
**TOYOTA MOTOR
CORPORATION**

**Consolidated Financial Statements
For the period ended
June 30, 2008**

TOYOTA MOTOR CORPORATION

Unaudited Consolidated Balance Sheets

As of June 30, 2008 and March 31, 2008

ASSETS

	Yen in millions		U.S. dollars in millions
	June 30, 2008	March 31, 2008	June 30, 2008
Assets			
Current assets:			
Cash and cash equivalents	¥ 1,908,606	¥ 1,628,547	\$ 17,935
Time deposits	133,660	134,773	1,256
Marketable securities	547,979	542,210	5,149
Trade accounts and notes receivable, less allowance for doubtful accounts	1,873,294	2,040,233	17,603
Finance receivables, net	4,684,988	4,301,142	44,023
Other receivables	505,750	523,533	4,752
Inventories	2,065,832	1,825,716	19,412
Deferred income taxes	609,423	563,220	5,727
Prepaid expenses and other current assets	610,013	526,853	5,732
Total current assets	<u>12,939,545</u>	<u>12,086,227</u>	<u>121,589</u>
Noncurrent finance receivables, net	6,624,176	5,974,756	62,246
Investments and other assets:			
Marketable securities and other securities investments	3,460,754	3,429,238	32,519
Affiliated companies	2,102,108	2,098,556	19,753
Employees receivables	71,920	70,776	676
Other	960,652	986,765	9,027
Total investments and other assets	<u>6,595,434</u>	<u>6,585,335</u>	<u>61,975</u>
Property, plant and equipment:			
Land	1,268,414	1,262,034	11,919
Buildings	3,668,105	3,580,607	34,468
Machinery and equipment	9,543,096	9,270,650	89,674
Vehicles and equipment on operating leases	3,085,655	2,922,325	28,995
Construction in progress	351,555	360,620	3,304
Subtotal	<u>17,916,825</u>	<u>17,396,236</u>	<u>168,360</u>
Less – Accumulated depreciation	<u>(9,890,419)</u>	<u>(9,584,234)</u>	<u>(92,938)</u>
Total property, plant and equipment	<u>8,026,406</u>	<u>7,812,002</u>	<u>75,422</u>
Total assets	<u>¥ 34,185,561</u>	<u>¥ 32,458,320</u>	<u>\$ 321,232</u>

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

TOYOTA MOTOR CORPORATION

Unaudited Consolidated Balance Sheets

As of June 30, 2008 and March 31, 2008

LIABILITIES AND SHAREHOLDERS' EQUITY

	Yen in millions		U.S. dollars in millions
	June 30, 2008	March 31, 2008	June 30, 2008
Liabilities			
Current liabilities:			
Short-term borrowings	¥ 4,357,704	¥ 3,552,721	\$ 40,948
Current portion of long-term debt	2,843,502	2,675,431	26,720
Accounts payable	2,111,522	2,212,773	19,841
Other payables	750,748	806,514	7,054
Accrued expenses	1,791,034	1,606,964	16,830
Income taxes payable	224,546	305,592	2,110
Other current liabilities	901,140	780,747	8,468
Total current liabilities	<u>12,980,196</u>	<u>11,940,742</u>	<u>121,971</u>
Long-term liabilities:			
Long-term debt	6,248,293	5,981,931	58,714
Accrued pension and severance costs	625,992	632,297	5,882
Deferred income taxes	1,162,377	1,099,006	10,923
Other long-term liabilities	246,830	278,150	2,319
Total long-term liabilities	<u>8,283,492</u>	<u>7,991,384</u>	<u>77,838</u>
Total liabilities	<u>21,263,688</u>	<u>19,932,126</u>	<u>199,809</u>
Minority interest in consolidated subsidiaries	668,835	656,667	6,285
Shareholders' equity			
Common stock, no par value, authorized: 10,000,000,000 shares as of June 30, 2008 and March 31, 2008 issued: 3,447,997,492 shares as of June 30, 2008 and March 31, 2008	397,050	397,050	3,731
Additional paid-in capital	498,460	497,569	4,684
Retained earnings	12,526,013	12,408,550	117,703
Accumulated other comprehensive income (loss)	23,876	(241,205)	224
Treasury stock, at cost, 298,692,780 shares as of June 30, 2008 and 298,717,640 shares as of March 31, 2008	(1,192,361)	(1,192,437)	(11,204)
Total shareholders' equity	<u>12,253,038</u>	<u>11,869,527</u>	<u>115,138</u>
Commitments and contingencies			
Total liabilities and shareholders' equity	<u>¥ 34,185,561</u>	<u>¥ 32,458,320</u>	<u>\$ 321,232</u>

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

TOYOTA MOTOR CORPORATION
Unaudited Consolidated Statement of Income
For the first quarter ended June 30, 2008

	Yen in millions	U.S. dollars in millions
	For the first quarter ended June 30, 2008	For the first quarter ended June 30, 2008
Net revenues:		
Sales of products	¥ 5,858,843	\$ 55,054
Financing operations	356,287	3,348
Total net revenues	<u>6,215,130</u>	<u>58,402</u>
Costs and expenses:		
Cost of products sold	4,989,767	46,888
Cost of financing operations	184,316	1,732
Selling, general and administrative	628,456	5,905
Total costs and expenses	<u>5,802,539</u>	<u>54,525</u>
Operating income	<u>412,591</u>	<u>3,877</u>
Other income (expense):		
Interest and dividend income	41,912	394
Interest expense	(14,353)	(135)
Foreign exchange gain, net	13,985	131
Other loss, net	(1,081)	(10)
Total other income (expense)	<u>40,463</u>	<u>380</u>
Income before income taxes, minority interest and equity in earnings of affiliated companies	<u>453,054</u>	<u>4,257</u>
Provision for income taxes	<u>174,666</u>	<u>1,641</u>
Income before minority interest and equity in earnings of affiliated companies	<u>278,388</u>	<u>2,616</u>
Minority interest in consolidated subsidiaries	(19,793)	(186)
Equity in earnings of affiliated companies	95,064	893
Net income	<u>¥ 353,659</u>	<u>\$ 3,323</u>
	Yen	U.S. dollars
Net income per share		
Basic	¥ 112.30	\$ 1.06
Diluted	¥ 112.28	\$ 1.06

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

TOYOTA MOTOR CORPORATION
Unaudited Condensed Consolidated Statement of Cash Flows
For the first quarter ended June 30, 2008

	Yen in millions	U.S. dollars in millions
	For the first quarter ended June 30, 2008	For the first quarter ended June 30, 2008
Cash flows from operating activities:		
Net income	¥ 353,659	\$ 3,323
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	353,659	3,323
Provision for doubtful accounts and credit losses	47,142	443
Pension and severance costs, less payments	(12,080)	(113)
Losses on disposal of fixed assets	20,024	188
Unrealized losses on available-for-sale securities, net	19	0
Deferred income taxes	(17,277)	(162)
Minority interest in consolidated subsidiaries	19,793	186
Equity in earnings of affiliated companies	(95,064)	(893)
Changes in operating assets and liabilities, and other	262,890	2,470
Net cash provided by operating activities	<u>932,765</u>	<u>8,765</u>
Cash flows from investing activities:		
Additions to finance receivables	(2,326,976)	(21,866)
Collection of and proceeds from sales of finance receivables	1,870,129	17,573
Additions to fixed assets excluding equipment leased to others	(354,471)	(3,331)
Additions to equipment leased to others	(320,170)	(3,009)
Proceeds from sales of fixed assets excluding equipment leased to others	17,572	165
Proceeds from sales of equipment leased to others	91,580	861
Purchases of marketable securities and security investments	(308,335)	(2,897)
Proceeds from sales of and maturity of marketable securities and security investments	351,258	3,301
Changes in investments and other assets, and other	(34,643)	(326)
Net cash used in investing activities	<u>(1,014,056)</u>	<u>(9,529)</u>
Cash flows from financing activities:		
Purchase of common stock	(96)	(1)
Proceeds from issuance of long-term debt	656,886	6,173
Payments of long-term debt	(700,888)	(6,586)
Increase in short-term borrowings	593,422	5,576
Dividends paid	(236,196)	(2,219)
Net cash provided by financing activities	<u>313,128</u>	<u>2,943</u>
Effect of exchange rate changes on cash and cash equivalents	48,222	453
Net increase in cash and cash equivalents	<u>280,059</u>	<u>2,632</u>
Cash and cash equivalents at beginning of period	<u>1,628,547</u>	<u>15,303</u>
Cash and cash equivalents at end of period	<u>¥ 1,908,606</u>	<u>\$ 17,935</u>

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

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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, 2008, have been prepared in accordance with accounting principles generally accepted in the United States of America and on substantially the same basis as its annual consolidated financial statements except for certain 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, 2008. 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 result for the three-month period is not necessarily indicative of results to be expected for the full year.

Reclassifications -

Certain prior year amounts have been reclassified to conform to the presentations as of and for the first quarter ended June 30, 2008.

2. Accounting changes:

In September 2006, the Financial Accounting Standard Board (“FASB”) issued FAS No. 157, Fair Value Measurements (“FAS 157”), which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The parent company and its consolidated subsidiaries (“Toyota”) adopted FAS 157 from the fiscal year begun after November 15, 2007. The adoption of FAS 157 did not have material impact on Toyota’s consolidated financial statements.

In September 2006, FASB issued FAS No. 158, Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R) (“FAS 158”). FAS 158 requires employers to measure the funded status of their defined benefit postretirement plans as of the date of their year-end statement of financial position. Toyota adopted this provision in FAS 158 regarding a measurement date from the fiscal year ending after December 15, 2008. The adoption of this provision in FAS 158 did not have material impact on Toyota’s consolidated financial statements.

In February 2007, FASB issued FAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115 (“FAS 159”). FAS 159 permits entities to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis and subsequent change in fair value must be recorded in earnings at each reporting date. Toyota adopted FAS 159 from the fiscal year begun after November 15, 2007. Because Toyota has not elected the fair value

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option for the first quarter ended June 30, 2008, the adoption of FAS 159 did not have material impact on Toyota's 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 income before income taxes, minority interest and equity in earnings of affiliated companies for the first quarter by estimated effective tax rates. These estimated effective tax rates reflect anticipated investment tax credits, foreign tax credits and other items including changes in valuation allowances, that affect estimated effective tax rates.

4. U.S. dollar amounts:

U.S. dollar amounts presented in the condensed consolidated financial statements and related notes are included solely for the convenience of the reader and are unaudited. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into, U.S. dollars. For this purpose, the rate of ¥106.42 = U.S. \$1, the approximate current exchange rate at June 30, 2008, was used for the translation of the accompanying condensed consolidated financial amounts of Toyota as of and for the period ended June 30, 2008.

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5. Contingencies :

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, 2008 is ¥1,512,768 million (\$14,215 million). Liabilities for guarantee totaling ¥3,929 million (\$37 million) have been provided as of June 30, 2008. Under these guarantee contracts, Toyota is entitled to recover any amount paid by Toyota from the customers whose original obligations Toyota has guaranteed.

Toyota, certain other automobile manufacturers, the National Automobile Dealers Association and the Canadian Automobile Dealers Association were named as defendants in purported nationwide class action lawsuits on behalf of all purchasers of new motor vehicles in the United States. The complaints allege that the defendants violated the Sherman Antitrust Act by conspiring to prevent the sale to United States citizens of vehicles produced for the Canadian market. The complaints seek injunctions against the alleged antitrust violations and treble damages in an unspecified amount. Toyota believes that its actions have been lawful. In the interest of quickly resolving these legal actions, however, Toyota entered into a settlement agreement with the plaintiffs. The settlement agreement is pending the approval of the court, and immediately upon approval the plaintiffs will, in accordance with the terms of the settlement agreement, withdraw all pending actions in the court and all related actions will be closed.

Toyota has various other legal actions, governmental proceedings and other claims pending against it, including product liability claims in the United States. Toyota cannot currently determine its potential liability or the damages, if any, with respect to these claims. However, based upon information currently available to Toyota, Toyota believes that its losses from these matters, if any, would not have a material adverse effect on Toyota's financial position, operating results or cash flows.

The European Union brought into effect a directive that requires member states to promulgate regulations implementing automobile 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 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

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with the directive to result in significant cash expenditures, Toyota is continuing to assess the impact of this future legislation on its results of operations, cash flows and financial position.

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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 affiliate companies products as well as other products. The All Other segment includes the design, manufacturing and sales of housing, telecommunications and other business.

The following tables present certain information regarding Toyota's industry segments and operations by geographic areas and overseas revenues by destination for the first quarter ended June 30, 2008.

Segment operating results -

For the first quarter ended June 30, 2008:

	Yen in millions				
	<u>Automotive</u>	<u>Financial Services</u>	<u>All Other</u>	<u>Inter-segment Elimination</u>	<u>Consolidated</u>
Net revenues					
Sales to external customers	¥ 5,715,741	¥ 356,287	¥ 143,102	¥ —	¥ 6,215,130
Inter-segment sales and transfers	5,206	6,886	145,064	(157,156)	—
Total	5,720,947	363,173	288,166	(157,156)	6,215,130
Operating expenses	5,388,602	284,039	285,204	(155,306)	5,802,539
Operating income	¥ 332,345	¥ 79,134	¥ 2,962	¥ (1,850)	¥ 412,591

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	U.S. dollars in millions				
	Automotive	Financial Services	All Other	Inter-segment Elimination	Consolidated
Net revenues					
Sales to external customers	\$ 53,709	\$ 3,348	\$ 1,345	\$ —	\$ 58,402
Inter-segment sales and transfers	49	65	1,363	(1,477)	—
Total	53,758	3,413	2,708	(1,477)	58,402
Operating expenses	50,635	2,669	2,680	(1,459)	54,525
Operating income	\$ 3,123	\$ 744	\$ 28	\$ (18)	\$ 3,877

Geographic Information -

For the first quarter ended June 30, 2008:

	Yen in millions						
	Japan	North America	Europe	Asia	Other	Inter-segment Elimination	Consolidated
Net revenues							
Sales to external customers	¥ 2,029,943	¥ 2,048,269	¥ 871,858	¥ 719,133	¥ 545,927	¥ —	¥ 6,215,130
Inter-segment sales and transfers	1,630,909	42,870	44,305	79,215	82,717	(1,880,016)	—
Total	3,660,852	2,091,139	916,163	798,348	628,644	(1,880,016)	6,215,130
Operating expenses	3,443,690	2,021,965	895,875	728,978	584,192	(1,872,161)	5,802,539
Operating income	¥ 217,162	¥ 69,174	¥ 20,288	¥ 69,370	¥ 44,452	¥ (7,855)	¥ 412,591

	U.S. dollars in millions						
	Japan	North America	Europe	Asia	Other	Inter-segment Elimination	Consolidated
Net revenues							
Sales to external customers	\$ 19,075	\$ 19,247	\$ 8,193	\$ 6,757	\$ 5,130	\$ —	\$ 58,402
Inter-segment sales and transfers	15,325	403	416	745	777	(17,666)	—
Total	34,400	19,650	8,609	7,502	5,907	(17,666)	58,402
Operating expenses	32,359	19,000	8,418	6,850	5,490	(17,592)	54,525
Operating income	\$ 2,041	\$ 650	\$ 191	\$ 652	\$ 417	\$ (74)	\$ 3,877

“Other” consists of Central and South America, Oceania, and Africa.

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Notes to Unaudited Consolidated Financial Statements

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

There are no any individually material countries with respect to revenues, operating expenses or operating income included in other foreign countries.

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

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 FAS No. 131, Disclosure about Segments of an Enterprise and Related Information ("FAS 131"), Toyota discloses this information in order to provide financial statement users with valuable information.

	<u>Yen in millions</u>	<u>U.S. dollars in millions</u>
	<u>For the first quarter ended June 30, 2008</u>	<u>For the first quarter ended June 30, 2008</u>
North America	¥ 2,115,360	\$ 19,877
Europe	864,660	8,125
Asia	764,507	7,184
Other	996,671	9,365

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

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Notes to Unaudited Consolidated Financial Statements

7. Per share amounts:

Reconciliations of the differences between basic and diluted net income per share for the first quarter ended June 30, 2008 are as follows:

	<u>Yen in millions</u>	<u>Thousands of shares</u>	<u>Yen</u>	<u>U.S. dollars</u>
	<u>Net income</u>	<u>Weighted- average shares</u>	<u>Net income per share</u>	<u>Net income per share</u>
For the first quarter ended June 30, 2008				
Basic net income				
per common share	¥ 353,659	3,149,288	¥ 112.30	\$ 1.06
Effect of diluted securities				
Assumed exercise of dilutive stock options	(0)	458		
Diluted net income				
per common share	<u>¥ 353,659</u>	<u>3,149,746</u>	<u>¥ 112.28</u>	<u>\$ 1.06</u>

Certain stock options were not included in the computation of diluted net income per share for the first quarter ended June 30, 2008 because the options' exercise prices were greater than the average market price per common share during the period.

In addition to the disclosure requirements under FAS No. 128, Earnings per Share, Toyota discloses the information below in order to provide financial statement users with valuable information.

The following table shows Toyota's net assets per share as of June 30, 2008 and March 31, 2008. Net assets per share amounts are calculated by dividing net assets' amount at the end of each period by the number of shares issued and outstanding, excluding treasury stock at the end of the corresponding period.

	<u>Yen in millions</u>	<u>Thousands of shares</u>	<u>Yen</u>	<u>U.S. dollars</u>
	<u>Net assets</u>	<u>Shares issued and outstanding at the end of the period (excluding treasury stock)</u>	<u>Net assets per share</u>	<u>Net assets per share</u>
As of June 30, 2008	¥ 12,253,038	3,149,304	¥ 3,890.71	\$ 36.56
As of March 31, 2008	¥ 11,869,527	3,149,279	¥ 3,768.97	

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On June 24, 2008, at the Ordinary General Shareholders' Meeting, the shareholders of the parent company approved to distribute year-end cash dividends of ¥236,196 million (\$2,219 million), ¥75 (\$0.70) per share, effective on June 25, 2008.