock option (Resolutions of the FY2006 Ordinary General Shareholders' Meeting held on June 23, 2006, the FY2007 Ordinary General Shareholders' Meeting held on June 22, 2007, and the FY2008 Ordinary General Shareholders' Meeting held on June 24, 2008)

915 million yen for 34 Directors

\* A stock option, as granted to Directors, is a "rights to acquire TMC's shares by making payment within the exercise period of the amount obtained by multiplying the amount to be paid per share, which is calculated by adding a certain ratio to the share price as of the allotment date, by the number of shares to be granted," and this corresponds to a "Non-monetary compensation." The figures stated above are amounts recorded as accounting costs for FY2009 from among the fair values of stock options calculated based on various conditions as of the allotment date.

## (3) Status of Outside Corporate Auditors

### 1) Major activities for FY2009

Name	Attendance (total attended/total held)	
	Directors' meetings	Corporate Auditors' meetings
Yoichi Kaya	18/22	16/17
Yoichi Morishita	16/22	15/17
Akishige Okada	19/22	16/17
Kunihiro Matsuo	13/22	13/17

Each Outside Corporate Auditor contributed by giving opinions based on his experience and insight.

2) Details of liability limitation agreements

Agreements between the Outside Corporate Auditors and TMC to limit liability as stipulated in Article 423, Paragraph 1 of the Corporation Act, with the liability limited to the amount stipulated in Article 425, Paragraph 1 of the Corporation Act.

## **5. Status of Accounting Auditor**

### **(1) Name of Accounting Auditor**

PricewaterhouseCoopers Aarata

### **(2) Compensation to Accounting Auditor for FY2009**

- 1) Total compensation and other amounts paid by Toyota Motor Corporation (“TMC”) for the services provided in Article 2, Paragraph 1 of the Certified Public Accountant Law of Japan  
1,103 million yen
- 2) Total amount of cash and other property benefits paid by TMC and its consolidated subsidiaries (together, “Toyota”)  
2,008 million yen

#### Notes:

1. The amount in 1) above includes compensation for audits performed in compliance with the Financial Instruments and Exchange Law.
2. The amount in 2) above includes compensation for advice and consultation concerning information disclosure that are not included in the services provided in Article 2, Paragraph 1 of the Certified Public Accountant Law of Japan.
3. Among principal subsidiaries of TMC, Kanto Auto Works, Ltd. and overseas subsidiaries are audited by certified public accountants or audit firms other than PricewaterhouseCoopers Aarata.

### **(3) Policy regarding decisions on the dismissal or non-reappointment of the Accounting Auditor**

It is a policy of TMC that, if it is deemed that the Accounting Auditor will have difficulty in conducting an audit appropriately because of the occurrence of an event stipulated in laws or regulations or an event that interferes with the eligibility or independence of the Accounting Auditor, TMC shall determine whether to dismiss or refrain from reappointing the Accounting Auditor, as needed.

## **6. Basic Policy Regarding the System to Secure the Appropriateness of Business**

TMC, 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.” TMC 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.

Accordingly, TMC has developed its basic policy regarding the following items as stipulated in the Corporation Act:

### **(1) System to ensure that the Directors execute their responsibilities in compliance with relevant laws and regulations and the Articles of Incorporation**

- 1) TMC will ensure that Directors act in compliance with relevant laws and regulations and the Articles of Incorporation, based on the Code of Ethics and other explanatory documents that include necessary legal information, presented on occasions such as trainings for new Directors.
- 2) TMC will make decisions regarding business operations after comprehensive discussions at the Board of Directors Meeting and other meetings of various cross-sectional decision-making bodies. Matters to be decided are properly submitted and discussed at the meetings of those decision-making bodies in accordance with the relevant rules.
- 3) TMC will appropriately discuss significant matters and measures relating to issues such as corporate ethics, compliance, and risk management at the CSR Committee and other meetings. Toyota will also discuss and decide, at the meetings of various cross-sectional decision-making bodies, policies and systems to monitor and respond to risks relating to organizational function.

### **(2) System to retain and manage information relating to performance of duties by Directors**

Information relating to exercising duties by Directors shall be appropriately retained and managed by each division in charge pursuant to the relevant internal rules and laws and regulations.

### **(3) Rules and systems related to the management of risk of loss**

- 1) TMC will properly manage the capital fund through its budgeting system and other forms of control, conduct business operations, and manage the budget, based on the authorities and responsibilities in accordance with the “Ringi” system (effective consensus-building and approval system) and other systems. Significant matters will be properly submitted and discussed at the Board of Directors Meeting and other meetings of various bodies in accordance with the standards stipulated in the relevant rules.
- 2) TMC will ensure accurate financial reporting by issuing documentation on the financial flow and the control system, etc., and by properly and promptly disclosing information through the Disclosure Committee.

- 3) TMC will manage various risks relating to safety, quality, the environment, etc. and compliance by establishing rules or preparing and delivering manuals and by other means, as necessary, in each relevant division.
- 4) As a precaution against events such as natural disasters, TMC will prepare manuals, conduct emergency drills, arrange risk diversification and insurance, etc. as needed.

**(4) System to ensure that Directors exercise their duties efficiently**

- 1) TMC will manage consistent policies by specifying the policies at each level of the organization based on the medium- to long-term management policies and the Company's policies for each fiscal term.
- 2) The Chief Officer, as a liaising officer between the management and operational functions, will direct and supervise Managing Officers based on the management policies and delegate the executive authority over each division to the Managing Officers so that flexible and timely decision making can be achieved.
- 3) TMC, from time to time, will make opportunities to listen to the opinions of various stakeholders, including external experts, and reflect those opinions in TMC's management and corporate activities.

**(5) System to ensure that employees conduct business in compliance with relevant laws and regulations and the Articles of Incorporation**

- 1) TMC will clarify the responsibilities of each organization unit and maintain a basis to ensure continuous improvements in the system.
- 2) TMC will continuously review the legal compliance and risk management framework to ensure effectiveness. For this purpose, each organization unit shall confirm the effectiveness by conducting self-checks among others, and report the result to the CSR Committee and other committees.
- 3) TMC will promptly obtain information regarding legal compliance and corporate ethics and respond to problems and questions related to compliance through its corporate ethics inquiry office and other channels.

**(6) System to ensure the appropriateness of business operations of the corporation and the business group consisting of the parent company and subsidiaries**

- 1) TMC will expand the "Guiding Principles at Toyota" and the "Toyota Code of Conduct" to its subsidiaries as Toyota's common charter of conduct, and develop and maintain a sound environment of internal controls for Toyota. TMC will also promote the "Guiding Principles at Toyota" and the "Toyota Code of Conduct" through personal exchange.
- 2) TMC will manage its subsidiaries in a comprehensive manner by clarifying the roles of the division responsible for the subsidiaries' financing and management and the roles of the division responsible for the subsidiaries' business activities. Those divisions will confirm the appropriateness and legality of the operations of the subsidiaries by exchanging information with those subsidiaries, periodically and

as needed.

**(7) System concerning employees who assist the Corporate Auditors when required**

TMC will establish a Corporate Auditors Department and assign a number of full-time staff to support this function.

**(8) Independence of the employees described in the preceding item (7) from Directors**

Any changes in personnel in the Corporate Auditors Department will require prior consent of the Board of Corporate Auditors or a full-time Corporate Auditor selected by the Board of Corporate Auditors.

**(9) System for Directors and employees to report to Corporate Auditors, and other relative systems**

- 1) Directors, from time to time, will properly report to the Corporate Auditors any major business operations through the divisions in charge. If any fact that may cause significant damage to the Company is discovered, they will report the matter to the Corporate Auditors immediately.
- 2) Directors, Managing Officers, and employees will report to Corporate Auditors on the business upon requests by the Corporate Auditors, periodically and as needed.

**(10) Other systems to ensure that the Corporate Auditors conducted audits effectively**

TMC will ensure that the Corporate Auditors attend major Board of Directors Meeting, inspect important Company documents, and make opportunities to exchange information between the Corporate Auditors and Accounting Auditor periodically and as needed, as well as appoint external experts.

Unconsolidated Financial Statements

**UNCONSOLIDATED BALANCE SHEETS**

(Million yen; amounts less than one million yen are omitted)

	FY2009 (As of March 31, 2009)	FY2008 (Reference) (As of March 31, 2008)		FY2009 (As of March 31, 2009)	FY2008 (Reference) (As of March 31, 2008)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current assets</b>	<b>3,541,378</b>	<b>4,006,044</b>	<b>Current liabilities</b>	<b>1,483,718</b>	<b>2,571,686</b>
Cash and deposits	24,067	59,558	Trade notes payable	585	1,216
Trade accounts receivable	565,881	1,211,134	Trade accounts payable	520,731	1,060,961
Marketable securities	1,223,909	1,063,032	Current portion of bonds	–	100,000
Finished goods	89,164	141,468	Other payables	376,129	466,544
Work in process	112,289	92,693	Income taxes payable	–	180,512
Raw materials and supplies	77,856	51,102	Accrued expenses	448,887	504,426
Income taxes receivable	205,275	–	Deposits received	122,901	245,318
Short-term loans	732,141	515,159	Others	14,482	12,706
Deferred tax assets	219,710	262,688	<b>Long-term liabilities</b>	<b>1,028,026</b>	<b>561,716</b>
Others	296,882	619,807	Bonds	450,000	250,000
Less: allowance for doubtful accounts	(5,800)	(10,600)	Long-term borrowings	300,000	–
<b>Fixed assets</b>	<b>5,622,283</b>	<b>6,429,760</b>	Allowance for retirement benefits	274,445	279,219
<b>Property, plant and equipment</b>	<b>1,499,100</b>	<b>1,463,669</b>	Others	3,581	32,497
Buildings, net	437,187	418,457	<b>Total liabilities</b>	<b>2,511,745</b>	<b>3,133,403</b>
Structures, net	50,760	49,788	(Net assets)		
Machinery and equipment, net	405,650	370,800	<b>Shareholders' equity</b>	<b>6,538,184</b>	<b>6,986,746</b>
Vehicle and delivery equipment, net	23,048	26,882	<b>Common stock</b>	<b>397,049</b>	<b>397,049</b>
Tools, furniture and fixtures, net	106,928	109,694	<b>Capital surplus</b>	<b>418,258</b>	<b>416,970</b>
Land	393,454	393,312	Capital reserve	416,970	416,970
Construction in progress	82,070	94,732	Other capital surplus	1,287	–
<b>Investments and other assets</b>	<b>4,123,183</b>	<b>4,966,090</b>	<b>Retained earnings</b>	<b>7,002,065</b>	<b>7,385,407</b>
Investments in securities	1,418,415	2,318,707	Legal reserve	99,454	99,454
Investments in subsidiaries and affiliates	1,958,143	1,979,011	Other retained earnings	6,902,611	7,285,952
Long-term loans	397,882	442,706	Reserve for losses on overseas investments	25	71
Deferred tax assets	176,307	45,549	Reserve for special depreciation	2,573	2,453
Others	195,035	202,614	Reserve for reduction of Acquisition cost of fixed assets	8,451	8,497
Less: allowance for doubtful accounts	(22,600)	(22,500)	General reserve	6,340,926	6,340,926
			Retained earnings carried forward	550,634	934,004
			<b>Less: treasury stock</b>	<b>(1,279,189)</b>	<b>(1,212,681)</b>
			<b>Valuation and translation adjustments</b>	<b>106,676</b>	<b>311,472</b>
			<b>Net unrealized gains on other securities</b>	<b>106,158</b>	<b>310,604</b>
			<b>Deferred hedge gains or losses</b>	<b>517</b>	<b>867</b>
			<b>Stock acquisition rights</b>	<b>7,055</b>	<b>4,183</b>
			<b>Total net assets</b>	<b>6,651,917</b>	<b>7,302,401</b>
<b>Total</b>	<b>9,163,662</b>	<b>10,435,805</b>	<b>Total</b>	<b>9,163,662</b>	<b>10,435,805</b>



## UNCONSOLIDATED STATEMENTS OF INCOME

(Million yen; amounts less than one million yen are omitted)

	FY2009 (April 1, 2008 through March 31, 2009)	FY2008 (Reference) (April 1, 2007 through March 31, 2008)
<b>Net revenues</b>	<b>9,278,483</b>	<b>12,079,264</b>
Cost of sales	8,332,566	9,779,276
<b>Gross profit</b>	<b>945,917</b>	<b>2,299,987</b>
Selling, general and administrative expenses	1,133,836	1,191,387
<b>Operating income (loss)</b>	<b>(187,918)</b>	<b>1,108,600</b>
<b>Non-operating income</b>	<b>640,884</b>	<b>561,548</b>
Interest income	58,548	65,072
Dividend income	388,925	375,554
Others	193,409	120,920
<b>Non-operating expenses</b>	<b>270,370</b>	<b>89,522</b>
Interest expenses	7,858	11,776
Others	262,511	77,745
<b>Ordinary income</b>	<b>182,594</b>	<b>1,580,626</b>
<b>Income before income taxes</b>	<b>182,594</b>	<b>1,580,626</b>
Income taxes – current	23,500	399,300
Income taxes – deferred	102,444	43,182
<b>Net income</b>	<b>56,649</b>	<b>1,138,144</b>

# UNCONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

FY2009

(April 1, 2008 through March 31, 2009)

(Million yen; amounts less than one million yen are omitted)

	Shareholders' equity										
	Common stock	Capital surplus			Legal reserve	Retained earnings					Total retained earnings
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings					
						Reserve for losses on overseas investments	Reserve for special depreciation	Reserve for reduction of acquisition cost of fixed assets	General reserve	Retained earnings carried forward	
<b>Balance at the end of previous period</b>	397,049	416,970	-	416,970	99,454	71	2,453	8,497	6,340,926	934,004	7,385,407
<b>Changes of items during the period</b>											
Reversal of reserve for losses on overseas investments						(46)				46	
Appropriation to reserve for special depreciation							1,031			(1,031)	
Reversal of reserve for special depreciation							(910)			910	
Reversal of reserve for reduction of acquisition cost of fixed assets								(46)		46	
Dividends paid										(439,991)	(439,991)
Net income										56,649	56,649
Purchase of common stock											
Reissuance of common stock			1,287	1,287							
Net changes of items other than shareholders' equity											
<b>Total changes of items during the period</b>	-	-	1,287	1,287	-	(46)	120	(46)	-	(383,370)	(383,342)
<b>Balance at the end of current period</b>	397,049	416,970	1,287	418,258	99,454	25	2,573	8,451	6,340,926	550,634	7,002,065

(Million yen; amounts less than one million yen are omitted)

	Shareholders' equity		Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Deferred hedge gains or losses	Total valuation and translation adjustments		
<b>Balance at the end of previous period</b>	<b>(1,212,681)</b>	<b>6,986,746</b>	<b>310,604</b>	<b>867</b>	<b>311,472</b>	<b>4,183</b>	<b>7,302,401</b>
<b>Changes of items during the period</b>							
Reversal of reserve for losses on overseas investments							
Appropriation to reserve for special depreciation							
Reversal of reserve for special depreciation							
Reversal of reserve for reduction of acquisition cost of fixed assets							
Dividends paid		(439,991)					(439,991)
Net income		56,649					56,649
Purchase of common stock	(73,901)	(73,901)					(73,901)
Reissuance of common stock	7,393	8,681					8,681
Net changes of items other than shareholders' equity			(204,445)	(349)	(204,795)	2,872	(201,922)
<b>Total changes of items during the period</b>	<b>(66,508)</b>	<b>(448,562)</b>	<b>(204,445)</b>	<b>(349)</b>	<b>(204,795)</b>	<b>2,872</b>	<b>(650,484)</b>
<b>Balance at the end of current period</b>	<b>(1,279,189)</b>	<b>6,538,184</b>	<b>106,158</b>	<b>517</b>	<b>106,676</b>	<b>7,055</b>	<b>6,651,917</b>

FY2008 (Reference)  
(April 1, 2007 through March 31, 2008)

(Million yen; amounts less than one million yen are omitted)

	Shareholders' equity										
	Common stock	Capital surplus			Legal reserve	Retained earnings					Total retained earnings
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings					
						Reserve for losses on overseas investments	Reserve for special depreciation	Reserve for reduction of acquisition cost of fixed assets	General reserve	Retained earnings carried forward	
<b>Balance at the end of previous period</b>	397,049	416,970	407	417,378	99,454	117	3,228	7,554	5,740,926	1,483,862	7,335,143
<b>Changes of items during the period</b>											
Reversal of reserve for losses on overseas investments						(46)				46	
Appropriation to reserve for special depreciation							493			(493)	
Reversal of reserve for special depreciation							(1,269)			1,269	
Appropriation to reserve for reduction of acquisition cost of fixed assets								970		(970)	
Reversal of reserve for reduction of acquisition cost of fixed assets								(27)		27	
Appropriation to general reserve									600,000	(600,000)	
Dividends paid										(430,859)	(430,859)
Net income										1,138,144	1,138,144
Purchase of common stock											
Reissuance of common stock			231	231							
Retirement of common stock			(638)	(638)						(657,021)	(657,021)
Net changes of items other than shareholders' equity											
<b>Total changes of items during the period</b>	-	-	(407)	(407)	-	(46)	(775)	943	600,000	(549,858)	50,264
<b>Balance at the end of current period</b>	397,049	416,970	-	416,970	99,454	71	2,453	8,497	6,340,926	934,004	7,385,407

(Million yen; amounts less than one million yen are omitted)

	Shareholders' equity		Valuation and translation adjustments			Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Deferred hedge gains or losses	Total valuation and translation adjustments		
<b>Balance at the end of previous period</b>	<b>(1,555,847)</b>	<b>6,593,724</b>	<b>554,947</b>	<b>760</b>	<b>555,708</b>	<b>1,171</b>	<b>7,150,603</b>
<b>Changes of items during the period</b>							
Reversal of reserve for losses on overseas investments							
Appropriation to reserve for special depreciation							
Reversal of reserve for special depreciation							
Appropriation to reserve for reduction of acquisition cost of fixed assets							
Reversal of reserve for reduction of acquisition cost of fixed assets							
Appropriation to general reserve							
Dividends paid		(430,859)					(430,859)
Net income		1,138,144					1,138,144
Purchase of common stock	(317,595)	(317,595)					(317,595)
Reissuance of common stock	3,101	3,332					3,332
Retirement of common stock	657,660						
Net changes of items other than shareholders' equity			(244,343)	107	(244,236)	3,012	(241,224)
<b>Total changes of items during the period</b>	<b>343,166</b>	<b>393,022</b>	<b>(244,343)</b>	<b>107</b>	<b>(244,236)</b>	<b>3,012</b>	<b>151,798</b>
<b>Balance at the end of current period</b>	<b>(1,212,681)</b>	<b>6,986,746</b>	<b>310,604</b>	<b>867</b>	<b>311,472</b>	<b>4,183</b>	<b>7,302,401</b>

## NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS

\*Amounts less than one million yen are in principle omitted.

### [Significant accounting policies]

#### 1. Standards and methods of valuation of assets

##### (1) Standards and methods of valuation of securities

Equity securities of subsidiaries and affiliates are stated at cost determined using the moving average-method.

Other securities:

Other securities with fair value are stated at fair value based on the market prices, etc. at the end of each fiscal year. (Differences in valuation are included directly in net assets; costs of securities are determined using the moving-average method.)

Other securities not practicable to determine their fair value are stated at cost determined using the moving average method.

##### (2) Standards and methods of valuation of inventories

Standards:

Cost method (the amounts presented in the balance sheet are written down to the lower of cost or market value)

Methods:

Finished goods, work in process, and supplies are generally valued using the average method.

Raw materials are valued using the last-in first-out method.

<Changes in accounting method>

Effective from FY2009, the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) is applied.

This change did not have material impact on profit and loss.

#### 2. Depreciation of property, plant and equipment is computed by the declining balance method.

#### 3. Standards of accounting for reserves

##### (1) Allowance for doubtful accounts:

To prepare for losses from bad debt, allowance for doubtful accounts is provided in an amount which is determined by considering the historical loss experience and the collectibility of the receivables.

##### (2) Allowance for retirement benefits:

To provide for the retirement benefits for employees, including those already retired, allowance for retirement benefits is stated based on estimated retirement benefit obligations and estimated pension assets at the end of the fiscal year.

#### 4. Other significant matters pertaining to the preparation of unconsolidated financial statements

(1) Consumption taxes, etc. are computed based on the net-of-tax method.

(2) The consolidated taxation system is applied.

[Unconsolidated balance sheet]

1. Assets pledged as collateral and relevant liabilities

Assets pledged as collateral		Relevant liabilities	
Items	Book value as of the end of the fiscal year (million yen)	Items	Balance as of the end of the fiscal year (million yen)
Investments in securities	19,744	Security deposit for delayed tax payment for goods imported	19,500
Investments in securities	20	Security deposit based on the Real Estate Transaction Law	20
Total	19,764	Total	19,520

2. Accumulated depreciation of property, plant and equipment: 3,558,852 million yen

3. Guarantees

Guarantees for bank loans of Toyota Motor Manufacturing Turkey Inc. 19,701 million yen  
 Guarantees for bank loans of Toyota Peugeot Citroën Automobile Czech s.r.o. 10,343 million yen  
 Guarantees for bank loans of Toyota Financial Services Corporation 178,614 million yen

4. Export bill discounted 3,125 million yen

5. Receivables from and payables to subsidiaries and affiliates

Short-term receivables 1,197,964 million yen  
 Long-term receivables 323,125 million yen  
 Short-term payables 639,403 million yen

6. The retirement benefit trust is established to appropriate the retirement benefits of the corporate pension plan. No portion of the trust offsets the severance indemnity plan.

[Unconsolidated statement of Income]

1. Transactions with subsidiaries and affiliates

Net sales 5,881,954 million yen  
 Purchases 4,351,166 million yen  
 Non-operating transactions 543,780 million yen

2. Write-down due to decreased profitability of inventories

Cost of sales 64,316 million yen

[Unconsolidated statement of changes in net assets]

1. Type and number of treasury stock at the end of FY2009

Common stock 312,115,017 shares

## 2. Dividends from surplus

### (1) Cash dividends

Resolutions	Type of shares	Total cash dividends	Dividends per share	Record date	Effective date
Ordinary General Shareholders' Meeting held on June 24, 2008	Common stock	236,195 million yen	75 yen	March 31, 2008	June 25, 2008
Directors' Meeting held on November 6, 2008	Common stock	203,795 million yen	65 yen	September 30, 2008	November 26, 2008

### (2) Dividends whose record date falls in FY2009 and whose effective date falls in FY2010

Dividends on common stock are proposed for resolution at the FY2009 Ordinary General Shareholders' Meeting to be held on June 23, 2009, as follows:

Total cash dividends	109,755 million yen
Dividend per share	35 yen
Record date	March 31, 2009
Effective date	June 24, 2009

The dividends shall be paid from retained earnings.

3. Type and number of shares to be issued or transferred upon the exercise of Stock Acquisition Rights (excluding Stock Acquisition Rights that are not exercisable) at the end of FY2009
- |              |                  |
|--------------|------------------|
| Common stock | 6,517,700 shares |
|--------------|------------------|

#### [Tax effect accounting]

Deferred tax assets mainly relate to impairment losses on securities, accrued expenses, and allowance for retirement benefits, and are netted with valuation allowance. Deferred tax liabilities mainly relate to net unrealized gains on other securities.

#### [Fixed assets used under lease agreements]

In addition to fixed assets on the unconsolidated balance sheet, certain tools, furniture, and fixtures, etc. are used under finance lease agreements with the title of leased assets remaining with the lessors.



[Related-party transactions]

Category	Name	Voting Interests	Description of Relationship	Transaction	Transaction amounts (million yen)	Account name	Balances as of the end of the fiscal year (million yen)
Subsidiary	Toyota Motor Sales, U.S.A., Inc.	Equity Indirect 100.00%	Sales of TMC products Concurrent posting of directors	Mainly vehicle sales (Note.1)	1,866,158 (Note.2)	Trade accounts receivable	65,163 (Note.2)
Subsidiary	Toyota Finance Corporation	Equity Indirect 100.00%	Loans from TMC Concurrent posting of directors	Loans (Note.3)	286,144 (Note.3)	Loans	278,965
Subsidiary	Toyota Motor Europe NV/SA	Equity Direct 100.00%	Sales of TMC products Concurrent posting of directors	Loans (Note.3)	58,418 (Note.3)	Loans	130,778
Subsidiary	Toyota Motor Manufacturing Canada Inc.	Equity Direct 100.00%	Sales of TMC products Concurrent posting of directors	Loans (Note.3)	66,470 (Note.3)	Loans	102,091
Subsidiary	Toyota Financial Services Corporation	Equity Direct 100.00%	Loans from TMC Concurrent posting of directors	Guarantees (Note.4)	178,614 (Note.4)	-	-

Note. 1: Terms of transactions, including price terms, are decided through negotiations.

Note. 2: The transaction amounts and the balances of trade accounts receivable do not include consumption taxes, etc.

Note. 3: Loans are decided based on the market interest rate at the time the loan is made. The transaction amount represents average balance during the fiscal year.

Note. 4: Guarantees for bank loans of Toyota Financial Services Corporation. The transaction amount represents the balance at the end of the fiscal year.

[Per share information]

Net assets per share

Net income per share

(Amounts are rounded to the nearest hundredth digit yen)

2,118.98 yen

18.04 yen

Independent Auditor's Report (Certified Copy)  
(English Translation\*)

May 6, 2009

To the Board of Directors of  
Toyota Motor Corporation

PricewaterhouseCoopers Aarata

Koji Hatsukawa  
Certified Public Accountant  
Designated and Engagement Partner

Fusahiro Yamamoto  
Certified Public Accountant  
Designated and Engagement Partner

Hitoshi Kiuchi  
Certified Public Accountant  
Designated and Engagement Partner

We have audited, pursuant to Article 436 (2) i of the "Corporation Act" of Japan, the unconsolidated financial statements, which consist of the unconsolidated balance sheet, the unconsolidated statement of income, the unconsolidated statement of changes in net assets and the notes to the unconsolidated financial statements, and the supplementary schedules of Toyota Motor Corporation (hereinafter referred to as the "Company") for the 105th fiscal year from April 1, 2008 to March 31, 2009. These unconsolidated financial statements and the supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these unconsolidated financial statements and the supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the unconsolidated financial statements and the supplementary schedules are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining of the overall presentation of the unconsolidated financial statements and the supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the unconsolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period covered by the unconsolidated financial statements and the supplementary schedules in conformity with accounting principles generally accepted in Japan.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.

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\*The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

Consolidated Financial Statements

**CONSOLIDATED BALANCE SHEETS**

(Amounts are rounded to the nearest million yen)

	FY2009 (As of March 31, 2009)	FY2008 (Reference) (As of March 31, 2008)		FY2009 (As of March 31, 2009)	FY2008 (Reference) (As of March 31, 2008)
<b>(Assets)</b>			<b>(Liabilities)</b>		
<b>Current assets</b>	<b>11,298,929</b>	<b>12,086,227</b>	<b>Current liabilities</b>	<b>10,589,293</b>	<b>11,940,742</b>
Cash and cash equivalents	2,444,280	1,628,547	Short-term borrowings	3,617,672	3,552,721
Time deposits	45,178	134,773	Current portion of long-term debt	2,699,512	2,675,431
Marketable securities	495,326	542,210	Accounts payable	1,299,455	2,212,773
Trade accounts and notes receivable, less allowance for doubtful accounts	1,392,749	2,040,233	Other payables	670,634	806,514
Finance receivables, net	3,891,406	4,301,142	Accrued expenses	1,540,681	1,606,964
Other receivables	332,722	523,533	Income taxes payable	51,298	305,592
Inventories	1,459,394	1,825,716	Other current liabilities	710,041	780,747
Deferred income taxes	605,331	563,220	<b>Long-term liabilities</b>	<b>7,872,007</b>	<b>7,991,384</b>
Prepaid expenses and other current assets	632,543	526,853	Long-term debt	6,301,469	5,981,931
<b>Noncurrent finance receivables, net</b>	<b>5,655,545</b>	<b>5,974,756</b>	Accrued pension and severance costs	634,612	632,297
<b>Investments and other assets</b>	<b>4,705,882</b>	<b>6,585,335</b>	Deferred income taxes	642,293	1,099,006
Marketable securities and other securities investments	2,102,874	3,429,238	Other long-term liabilities	293,633	278,150
Affiliated companies	1,826,375	2,098,556	<b>Total liabilities</b>	<b>18,461,300</b>	<b>19,932,126</b>
Employees receivables	69,523	70,776			
Other	707,110	986,765	(Minority interest in consolidated subsidiaries)		
<b>Property, plant and equipment</b>	<b>7,401,681</b>	<b>7,812,002</b>	<b>Minority interest in consolidated subsidiaries</b>	<b>539,530</b>	<b>656,667</b>
Land	1,257,409	1,262,034			
Buildings	3,633,954	3,580,607	(Shareholders' equity)		
Machinery and equipment	9,201,093	9,270,650	<b>Common stock</b>	<b>397,050</b>	<b>397,050</b>
Vehicle and equipment on operating leases	2,836,881	2,922,325	<b>Additional paid-in capital</b>	<b>501,211</b>	<b>497,569</b>
Construction in progress	263,602	360,620	<b>Retained earnings</b>	<b>11,531,622</b>	<b>12,408,550</b>
Less – Accumulated depreciation	(9,791,258)	(9,584,234)	<b>Accumulated other comprehensive income (loss)</b>	<b>(1,107,781)</b>	<b>(241,205)</b>
<b>Total assets</b>	<b>29,062,037</b>	<b>32,458,320</b>	<b>Treasury stock, at cost</b>	<b>(1,260,895)</b>	<b>(1,192,437)</b>
			<b>Total shareholders' equity</b>	<b>10,061,207</b>	<b>11,869,527</b>
			<b>Total liabilities and shareholders' equity</b>	<b>29,062,037</b>	<b>32,458,320</b>

## CONSOLIDATED STATEMENTS OF INCOME

(Amounts are rounded to the nearest million yen)

	FY2009 (April 1, 2008 through March 31, 2009)	FY2008 (Reference) (April 1, 2007 through March 31, 2008)
<b>Net revenues</b>	<b>20,529,570</b>	<b>26,289,240</b>
Sales of products	19,173,720	24,820,510
Financing operations	1,355,850	1,468,730
<b>Costs and expenses</b>	<b>20,990,581</b>	<b>24,018,865</b>
Cost of products sold	17,468,416	20,452,338
Cost of financing operations	987,384	1,068,015
Selling, general and administrative	2,534,781	2,498,512
<b>Operating income (loss)</b>	<b>(461,011)</b>	<b>2,270,375</b>
<b>Other income (expense)</b>	<b>(99,370)</b>	<b>166,847</b>
Interest and dividend income	138,467	165,676
Interest expense	(46,882)	(46,113)
Foreign exchange gain (loss), net	(1,815)	9,172
Other income (loss), net	(189,140)	38,112
<b>Income (loss) before income taxes, minority interest and equity in earnings of affiliated companies</b>	<b>(560,381)</b>	<b>2,437,222</b>
<b>Provision for income taxes</b>	<b>(56,442)</b>	<b>911,495</b>
<b>Income (loss) before minority interest and equity in earnings of affiliated companies</b>	<b>(503,939)</b>	<b>1,525,727</b>
<b>Minority interest in consolidated subsidiaries</b>	<b>24,278</b>	<b>(77,962)</b>
<b>Equity in earnings of affiliated companies</b>	<b>42,724</b>	<b>270,114</b>
<b>Net income (loss)</b>	<b>(436,937)</b>	<b>1,717,879</b>

# CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FY2009

(April 1, 2008 through March 31, 2009)

(Amounts are rounded to the nearest million yen)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total shareholders' equity
Balances at March 31, 2008	397,050	497,569	12,408,550	(241,205)	(1,192,437)	11,869,527
Issuance during the year		3,642				3,642
<b>Comprehensive loss</b>						
Net loss			(436,937)			(436,937)
Other comprehensive income (loss)						
Foreign currency translation adjustments				(381,303)		(381,303)
Unrealized losses on securities, net of reclassification adjustments				(293,101)		(293,101)
Pension liability adjustments				(192,172)		(192,172)
<b>Total comprehensive loss</b>						<b>(1,303,513)</b>
Dividends paid			(439,991)			(439,991)
Purchase and reissuance of common stock					(68,458)	(68,458)
Balances at March 31, 2009	397,050	501,211	11,531,622	(1,107,781)	(1,260,895)	10,061,207

FY2008 (Reference)

(April 1, 2007 through March 31, 2008)

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost	Total shareholders' equity
Balances at March 31, 2007	397,050	497,593	11,764,713	701,390	(1,524,654)	11,836,092
Issuance during the year		3,475				3,475
<b>Comprehensive income</b>						
Net income			1,717,879			1,717,879
Other comprehensive income (loss)						
Foreign currency translation adjustments				(461,189)		(461,189)
Unrealized losses on securities, net of reclassification adjustments				(347,829)		(347,829)
Pension liability adjustments				(133,577)		(133,577)
<b>Total comprehensive income</b>						<b>775,284</b>
Dividends paid			(430,860)			(430,860)
Purchase and reissuance of common stock					(314,464)	(314,464)
Retirement of common stock		(3,499)	(643,182)		646,681	-
Balances at March 31, 2008	397,050	497,569	12,408,550	(241,205)	(1,192,437)	11,869,527

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

\*Amounts are rounded to the nearest million yen unless otherwise stated.

[Significant matters pertaining to the preparation of consolidated financial statements]

1. Number of consolidated subsidiaries and affiliated companies accounted for by the equity method:

TMC has 529 consolidated subsidiaries and 56 affiliated companies accounted for by the equity method.

2. Basis of consolidated financial statements:

Toyota's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), pursuant to the provision of Article 120, Paragraph 1 of the Corporation Accounting Regulations. Also, pursuant to the provision of Article 120, Paragraph 1, certain disclosures and notes to the consolidated financial statements required under U.S. GAAP are omitted.

3. Standards and methods of valuation of securities:

Available-for-sale securities are stated at fair value. The acquisition cost of the securities is determined on the average cost method.

4. 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" basis.

5. Depreciation of property, plant and equipment:

Depreciation of property, plant and equipment is mainly computed on the declining-balance method for TMC and Japanese subsidiaries and on the straight-line method for foreign subsidiaries.

6. Goodwill and amortization of intangible assets:

Goodwill and intangible assets with an indefinite life are not amortized, but are tested for impairment annually or more frequently if events or circumstances indicate that a carrying amount of an asset (asset group) may not be recoverable. Intangible assets with a definite life are amortized on a straight-line method.

7. Standards of accounting for reserves:

Allowance for doubtful accounts and allowance for credit losses:

Allowance for doubtful accounts and allowance for credit losses are based primarily on the frequency of occurrence and loss severity.

Accrued pension and severance costs:

Accrued pension and severance costs are recognized based on the retirement benefit obligations measured by actuarial calculations less fair value of the plan assets.

[Consolidated Balance Sheet]

1. Allowance for doubtful accounts	48,006 million yen
Allowance for credit losses	238,932 million yen
2. Components of accumulated other comprehensive income (loss)	
Foreign currency translation adjustments	(882,670) million yen
Unrealized gains on securities	17,878 million yen
Pension liability adjustments	(242,989) million yen
3. Assets pledged as collateral	122,174 million yen
4. Guarantees	1,570,497 million yen

[Consolidated Statement of Shareholders' Equity]

Number of shares issued and outstanding as of March 31, 2009

3,447,997,492 shares

[Per share amounts] (Amounts are rounded to the nearest hundredth digit yen)

1. Shareholders' equity per share	3,208.41 yen
2. Net loss per share	
Basic	(139.13) yen
Diluted	(139.13) yen

Independent Auditor's Report (Certified Copy)  
(English Translation\*)

May 6, 2009

To the Board of Directors of  
Toyota Motor Corporation

PricewaterhouseCoopers Aarata

Koji Hatsukawa  
Certified Public Accountant  
Designated and Engagement Partner

Fusahiro Yamamoto  
Certified Public Accountant  
Designated and Engagement Partner

Hitoshi Kiuchi  
Certified Public Accountant  
Designated and Engagement Partner

We have audited, pursuant to Article 444 (4) of the "Corporation Act" of Japan, the consolidated financial statements, which consist of the consolidated balance sheet, the consolidated statement of income, the consolidated statement of shareholders' equity, and the notes to the consolidated financial statements of Toyota Motor Corporation (hereinafter referred to as the "Company") for the fiscal year from April 1, 2008 to March 31, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the corporate group which consist of the Company and its consolidated subsidiaries for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America as permitted by Article 120 (1) of the Corporation Accounting Regulations (refer to Item 2 of the "Significant matters pertaining to the preparation of consolidated financial statements" in the notes to the consolidated financial statements).

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.

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\* The original audit report is in Japanese. This English translation is for reader's convenience and reading this translation is not a substitute for reading the original audit report in Japanese.



## Board of Corporate Auditors' Report (Certified Copy)

### Audit Report

The Board of Corporate Auditors has discussed and prepared this Audit Report based on the audit reports prepared by each of the Corporate Auditors pertaining to the conduct of duties by the Directors of Toyota Motor Corporation during FY2009 extending from April 1, 2008 through March 31, 2009, and reports as follows.

#### 1. Method and content of Audit by the Corporate Auditors and the Board of Corporate Auditors

##### (1) Auditing method of the Board of Corporate Auditors

The Board of Corporate Auditors determined the auditing policies and audit plan, received a report from each Corporate Auditor on the audit and its results, and received reports from the Directors and senior executives and Accounting Auditor on the execution of their duties.

##### (2) Method and content of Audit by the Corporate Auditors

1) Based on the audit policies and audit plan adopted by the Board of Corporate Auditors, each Corporate Auditor communicated with the Directors and senior executives and other Corporate Auditors, collected information, developed an auditing environment, attended the Board of Directors' meetings and other important meetings, and received reports from the Directors and senior executives on the execution of their duties. The Corporate Auditors also reviewed important documents and surveyed operations and assets at the company head office, production facilities, and business offices. The Corporate Auditors exchanged opinions and information with the Directors and senior executives and Corporate Auditors of the subsidiaries, and received reports on business from them, as needed.

2) Concerning the unconsolidated financial statements (unconsolidated balance sheet, unconsolidated statement of income, unconsolidated statement of changes in net assets, and notes to the unconsolidated financial statements) and supplementary schedules and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of shareholders' equity, and notes to the consolidated financial statements), each Corporate Auditor received reports from the Directors and senior executives and received reports from the Accounting Auditor on its audit and the results. The Corporate Auditors also received notice from the Accounting Auditor confirming that the "systems to ensure the appropriate execution of duties by the Accounting Auditor" (as described in each of the items of Article 131 of the Corporation Accounting Regulations) has been properly developed.

#### 2. Result of Audit

##### (1) Audit result concerning the business report and others

- 1) The business report and supplementary schedules accurately represent the company's situation as required by laws and regulations and the Articles of Incorporation.
- 2) No irregularity or violation of applicable laws or regulations or the Articles of Incorporation was found with respect to the performance of duties by the Directors.
- 3) Resolutions of the Board of Directors concerning the internal control system (as stipulated in Article 362, Paragraph 4, Item 6 the Corporation Act of Japan and Article 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Corporation Act) are appropriate. We have nothing to point out concerning the execution of duties by the Directors with respect to the internal control system.

##### (2) Audit results concerning unconsolidated financial statements and supplementary schedules

The auditing method of PricewaterhouseCoopers Aarata, the Accounting Auditor, and the results of the audit, are appropriate.

##### (3) Audit results of consolidated financial statements

The auditing method of PricewaterhouseCoopers Aarata, the Accounting Auditor, and the results of the audit, are appropriate.

May 7, 2009

Toyota Motor Corporation Board of Corporate Auditors

Full-time Corporate Auditor	Yoshikazu Amano	Outside Corporate Auditor	Yoichi Kaya
Full-time Corporate Auditor	Chiaki Yamaguchi	Outside Corporate Auditor	Yoichi Morishita
Full-time Corporate Auditor	Masaki Nakatsugawa	Outside Corporate Auditor	Akishige Okada
		Outside Corporate Auditor	Kunihiro Matsuo

## Consolidated Business Results for FY2009 (Reference)

### Segment Operating Results

#### Automotive

Net revenues for the automotive operations decreased by 5,612.6 billion yen (or 23.2%) to 18,564.7 billion yen in FY2009 compared with FY2008, and operating income decreased by 2,566.7 billion yen to an operating loss of 394.8 billion yen in FY2009 compared with FY2008. The decrease in operating income was mainly due to decreases in both production volume and vehicle units sold, the effects of changes in exchange rates, and an increase in expenses.

#### Financial services

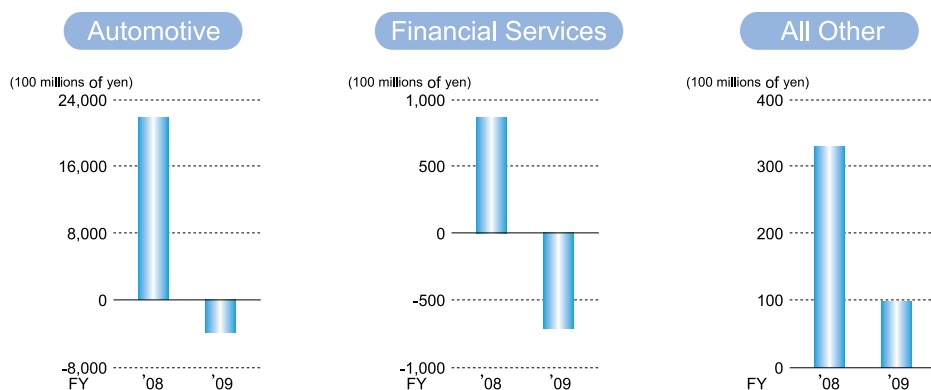
Net revenues for the financial services operations decreased by 120.8 billion yen (or 8.1%) to 1,377.5 billion yen in FY2009 compared with FY2008, and operating income decreased by 158.5 billion yen to an operating loss of 72.0 billion yen in FY2009 compared with FY2008. The decrease in operating income was mainly due to increases in the provision for credit losses, net charge-offs and allowance for residual value losses, and an increase in valuation losses on interest rate swaps stated at fair value in accordance with the Statement of Financial Accounting Standards (“FAS”) No. 133 (as amended by several guidance including FAS No.138) in sales finance subsidiaries, despite an increase in financing volume.

#### All other

Net revenues for all other businesses decreased by 162.0 billion yen (or 12.0%) to 1,184.9 billion yen in FY2009 compared with FY2008, and operating income decreased by 23.1 billion yen (or 70.0%) to 9.9 billion yen in FY2009 compared with FY2008.

### Operating income by business segment

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## **Geographic Information**

### **Japan**

Net revenues in Japan decreased by 3,129.1 billion yen (or 20.4%) to 12,186.7 billion yen in FY2009 compared with FY2008, and operating income decreased by 1,677.8 billion yen to an operating loss of 237.5 billion yen in FY2009 compared with FY2008. The decrease in operating income was mainly due to decreases in both production volume and vehicle exports, the effects of changes in exchange rates, and an increase in expenses.

### **North America**

Net revenues in North America decreased by 3,200.3 billion yen (or 34.0%) to 6,222.9 billion yen in FY2009 compared with FY2008, and operating income decreased by 695.5 billion yen to an operating loss of 390.2 billion yen in FY2009 compared with FY2008. The decrease in operating income was mainly due to decreases in both production volume and vehicle units sold, and increases in the provision for credit losses, net charge-offs and allowance for residual value losses in sales finance subsidiaries in the United States of America.

### **Europe**

Net revenues in Europe decreased by 980.3 billion yen (or 24.5%) to 3,013.1 billion yen in FY2009 compared with FY2008, and operating income decreased by 284.8 billion yen to an operating loss of 143.3 billion yen in FY2009 compared with FY2008. The decrease in operating income was mainly due to decreases in both production volume and vehicle units sold.

### **Asia**

Net revenues in Asia decreased by 401.5 billion yen (or 12.9%) to 2,719.4 billion yen in FY2009 compared with FY2008, and operating income decreased by 80.3 billion yen (or 31.3%) to 176.1 billion yen in FY2009 compared with FY2008. The decrease in operating income was mainly due to decreases in both production volume and vehicle units sold.

### **Other (Central and South America, Oceania and Africa)**

Net revenues in other regions decreased by 411.2 billion yen (or 17.9%) to 1,882.9 billion yen in FY2009 compared with FY2008, and operating income decreased by 56.3 billion yen (or 39.1%) to 87.6 billion yen in FY2009 compared with FY2008. The decrease in operating income was mainly due to a decrease in vehicle units sold.

## Operating income by region

