

TOYOTA MOTOR CORPORATION

Unaudited Consolidated Financial Statements

For the period ended

June 30, 2014

TOYOTA MOTOR CORPORATION
Unaudited Consolidated Balance Sheets
At March 31, 2014 and June 30, 2014

ASSETS

	Yen in millions	
	March 31, 2014	June 30, 2014
Assets		
Current assets:		
Cash and cash equivalents	2,041,170	2,175,052
Time deposits	180,207	115,834
Marketable securities	2,046,877	2,076,170
Trade accounts and notes receivable, less allowance for doubtful accounts	2,036,232	1,793,667
Finance receivables, net	5,628,934	5,615,585
Other receivables	351,182	373,278
Inventories	1,894,704	1,972,856
Deferred income taxes	866,386	850,853
Prepaid expenses and other current assets	672,014	600,979
Total current assets	<u>15,717,706</u>	<u>15,574,274</u>
Noncurrent finance receivables, net	8,102,294	8,143,879
Investments and other assets:		
Marketable securities and other securities investments	6,765,043	6,800,260
Affiliated companies	2,429,778	2,391,908
Employees receivables	44,966	44,697
Other	736,388	735,123
Total investments and other assets	<u>9,976,175</u>	<u>9,971,988</u>
Property, plant and equipment:		
Land	1,314,040	1,314,447
Buildings	4,073,335	4,094,213
Machinery and equipment	10,381,285	10,307,943
Vehicles and equipment on operating leases	3,709,560	3,883,569
Construction in progress	286,571	319,489
Total property, plant and equipment, at cost	<u>19,764,791</u>	<u>19,919,661</u>
Less - Accumulated depreciation	<u>(12,123,493)</u>	<u>(12,154,085)</u>
Total property, plant and equipment, net	<u>7,641,298</u>	<u>7,765,576</u>
Total assets	<u><u>41,437,473</u></u>	<u><u>41,455,717</u></u>

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

TOYOTA MOTOR CORPORATION
Unaudited Consolidated Balance Sheets
At March 31, 2014 and June 30, 2014

LIABILITIES AND SHAREHOLDERS' EQUITY

	Yen in millions	
	March 31, 2014	June 30, 2014
Liabilities		
Current liabilities:		
Short-term borrowings	4,830,820	4,587,346
Current portion of long-term debt	2,949,663	3,262,313
Accounts payable	2,213,218	2,101,543
Other payables	845,426	768,521
Accrued expenses	2,313,160	2,374,298
Income taxes payable	594,829	238,813
Other current liabilities	933,569	987,082
Total current liabilities	<u>14,680,685</u>	<u>14,319,916</u>
Long-term liabilities:		
Long-term debt	8,546,910	8,638,078
Accrued pension and severance costs	767,618	789,273
Deferred income taxes	1,811,846	1,825,053
Other long-term liabilities	411,427	425,109
Total long-term liabilities	<u>11,537,801</u>	<u>11,677,513</u>
Total liabilities	<u>26,218,486</u>	<u>25,997,429</u>
Shareholders' equity		
Toyota Motor Corporation shareholders' equity:		
Common stock, no par value, authorized: 10,000,000,000 shares at March 31, 2014 and June 30, 2014 issued: 3,447,997,492 shares at March 31, 2014 and 3,417,997,492 shares at June 30, 2014	397,050	397,050
Additional paid-in capital	551,308	549,750
Retained earnings	14,116,295	14,267,629
Accumulated other comprehensive income (loss)	528,161	501,770
Treasury stock, at cost, 278,231,473 shares at March 31, 2014 and 248,146,459 shares at June 30, 2014	(1,123,666)	(1,002,166)
Total Toyota Motor Corporation shareholders' equity	<u>14,469,148</u>	<u>14,714,033</u>
Noncontrolling interests	749,839	744,255
Total shareholders' equity	<u>15,218,987</u>	<u>15,458,288</u>
Commitments and contingencies		
Total liabilities and shareholders' equity	<u><u>41,437,473</u></u>	<u><u>41,455,717</u></u>

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

TOYOTA MOTOR CORPORATION
Unaudited Consolidated Statements of Income and
Unaudited Consolidated Statements of Comprehensive Income
For the first quarter ended June 30, 2014

Consolidated Statements of Income

	Yen in millions	
	For the first quarter ended June 30, 2013	For the first quarter ended June 30, 2014
Net revenues:		
Sales of products	5,926,535	6,023,590
Financing operations	328,784	367,098
Total net revenues	6,255,319	6,390,688
Costs and expenses:		
Cost of products sold	4,802,456	4,896,086
Cost of financing operations	219,797	199,089
Selling, general and administrative	569,683	602,785
Total costs and expenses	5,591,936	5,697,960
Operating income	663,383	692,728
Other income (expense):		
Interest and dividend income	38,163	46,483
Interest expense	(4,584)	(3,914)
Foreign exchange gain, net	9,477	12,985
Other income, net	17,724	23,544
Total other income (expense)	60,780	79,098
Quarterly income before income taxes and equity in earnings of affiliated companies	724,163	771,826
Provision for income taxes	210,130	259,973
Equity in earnings of affiliated companies	89,938	105,329
Quarterly net income	603,971	617,182
Less: Quarterly net income attributable to noncontrolling interests	(41,777)	(29,408)
Quarterly net income attributable to Toyota Motor Corporation	562,194	587,774
	Yen	
Quarterly net income attributable to Toyota Motor Corporation per share		
Basic	177.45	185.43
Diluted	177.32	185.34

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

TOYOTA MOTOR CORPORATION
Unaudited Consolidated Statements of Income and
Unaudited Consolidated Statements of Comprehensive Income
For the first quarter ended June 30, 2014

Consolidated Statements of Comprehensive Income

	Yen in millions	
	For the first quarter ended June 30, 2013	For the first quarter ended June 30, 2014
Quarterly net income	603,971	617,182
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	117,861	(85,510)
Unrealized gains (losses) on securities	260,921	52,495
Pension liability adjustments	2,779	451
Total other comprehensive income (loss)	381,561	(32,564)
Quarterly comprehensive income	985,532	584,618
Less: Quarterly comprehensive income attributable to noncontrolling interests	(50,673)	(23,235)
Quarterly comprehensive income attributable to Toyota Motor Corporation	934,859	561,383

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

TOYOTA MOTOR CORPORATION
Unaudited Condensed Consolidated Statements of Cash Flows
For the first quarter ended June 30, 2014

	Yen in millions	
	For the first quarter ended June 30, 2013	For the first quarter ended June 30, 2014
Cash flows from operating activities:		
Quarterly net income	603,971	617,182
Adjustments to reconcile quarterly net income to net cash provided by operating activities		
Depreciation	287,661	316,004
Provision for doubtful accounts and credit losses	8,187	11,321
Pension and severance costs, less payments	3,738	5,718
Losses on disposal of fixed assets	5,607	5,027
Unrealized losses on available-for-sale securities, net	2,526	15
Deferred income taxes	(19,375)	26,828
Equity in earnings of affiliated companies	(89,938)	(105,329)
Changes in operating assets and liabilities, and other	226,961	(1,170)
Net cash provided by operating activities	1,029,338	875,596
Cash flows from investing activities:		
Additions to finance receivables	(3,015,498)	(3,190,505)
Collection of and proceeds from sales of finance receivables	2,722,212	2,982,259
Additions to fixed assets excluding equipment leased to others	(239,446)	(264,417)
Additions to equipment leased to others	(403,833)	(531,883)
Proceeds from sales of fixed assets excluding equipment leased to others	8,655	13,743
Proceeds from sales of equipment leased to others	205,701	181,521
Purchases of marketable securities and security investments	(1,702,481)	(753,193)
Proceeds from sales of and maturity of marketable securities and security investments	1,081,860	790,883
Changes in investments and other assets, and other	33,476	73,664
Net cash used in investing activities	(1,309,354)	(697,928)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	1,127,431	1,050,791
Payments of long-term debt	(821,711)	(541,420)
Decrease in short-term borrowings	(43,045)	(186,965)
Dividends paid to Toyota Motor Corporation shareholders	(190,046)	(316,977)
Dividends paid to noncontrolling interests	(23,581)	(29,499)
Reissuance (repurchase) of treasury stock	4,709	330
Net cash provided by (used in) financing activities	53,757	(23,740)
Effect of exchange rate changes on cash and cash equivalents	34,249	(20,046)
Net increase (decrease) in cash and cash equivalents	(192,010)	133,882
Cash and cash equivalents at beginning of period	1,718,297	2,041,170
Cash and cash equivalents at end of period	1,526,287	2,175,052

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

TOYOTA MOTOR CORPORATION

Notes to Unaudited Consolidated Financial Statements

1. Basis of preparation:

The accompanying unaudited condensed consolidated financial statements of Toyota Motor Corporation (the "parent company") as of and for the period ended June 30, 2014, have been prepared in accordance with U.S. generally accepted accounting principles ("U.S.GAAP") and on substantially the same basis as its annual consolidated financial statements except for certain required disclosures which have been omitted. The unaudited condensed consolidated financial statements should be read in conjunction with the Annual Report on Form 20-F for the year ended March 31, 2014. The unaudited condensed consolidated financial statements reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the result for that period and the financial condition at that date. The consolidated results for the three-month period are not necessarily indicative of results to be expected for the full year.

2. Accounting changes and recent pronouncements to be adopted in future periods:

Accounting changes -

In July 2013, the Financial Accounting Standards Board ("FASB") issued updated guidance on uncertain tax positions. This guidance requires an unrecognized tax benefit, or a portion of an unrecognized tax benefit, to be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward for tax purposes, a similar tax loss, or a tax credit carryforward. The parent company and its consolidated subsidiaries ("Toyota") adopted this guidance from the interim period within the fiscal year, begun after December 15, 2013. The adoption of this guidance did not have a material impact on Toyota's quarterly consolidated financial statements.

Recent pronouncements to be adopted in future periods -

In May 2014, the FASB issued updated guidance on the recognition of revenue from contracts with customers. This guidance will supersede the current revenue recognition guidance. This guidance is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Management is evaluating the impact of adopting this guidance on Toyota's consolidated financial statements.

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Notes to Unaudited Consolidated Financial Statements

3. Accounting procedures specific to quarterly consolidated financial statements:

Provision for income taxes

The provision for income taxes is computed by multiplying quarterly income before income taxes and equity in earnings of affiliated companies by estimated annual effective tax rates. These estimated annual effective tax rates reflect anticipated investment tax credits, foreign tax credits and other items, including changes in valuation allowances, that are expected to affect estimated annual effective tax rates.

4. Derivative financial instruments:

Toyota employs derivative financial instruments, including foreign exchange forward contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements and interest rate options to manage its exposure to fluctuations in interest rates and foreign currency exchange rates. Toyota does not use derivatives for speculation or trading.

Fair value hedges -

Toyota enters into interest rate swaps and interest rate currency swap agreements mainly to convert its fixed-rate debt to variable-rate debt. Toyota uses interest rate swap agreements in managing interest rate risk exposure. Interest rate swap agreements are executed as either an integral part of specific debt transactions or on a portfolio basis. Toyota uses interest rate currency swap agreements to hedge exposure to currency exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies. Notes and loans payable issued in foreign currencies are hedged by concurrently executing interest rate currency swap agreements, which involve the exchange of foreign currency principal and interest obligations for each functional currency obligations at agreed-upon currency exchange and interest rates.

For the first quarter ended June 30, 2013 and 2014, the ineffective portion of Toyota's fair value hedge relationships was not material. For fair value hedging relationships, the components of each derivative's gain or loss are included in the assessment of hedge effectiveness.

Undesignated derivative financial instruments -

Toyota uses foreign exchange forward contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements, and interest rate options, to manage its exposure to foreign currency exchange rate fluctuations and interest rate fluctuations from an economic perspective, and for which Toyota is unable to or has elected not to apply hedge accounting.

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Notes to Unaudited Consolidated Financial Statements

Fair value and gains or losses on derivative financial instruments -

The following table summarizes the fair values of derivative financial instruments as of March 31, 2014 and June 30, 2014:

	Yen in millions	
	March 31, 2014	June 30, 2014
Derivative assets		
Derivative financial instruments designated as hedging instruments		
Interest rate and currency swap agreements		
Prepaid expenses and other current assets	1,254	2,127
Investments and other assets - Other	36,572	35,548
Total	<u>37,826</u>	<u>37,675</u>
Undesignated derivative financial instruments		
Interest rate and currency swap agreements		
Prepaid expenses and other current assets	23,182	28,924
Investments and other assets - Other	159,644	161,795
Total	<u>182,826</u>	<u>190,719</u>
Foreign exchange forward and option contracts		
Prepaid expenses and other current assets	7,052	6,377
Investments and other assets - Other	—	—
Total	<u>7,052</u>	<u>6,377</u>
Total derivative assets	227,704	234,771
Counterparty netting	(85,331)	(74,792)
Collateral received	(78,554)	(99,530)
Carrying value of derivative assets	<u>63,819</u>	<u>60,449</u>
Derivative liabilities		
Derivative financial instruments designated as hedging instruments		
Interest rate and currency swap agreements		
Other current liabilities	(1,442)	—
Other long-term liabilities	—	(1,078)
Total	<u>(1,442)</u>	<u>(1,078)</u>
Undesignated derivative financial instruments		
Interest rate and currency swap agreements		
Other current liabilities	(32,569)	(35,770)
Other long-term liabilities	(132,161)	(106,929)
Total	<u>(164,730)</u>	<u>(142,699)</u>
Foreign exchange forward and option contracts		
Other current liabilities	(9,468)	(4,528)
Other long-term liabilities	(5)	(3)
Total	<u>(9,473)</u>	<u>(4,531)</u>
Total derivative liabilities	(175,645)	(148,308)
Counterparty netting	85,331	74,792
Collateral posted	61,680	48,254
Carrying value of derivative liabilities	<u>(28,634)</u>	<u>(25,262)</u>

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The following table summarizes the notional amounts of derivative financial instruments as of March 31, 2014 and June 30, 2014:

	Yen in millions			
	March 31, 2014		June 30, 2014	
	Designated derivative financial instruments	Undesignated derivative financial instruments	Designated derivative financial instruments	Undesignated derivative financial instruments
Interest rate and currency swap agreements	151,704	15,135,193	149,405	15,235,321
Foreign exchange forward and option contracts		1,965,611		1,621,947
Total	151,704	17,100,804	149,405	16,857,268

The following table summarizes the gains and losses on derivative financial instruments and hedged items reported in the consolidated statements of income for the first quarter ended June 30, 2013 and 2014:

	Yen in millions			
	For the first quarter ended June 30, 2013		For the first quarter ended June 30, 2014	
	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items	Gains or (losses) on derivative financial instruments	Gains or (losses) on hedged items
Derivative financial instruments designated as hedging instruments - Fair value hedge				
Interest rate and currency swap agreements				
Cost of financing operations	(4,885)	4,996	(395)	443
Undesignated derivative financial instruments				
Interest rate and currency swap agreements				
Cost of financing operations	(55,989)		21,176	
Foreign exchange gain (loss), net	1,490		1,119	
Foreign exchange forward and option contracts				
Cost of financing operations	18,013		(5,277)	
Foreign exchange gain (loss), net	(18,724)		24,819	

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Undesignated derivative financial instruments are used to manage economic risks of fluctuations in foreign currency exchange rates and interest rates of certain receivables and payables. Those economic risks are offset by changes in the fair value of undesignated derivative financial instruments.

Cash flows from transactions of derivative financial instruments are included in cash flows from operating activities in the consolidated statements of cash flows.

Credit risk related contingent features -

Toyota enters into International Swaps and Derivatives Association Master Agreements with counterparties. These Master Agreements contain a provision requiring either Toyota or the counterparty to settle the contract or to post assets to the other party in the event of a ratings downgrade below a specified threshold.

The aggregate fair value amount of derivative financial instruments that contain credit risk related contingent features that are in a net liability position after being offset by cash collateral as of June 30, 2014 is ¥2,768 million. The aggregate fair value amount of assets that are already posted as cash collateral as of June 30, 2014 is ¥24,935 million. If the ratings of Toyota decline below specified thresholds, the maximum amount of assets to be posted or for which Toyota could be required to settle the contracts is ¥2,768 million as of June 30, 2014.

5. Contingencies:

Guarantees

Toyota enters into contracts with Toyota dealers to guarantee customers' payments of their installment payables that arise from installment contracts between customers and Toyota dealers, as and when requested by Toyota dealers. Toyota is required to execute its guarantee primarily when customers are unable to make required payments. The maximum potential amount of future payments as of June 30, 2014 is ¥2,138,520 million. Liabilities for guarantees totaling ¥6,440 million have been provided as of June 30, 2014. Under these guarantee contracts, Toyota is entitled to recover any amount paid by Toyota from the customers whose original obligations Toyota has guaranteed.

Legal proceedings

Product recalls

From time-to-time, Toyota issues vehicle recalls and takes other safety measures including safety campaigns relating to its vehicles. In November 2009, Toyota announced a safety campaign in North America for certain models of Toyota and Lexus vehicles related to floor mat entrapment of accelerator pedals, and later expanded it to include additional models. In January 2010, Toyota announced a recall in North America for certain models of Toyota vehicles related to sticking and slow-to-return accelerator pedals. Also in January 2010, Toyota recalled in Europe, China and other regions certain models of Toyota vehicles related to sticking accelerator pedals. In February 2010, Toyota announced a worldwide recall related to the software program that controls the antilock braking system in certain vehicle models including the Prius. Set forth below is a description of the claims, lawsuits and government investigations involving Toyota in the United States relating to these recalls and other safety measures.

Class action and consolidated litigation

Approximately 200 putative class actions and more than 500 individual product liability personal injury cases have been filed since November 2009 alleging that certain Toyota, Lexus and Scion vehicles contain defects that lead to unintended acceleration. All of the class actions and many of the product liability personal injury, warranty and lemon law cases were consolidated either in a consolidated action in the United States District Court for the Central District of California or in a consolidated action in California state court.

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In July 2013, the federal court signed an order and judgment granting final approval of the December 2012 settlement of the economic loss claims and dismissing the economic loss cases. Various objectors appealed the court's rulings, but all of these appeals have been dismissed and the settlement is final.

Although the settlement does not cover product liability personal injury claims in the consolidated federal action or pending in various state courts in the United States, the judges overseeing the federal and California consolidated actions have approved an Intensive Settlement Process ("ISP") for the product liability personal injury claims in those actions. Under the ISP, all cases are stayed pending completion of a process to assess whether they can be resolved on terms acceptable to the parties. Cases not resolved after completion of the ISP will then proceed to discovery and toward trial.

Beginning in February 2010, Toyota was sued in approximately 20 putative class actions alleging defects in the antilock braking system in various hybrid vehicles that cause the vehicles to fail to stop in a timely manner when driving in certain road conditions. These cases were consolidated into two actions, one in the United States District Court for the Central District of California and one in the Los Angeles County Superior Court. In January 2013, the Court in the federal case issued an order denying the plaintiff's motion for class certification and granting summary judgment in favor of Toyota on the claims of the principal named plaintiff for the cases relating to recalled vehicles. In July 2013, the court denied the motion for class certification for claims related to vehicles that were not recalled, and that ruling has been appealed.

While Toyota has resolved or is attempting to resolve many of the outstanding matters, Toyota believes that it has meritorious defenses to all of them and will vigorously defend those matters not resolved.

Government investigations

In February 2010, Toyota received a subpoena from the U.S. Attorney for the Southern District of New York seeking documents related to unintended acceleration. In March 2014, Toyota announced that it entered into a deferred prosecution agreement ("DPA") with the U.S. Attorney's Office to resolve its investigation. The DPA provided for a \$1.2 billion payment to the U.S. government, and Toyota recorded a \$1.2 billion charge against earnings in fiscal 2014. The agreement also provided for an independent monitor to review and assess policies and procedures relating to Toyota's safety communications process, its process for sharing vehicle accident information internally and its process for preparing and sharing certain technical reports.

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Beyond the amounts accrued for the recall-related matters, Toyota is unable to estimate a range of reasonably possible loss, if any, for the other recall-related matters because (i) many of the proceedings are in evidence gathering stages, (ii) significant factual issues need to be resolved, (iii) the legal theory or nature of the claims is unclear, (iv) the outcome of future motions or appeals is unknown and/or (v) the outcomes of other matters of these types vary widely and do not appear sufficiently similar to offer meaningful guidance. Toyota continues to evaluate these matters and expects that it may have resolution discussions from time to time in some of them. Although Toyota cannot estimate a reasonable range of loss based on currently available information, the resolution of the above-mentioned matters could have an adverse effect on Toyota's financial position, results of operations or cash flows.

Other proceedings

Toyota has various other legal actions, other governmental proceedings and other claims pending against it, including other product liability claims in the United States. For the same reasons discussed above relating to the recall-related legal proceedings, Toyota is unable to estimate a range of reasonably possible loss, if any, beyond the amounts accrued, with respect to these other proceedings. Based upon information currently available to Toyota, however, Toyota believes that its losses from these matters, if any, would not have a material adverse effect on Toyota's financial position, results of operations or cash flows.

Environmental matters

The European Union brought into effect a directive that requires member states to promulgate regulations implementing automotive manufacturers shall bear the costs for taking back end-of-life vehicles and dismantling and recycling those vehicles. Currently, there are uncertainties surrounding the implementation of the applicable regulations in different European Union member states, particularly regarding automotive manufacturer responsibilities and resultant expenses that may be incurred. Based on the legislation that has been enacted to date, Toyota has provided for its estimated liability. Although Toyota does not expect its compliance with the directive to result in significant cash expenditures, Toyota is continuing to assess the impact of this future legislation on Toyota's financial position, results of operations and cash flows.

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Notes to Unaudited Consolidated Financial Statements

6. Segment data:

The operating segments reported below are the segments of Toyota for which separate financial information is available and for which operating income/loss amounts are evaluated regularly by executive management in deciding how to allocate resources and in assessing performance.

The major portions of Toyota's operations on a worldwide basis are derived from the Automotive and Financial Services business segments. The Automotive segment designs, manufactures and distributes sedans, minivans, compact cars, sport-utility vehicles, trucks and related parts and accessories. The Financial Services segment consists primarily of financing, and vehicle and equipment leasing operations to assist in the merchandising of the parent company and its affiliated companies products as well as other products. The All Other segment includes the design, manufacturing and sales of housing, telecommunications and other businesses.

The following tables present certain information regarding Toyota's industry or geographic segments and overseas revenues by destination for the first quarter ended June 30, 2013 and 2014.

Segment operating results -

For the first quarter ended June 30, 2013:

	Yen in millions				
	Automotive	Financial Services	All Other	Inter-segment Elimination	Consolidated
Net revenues					
Sales to external customers	5,807,049	328,784	119,486	—	6,255,319
Inter-segment sales and transfers	10,956	11,092	114,985	(137,033)	—
Total	5,818,005	339,876	234,471	(137,033)	6,255,319
Operating expenses	5,209,509	288,607	227,337	(133,517)	5,591,936
Operating income	608,496	51,269	7,134	(3,516)	663,383

For the first quarter ended June 30, 2014:

	Yen in millions				
	Automotive	Financial Services	All Other	Inter-segment Elimination	Consolidated
Net revenues					
Sales to external customers	5,900,070	367,098	123,520	—	6,390,688
Inter-segment sales and transfers	14,597	10,330	134,796	(159,723)	—
Total	5,914,667	377,428	258,316	(159,723)	6,390,688
Operating expenses	5,327,915	279,215	247,517	(156,687)	5,697,960
Operating income	586,752	98,213	10,799	(3,036)	692,728

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Geographic information -

For the first quarter ended June 30, 2013:

	Yen in millions						
	Japan	North America	Europe	Asia	Other	Inter-segment Elimination	Consolidated
Net revenues							
Sales to external customers	1,939,067	2,062,276	568,278	1,123,017	562,681	—	6,255,319
Inter-segment sales and transfers	1,517,149	42,857	27,720	95,050	46,337	(1,729,113)	—
Total	3,456,216	2,105,133	595,998	1,218,067	609,018	(1,729,113)	6,255,319
Operating expenses	3,000,141	2,022,462	590,734	1,113,889	566,512	(1,701,802)	5,591,936
Operating income	456,075	82,671	5,264	104,178	42,506	(27,311)	663,383

For the first quarter ended June 30, 2014:

	Yen in millions						
	Japan	North America	Europe	Asia	Other	Inter-segment Elimination	Consolidated
Net revenues							
Sales to external customers	1,908,471	2,196,326	621,370	1,114,044	550,477	—	6,390,688
Inter-segment sales and transfers	1,388,060	62,797	29,288	83,384	41,481	(1,605,010)	—
Total	3,296,531	2,259,123	650,658	1,197,428	591,958	(1,605,010)	6,390,688
Operating expenses	2,930,568	2,093,587	639,790	1,087,042	557,907	(1,610,934)	5,697,960
Operating income	365,963	165,536	10,868	110,386	34,051	5,924	692,728

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

Revenues are attributed to geographies based on the country location of the parent company or the subsidiary that transacted the sale with the external customer.

Transfers between industry or geographic segments are made at amounts which Toyota's management believes approximate arm's-length transactions. In measuring the reportable segments' income or losses, operating income consists of revenue less operating expenses.

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Overseas revenues by destination -

The following information shows revenues that are attributed to countries based on location of customers, excluding customers in Japan. In addition to the disclosure requirements under U.S.GAAP, Toyota discloses this information in order to provide financial statement users with valuable information.

	Yen in millions	
	For the first quarter ended June 30, 2013	For the first quarter ended June 30, 2014
North America	2,055,050	2,183,929
Europe	442,337	590,732
Asia	1,165,287	1,046,751
Other	1,146,229	1,175,242

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

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7. Per share amounts:

Reconciliations of the differences between basic and diluted net income attributable to Toyota Motor Corporation per share for the first quarter ended June 30, 2013 and 2014 are as follows:

	Yen in millions	Thousands of shares	Yen
	Net income attributable to Toyota Motor Corporation	Weighted- average shares	Net income attributable to Toyota Motor Corporation per share
For the first quarter ended June 30, 2013			
Basic quarterly net income attributable to Toyota Motor Corporation per common share	562,194	3,168,225	177.45
Effect of dilutive securities			
Assumed exercise of dilutive stock options	(42)	2,005	
Diluted quarterly net income attributable to Toyota Motor Corporation per common share	<u>562,152</u>	<u>3,170,230</u>	<u>177.32</u>
For the first quarter ended June 30, 2014			
Basic quarterly net income attributable to Toyota Motor Corporation per common share	587,774	3,169,812	185.43
Effect of dilutive securities			
Assumed exercise of dilutive stock options	(14)	1,389	
Diluted quarterly net income attributable to Toyota Motor Corporation per common share	<u>587,760</u>	<u>3,171,201</u>	<u>185.34</u>

Stock options that were not included in the computation of diluted net income attributable to Toyota Motor Corporation per share for the first quarter ended June 30, 2013 and 2014 were 2,802 thousand shares and 2,341 thousand shares, respectively, because the options' exercise prices were greater than the average market price per common share during the period.

On June 17, 2014, at the Ordinary General Shareholders' Meeting, the shareholders of the parent company approved to distribute year-end cash dividends of ¥316,977 million, ¥100 per share, effective on June 18, 2014.

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8. Fair value measurements:

In accordance with U.S.GAAP, Toyota classifies fair value into three levels of input as follows which are used to measure it.

Level 1: Quoted prices in active markets for identical assets or liabilities

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the assets or liabilities

Level 3: Unobservable inputs for assets or liabilities

The following table summarizes the fair values of the assets and liabilities measured at fair value on a recurring basis as of March 31, 2014 and June 30, 2014. Transfers between levels of the fair value are recognized at the end of their respective reporting periods:

	<u>Yen in millions</u>			
	<u>March 31, 2014</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Cash equivalents	311,582	401,546	—	713,128
Marketable securities and other securities investments				
Public and corporate bonds	5,234,856	920,975	9,092	6,164,923
Common stocks	1,997,196	—	—	1,997,196
Other	54,383	517,950	—	572,333
Derivative financial instruments	—	220,160	7,544	227,704
Total	<u>7,598,017</u>	<u>2,060,631</u>	<u>16,636</u>	<u>9,675,284</u>
Liabilities				
Derivative financial instruments	—	(175,645)	—	(175,645)
Total	<u>—</u>	<u>(175,645)</u>	<u>—</u>	<u>(175,645)</u>

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	Yen in millions			
	June 30, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	257,765	564,942	—	822,707
Marketable securities and other securities investments				
Public and corporate bonds	5,366,450	947,694	8,995	6,323,139
Common stocks	2,071,353	—	—	2,071,353
Other	54,463	315,678	—	370,141
Derivative financial instruments	—	226,532	8,239	234,771
Total	<u>7,750,031</u>	<u>2,054,846</u>	<u>17,234</u>	<u>9,822,111</u>
Liabilities				
Derivative financial instruments	—	(148,308)	—	(148,308)
Total	<u>—</u>	<u>(148,308)</u>	<u>—</u>	<u>(148,308)</u>

The following is description of the assets and liabilities measured at fair value, information about the valuation techniques used to measure fair value, key inputs and significant assumptions:

Cash equivalents and time deposits -

Cash equivalents include money market funds and other investments with original maturities of three months or less. Cash equivalents classified in Level 2 include primarily negotiable certificate of deposit with original maturities of three months or less. These are measured at fair value using observable interest rates in the market.

Marketable securities and other securities investments -

Marketable securities and other securities investments include public and corporate bonds, common stocks and other investments. Public and corporate bonds include primarily government bonds and represent 50% of Japanese bonds, and 50% of U.S., European and other bonds as of March 31, 2014, and 50% of Japanese bonds, and 50% of U.S., European and other bonds as of June 30, 2014. Listed stocks on the Japanese stock markets represent 86% and 87% of common stocks as of March 31, 2014 and June 30, 2014, respectively. Toyota uses primarily quoted market prices for identical assets to measure fair value of these securities. "Other" includes primarily investment trusts. Generally, Toyota uses quoted market prices for similar assets or quoted non-active market prices for identical assets to measure fair value of these securities. These assets are classified in Level 2.

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Derivative financial instruments -

See note 4 to the consolidated financial statements about derivative financial instruments. Toyota primarily estimates the fair value of derivative financial instruments using industry-standard valuation models that require observable inputs including interest rates and foreign exchange rates, and the contractual terms. The usage of these models does not require significant judgment to be applied. These derivative financial instruments are classified in Level 2. In other certain cases when market data is not available, key inputs to the fair value measurement include quotes from counterparties, and other market data. Toyota assesses the reasonableness of changes of the quotes using observable market data. These derivative financial instruments are classified in Level 3. Toyota's derivative fair value measurements consider assumptions about counterparty and our own non-performance risk, using such as credit default probabilities.

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the first quarter ended June 30, 2013 and 2014 were not material.

Certain assets and liabilities are measured at fair value on a nonrecurring basis. The assets and liabilities measured at fair value on a nonrecurring basis for the first quarter ended June 30, 2013 and 2014 were not material.

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9. Accumulated other comprehensive income:

Changes in accumulated other comprehensive income (loss) are as follows:

	Yen in millions			
	Foreign currency translation adjustments	Unrealized gains (losses) on securities	Pension liability adjustments	Accumulated other comprehensive income (loss)
For the first quarter ended June 30, 2013				
Balance at March 31, 2013	(813,480)	666,813	(209,456)	(356,123)
Other comprehensive income (loss) before reclassifications	117,861	266,387	885	385,133
Reclassifications	—	(5,466)	1,894	(3,572)
Other comprehensive income (loss), net of tax	117,861	260,921	2,779	381,561
Less: Other comprehensive income attributable to noncontrolling interests	(4,395)	(3,752)	(749)	(8,896)
Balance at June 30, 2013	<u>(700,014)</u>	<u>923,982</u>	<u>(207,426)</u>	<u>16,542</u>
For the first quarter ended June 30, 2014				
Balance at March 31, 2014	(516,538)	1,160,563	(115,864)	528,161
Other comprehensive income (loss) before reclassifications	(85,510)	62,683	(54)	(22,881)
Reclassifications	—	(10,188)	505	(9,683)
Other comprehensive income (loss), net of tax	(85,510)	52,495	451	(32,564)
Less: Other comprehensive income attributable to noncontrolling interests	7,951	(2,323)	545	6,173
Balance at June 30, 2014	<u>(594,097)</u>	<u>1,210,735</u>	<u>(114,868)</u>	<u>501,770</u>

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Reclassifications consist of the following:

	Yen in millions		
	For the first quarter ended June 30, 2013	For the first quarter ended June 30, 2014	Affected line items in the consolidated statements of income
Unrealized gains (losses) on securities:			
	2,507	(1,174)	Financing operations
	5,079	(3,235)	Foreign exchange gain, net
	(16,593)	(12,307)	Other income, net
	(9,007)	(16,716)	Quarterly income before income taxes and equity in earnings of affiliated companies
	3,527	6,527	Provision for income taxes
	14	1	Equity in earnings of affiliated companies
	(5,466)	(10,188)	Quarterly net income
Pension liability adjustments:			
Recognized net actuarial loss	4,193	1,918	*1
Amortization of prior service costs	(1,190)	(1,160)	*1
	3,003	758	Quarterly income before income taxes and equity in earnings of affiliated companies
	(1,109)	(253)	Provision for income taxes
	1,894	505	Quarterly net income
Total reclassifications, net of tax	(3,572)	(9,683)	

Amounts of reclassifications in parentheses indicate gains in the consolidated statements of income.

*1: These components are included in the computation of net periodic pension cost.