

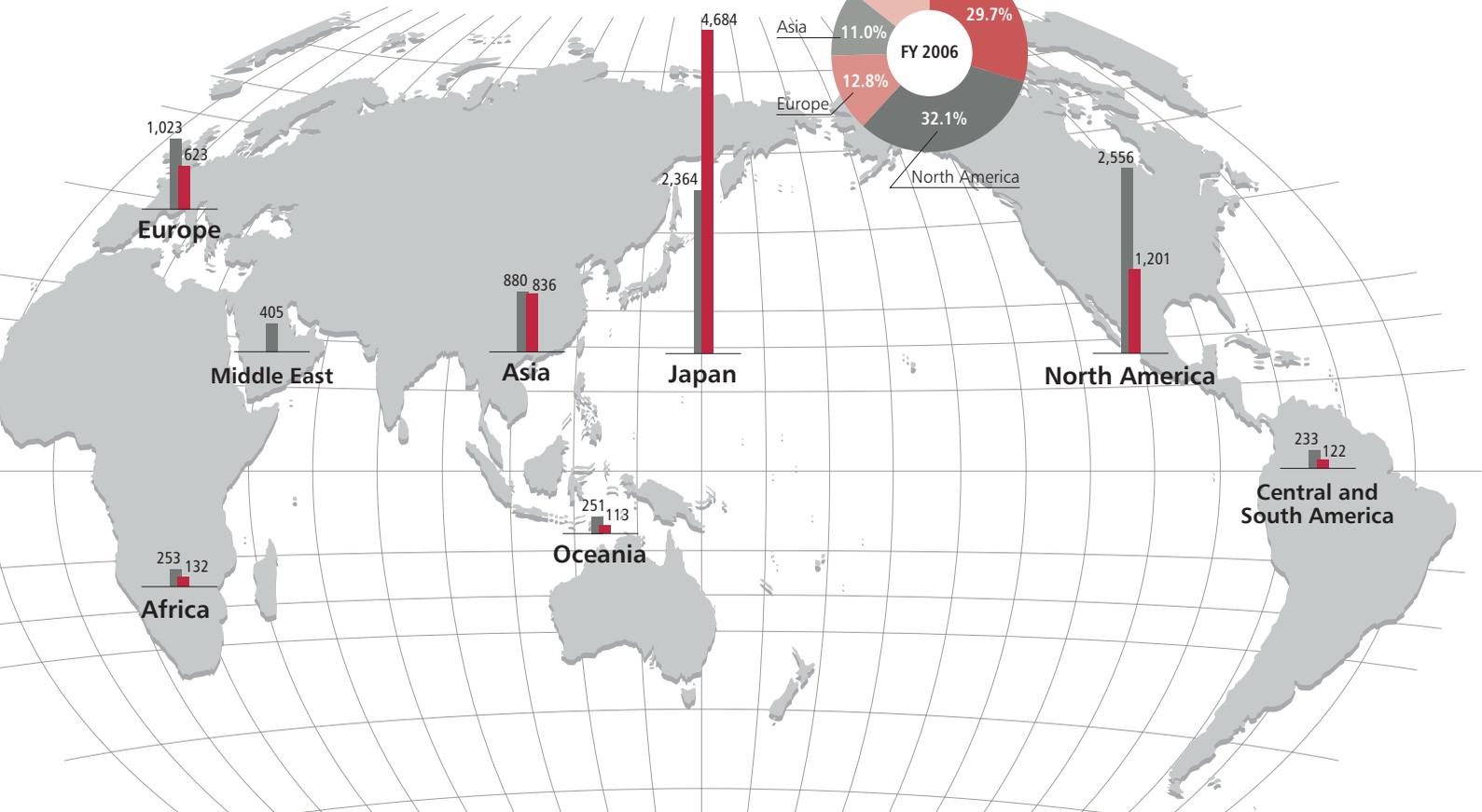
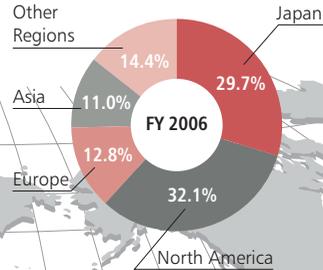
# Business Overview

## Consolidated Vehicle Sales and Production

(FY 2006)

- Consolidated Vehicle Sales (Thousands of units)
- Consolidated Production (Thousands of units)

## Vehicle Sales by Region



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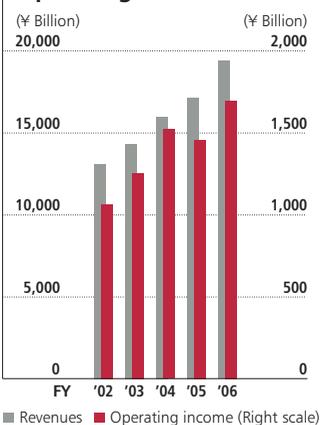
## Automotive Operations

Revenues.....¥19,338.1 billion (+13.0%)

Operating income.....¥1,694.0 billion (+16.6%)

In fiscal 2006, robust growth in vehicle production and sales worldwide pushed consolidated revenues up 13.0%, to ¥19,338.1 billion. Operating income rose 16.6%, to ¥1,694.0 billion, because currency exchange rate fluctuations, increases in vehicle production and sales, and cost reduction activities offset a reduction in net gain on the transfer to the government of the substitutional portion of certain employee pension funds and higher expenses resulting from business expansion.

### Revenues and Operating Income



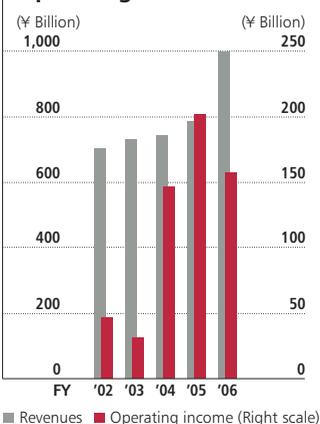
## Financial Services Operations

Revenues.....¥996.9 billion (+27.6%)

Operating income.....¥155.8 billion (-22.4%)

A 27.6% increase in consolidated revenues, to ¥996.9 billion, resulted from higher financing volume accompanying brisk vehicle sales. Meanwhile, a 22.4% decline in operating income, to ¥155.8 billion, was due to such factors as the valuation losses on interest rate swaps stated at fair value and the gain in fiscal 2005 to record prior-year adjustments relating to accounting for loan origination costs by a sales finance subsidiary in the United States.

### Revenues and Operating Income



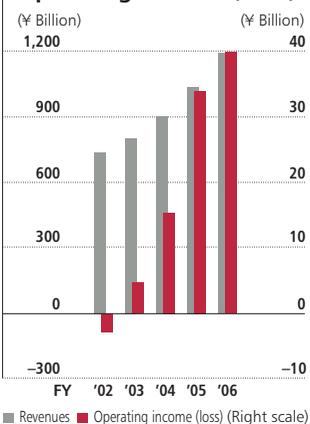
## Other Business Operations

Revenues.....¥1,190.3 billion (+15.5%)

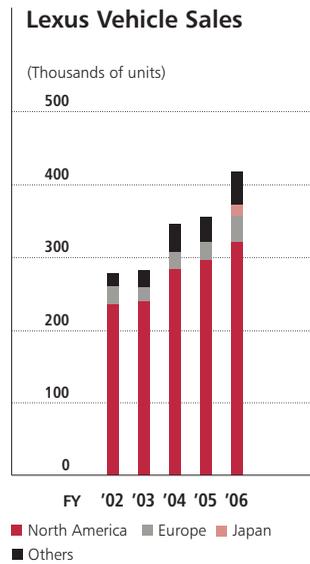
Operating income.....¥39.7 billion (+17.8%)

Revenues increased 15.5%, to ¥1,190.3 billion, while operating income was up 17.8%, to ¥39.7 billion, due to such factors as favorable production and sales in the housing business.

### Revenues and Operating Income (Loss)



# LEXUS



Since its 1989 launch in North America, Lexus has won overwhelming praise from customers and established an unassailable position as a prestige brand. To build a truly global premium brand, Toyota is taking new measures to catapult Lexus forward.

**Market Strategy**

**Move from North America to Europe, Asia, and Japan**

Aiming to take Lexus to the next level as a global premium brand, we stepped up marketing in Europe and Asia to supplement the brand’s August 2005 launch in Japan. The standing of Lexus as the number one luxury brand in North America is unquestioned, with the region accounting for almost 80%, or 319,000 units, of the 415,000 Lexus vehicles sold worldwide in fiscal 2006. Now, we will expand sales networks to increase Lexus business in regions outside North America.

In Europe, we will rapidly lift sales past the 60,000-vehicle mark—from the fiscal 2006 level of 35,000 units—by strengthening and adding to our network of dedicated Lexus dealers and bolstering advertising.

In Asia, particularly in China’s fast-growing automotive market, we will open additional dedicated Lexus dealers. By targeting major cities, we will expand our existing

network of approximately 10 dealers through stepped-up development of the network in China.

In Japan, approximately 15,000 vehicles were sold between August 2005, when Lexus debuted, and March 2006. Plans call for expansion of the network of dedicated Lexus dealers from the initial 151 to about 180.

**Product Strategy**

**Pursue true luxury to create unmatched products**

The Lexus GS and the Lexus IS, which we fully remodeled in time for the premiere of Lexus in Japan, posted solid sales in the mainstay North American market. In April 2006, we remodeled the Lexus ES, which features enhanced comfort, safety, and driving performance.

Under the Lexus badge, our mission is to create high-end automobiles with new value that is in step with the 21st century. To that end, we are eagerly incorporating hybrid systems into Lexus models to achieve radically differentiated driving and



Lexus debuted in Japan



LS



GS (Hybrid model)



ES



IS

environmental performance. We introduced hybrid versions of the Lexus RX SUV, in May 2005, and the Lexus GS sedan, in April 2006, and both models have already earned strong market support. Further, we have slated a complete transformation of the flagship Lexus LS model in time for its September 2006 debut in Japan. Spring 2007 will witness the launch of an LS hybrid model. In February 2006 in

Europe, we unveiled the Lexus IS featuring an advanced clean diesel engine to heighten the presence of Lexus in the market for diesel vehicles, which is becoming the region's mainstay.

In the quest to redefine luxury, Lexus will continue raising the bar for all facets of luxury-brand sedans, from service quality to design, driving pleasure, environmental performance, and safety.



Lexus dealer (United Kingdom)

### Leading-Edge Technology Built into Lexus

The Lexus brand aims to realize new value that goes beyond traditional ideas and benchmarks for luxury automobiles. As befits the brand's mainstay model, the LS is full of the very latest technology.

#### ■ World's First Eight-Speed Automatic Transmission

The last word in electronic control technology, this new transmission achieves seamless acceleration and outstanding fuel efficiency and quietness unobtainable from conventional automatic transmissions.



#### ■ World's First Rear Pre-Crash Safety System

A millimeter-wave radar in the rear bumper scans vehicles approaching from behind and determines the probability of a collision. If the system determines that a collision is unavoidable, it lessens the impact on the heads of passengers by moving the front-seat headrests forward until they touch the passengers' heads.



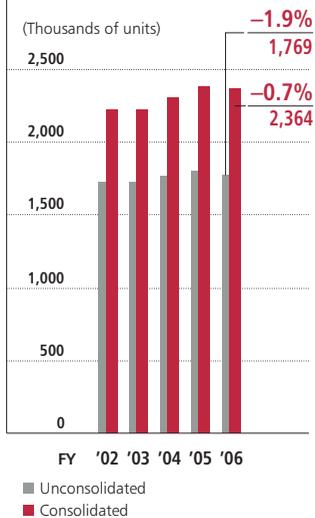
#### ■ World's First Pedestrian Recognition Stereo Camera

This is a pre-crash safety system employing an upgraded millimeter-wave radar to detect the presence of pedestrians, recognition of which was problematic with the previous generation of technology. If the system detects a high possibility of collision, it sounds an alarm. If corrective maneuvering does not take place, the pre-crash brakes are activated to reduce the collision speed.

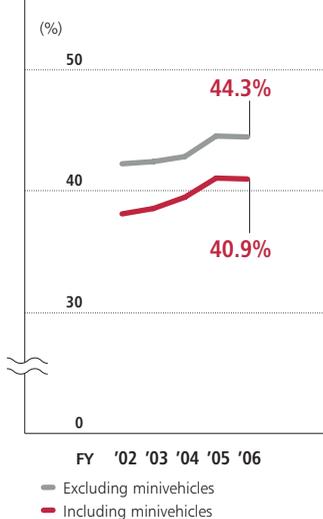


# Japan

**Vehicle Sales in Japan**



**Market Share in Japan**



**Toyota will maximize growth opportunities by developing and offering products with enhanced appeal amid steady trends in its home market.**

**Market Conditions**

**Steady demand in domestic market as automotive market undergoes structural change**

Fiscal 2006 saw total new vehicle sales rise slightly to 5.86 million units, while sales excluding minivehicles edged down to 3.91 million units. In recent years, demand in the non-minivehicle market has held steady just below 4.00 million units while demand has shifted toward minivehicles and used vehicles. In fiscal 2007, the non-minivehicle market is projected to stay around the 4.00-million-vehicle mark.

**Performance Overview**

**Toyota keeps market share above 40% despite slight decline in vehicle sales**  
In tough market conditions, the

Toyota Group, including Daihatsu Motor Co., Ltd., and Hino Motors, Ltd., vigorously marketed vehicles. However, domestic vehicle sales of 2.36 million units on a shipment basis came up just short of the previous year's results, and our share of the non-minivehicle market adjusted slightly, from a high-water mark of 44.5% to 44.3%. Nevertheless, Toyota claimed more than 40% of the market for the eighth straight year.

Looking at sales trends by model, the Vitz, which was fully remodeled in the previous fiscal year, and new models, such as the Ractis and Belta, sold briskly.

**Domestic Lineup Highlights**

2005	October	Launch of the <b>Ractis</b> compact passenger car
	November	Full remodeling of the <b>RAV4</b> small SUV
	December	Launch of the <b>Belta</b> compact sedan
2006	December	Full remodeling of the <b>bB</b> compact 2-box
	January	Full remodeling of the <b>Estima</b> high-end minivan
	January	Launch of the <b>Rush</b> compact SUV
		Full remodeling of the <b>Camry</b> high-end FF* sedan

\* Front engine front drive



bB



Estima



Rush

**Market Strategy**

**Step up development of attractive vehicles to stimulate demand**

In the domestic automotive market—which has trended steadily in the past several years—we will actively take measures to invigorate the market and achieve medium-to-long-term growth. To spur replacement demand by creating new value in cars, Toyota will offer products that customers find even more appealing and move forward with technology development.

Further, we will continue restructuring sales channels to cater to customers with diverse needs and values. Having already consolidated sales channels from five to four and launched the new Netz sales channel in 2004 through the advancement of a revised product and channel strategy, we differentiated sales channels more sharply by launching new visual identities for Toyota dealers, Toyopet dealers, and Corolla dealers in March 2006.



Ractis



Belta

**Strengthening Sales Channel Identity**

In March 2006, we created new visual identities for the Toyota, Toyopet, and Corolla sales channels by installing new signboards inside and outside dealers that reflect each channel's distinctive character. Specifically, we enhanced and differentiated the look of dealers' signboards by renewing sales channel logos, using distinctive colors and materials for each channel, and incorporating a three-dimensional Toyota marque. Furthermore, to be environment friendly, we curbed the amount of electricity used by signboards. Going forward, we will continue developing dealers to underscore their particular channel identities while ensuring dealers explain products more fully and provide comprehensive after-sales services.

**[ Main Channel Focuses ]**

- Toyota:** Luxury vehicles
- Toyopet:** Mid-size vehicles
- Corolla:** Compact vehicles
- Netz:** Unique vehicles



**TOYOTA**

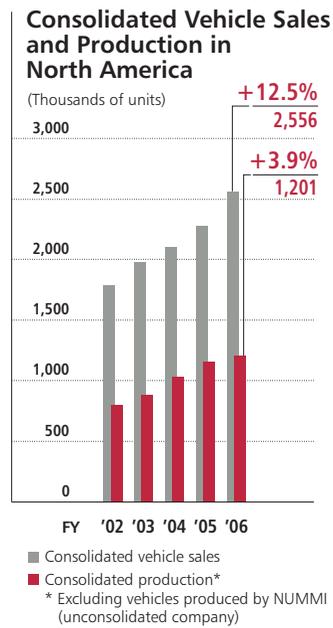


**TOYOPET**



**COROLLA**

# Automotive Operations North America



Note: Different from fiscal year figures

Toyota will continue to raise local production capacity while enriching lineups in the North American market, which promises ongoing growth.

**Market Conditions**

**Growth in U.S. and Canadian automotive markets stays solid**

In fiscal 2006, total vehicle sales in the U.S. automotive market grew year on year for the second successive year, reaching 17.03 million vehicles. Meanwhile, the Canadian market outperformed the previous year for the first time in three years, with total sales of 1.59 million vehicles. Due to a hike in gasoline prices, there was a marked shift in demand toward fuel-efficient small and mid-size cars and an overall slackening in sales of SUVs and other large models. However, the North American automotive market will likely sustain growth on the back of a rising population and continued steady economic conditions.

**Performance Overview**

**U.S. vehicle sales top previous high for 10th consecutive year**

In North America in fiscal 2006, Toyota sold 2.55 million vehicles and built 1.20 million vehicles on a consolidated basis. Including Toyota-brand vehicles contributed by unconsolidated New United Motor Manufacturing, Inc. (NUMMI), North American production amounted to 1.57 million vehicles. In the United States, Toyota posted a new vehicle sales record for the 10th straight year, shipping 2.30 million vehicles.

Sales of large SUVs declined, partly because certain SUVs were nearing model changes. However, vehicles remodeled during the year—the Avalon, Tacoma, and RAV4—sold briskly. Further, the Scion-marque

**Lift Local Production Capacity to 1.98\* Million by 2008**

Canada (TMMC)	250,000 vehicles
Kentucky (TMMK)	500,000 vehicles
Indiana (TMMI)	300,000 vehicles
California (NUMMI)**	400,000 vehicles
Mexico (TMMBC)	50,000 vehicles (increase from 30,000 to 50,000 units in 2007)
Texas (TMMTX)	200,000 vehicles (scheduled for October 2006 start-up)
Canada, second plant	150,000 vehicles (scheduled for 2008 start-up)
Production outsourcing to North American plant of Fuji Heavy Industries Ltd.	100,000 vehicles (scheduled for spring 2007 start-up)

\* Toyota plans to fill the 30,000-vehicle gap relative to total plant production capacity by enhancing efficiency and increasing personnel at existing plants.

\*\* The California plant is a Toyota-General Motors joint venture company that is accounted for using the equity method. Production capacity figures include vehicles for General Motors.

Note: Please see the Overseas Manufacturing Companies section on page 134 for full plant names.



RAV4



Prius



Scion tC

vehicles, targeting the younger generation, and the Prius hybrid vehicle achieved steep increases in sales. In 2005, Lexus ranked as the best-selling prestige-sedan brand in the United States for the sixth successive year thanks to robust sales of the new IS and GS models and the marketing of the RX400h SUV.

**Market Strategy**

**Expand operations rooted in local communities through further localization**

Our plans call for further strengthening of North American operations based on continued expansion of local production capacity and enhancement of lineups. In efforts to increase local production, Toyota will commence operations at a new plant in Texas in

October 2006, step up production capacity in Mexico in 2007, and begin production at a second plant in Canada in 2008. In addition, in spring 2007 annual production of 100,000 units of the Camry for North America will begin at the North American plant of Fuji Heavy Industries Ltd.

In lineup enhancement, we fortified hybrid vehicles by debuting a Camry hybrid vehicle to complement the Prius and the Lexus RX400h. Local production of the Camry Hybrid is scheduled to get under way in October 2006 at our Kentucky plant. In addition, to further the localization of product development, we plan to break ground for new facilities with design capabilities at the Michigan research and development center.



Avalon



Tacoma

**New Company Overseeing R&D and Production**

In April 2006 in Erlanger, Kentucky, Toyota established a company with overall control of research and development and production in North America: Toyota Motor Engineering & Manufacturing North America, Inc. (TEMA). By integrating the production control functions of Toyota Motor Manufacturing North America, Inc. (TMMNA), and the research and development functions of Toyota Technical Center U.S.A. Inc. (TTC), the new company will raise the speed and efficiency of workflow between the Company's R&D and manufacturing arms while furthering localization.



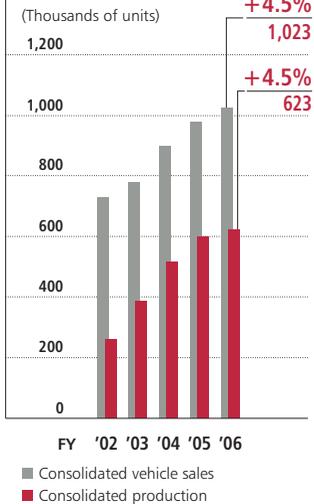
**North American Production Support Center Opens**

Adjacent to our Kentucky plant, we inaugurated the North American Production Support Center (NAPSC) in January 2006, which began training for all major manufacturing processes. As a branch of the Global Production Center, established in July 2003 within the Motomachi plant in Japan, NAPSC will teach manufacturing, maintenance, and other fundamental skills to trainers in the production divisions of our North American plants.

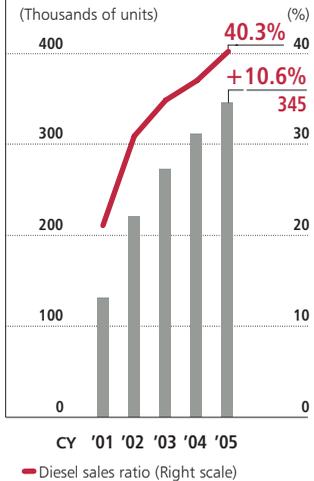


# Automotive Operations Europe

## Consolidated Vehicle Sales and Production in Europe



## Diesel Vehicle Sales and Diesel Sales Ratio



Note: Different from fiscal year figures

Toyota will develop operations decisively, setting its sights on raising market presence and earnings in Europe's fiercely competitive market.

### Market Conditions

**Amid intense competition, market size same as in previous year**

In fiscal 2006, sales in the European automotive market amounted to 17.12 million vehicles, roughly the same level as in the previous year. While global automakers compete fiercely to grow sales and profits, market size will likely remain in the region of 17 million vehicles.

### Performance Overview

**Eighth straight sales record takes market share above 5% for first time**

In Europe in fiscal 2006, Toyota posted its highest-ever sales for the eighth year running, with consolidated shipments of 1.02 million vehicles. As a result, market share on a calendar-year basis passed 5% for

the first time, and Toyota rose from eighth to seventh place in Europe's passenger car market. On the back of favorable sales, consolidated production totaled 623,000 vehicles.

The Toyota brand enjoyed strong sales across the European lineup, including the Yaris, our flagship mass production model; such mainstay models as the Corolla and Avensis; and the Aygo, a small passenger car built by our joint venture company in the Czech Republic. Further, efforts to bolster diesel vehicle sales bore fruit, with diesel vehicles accounting for 40% of Toyota's vehicle sales in 2005, up from 37% in the previous year. Mindful of the European market's intensifying competition, the Company will enhance its brand image by

### Lift Local Production Capacity to 825 Thousand by 2007

United Kingdom (TMUK)	285,000 vehicles
France (TMMF)	270,000 vehicles (increase from 240,000 to 270,000 units in 2006)
Turkey (TMMT)	150,000 vehicles
Czech Republic (TPCA)	100,000 vehicles*
Russia (TMMR)	20,000 vehicles (scheduled for December 2007 start-up)

\* Toyota-brand vehicles

Note: Please see the Overseas Manufacturing Companies section on page 134 for full plant names.



Avensis



Corolla



Aygo

emphasizing the unmatched quality of Toyota cars. At the same time, we will further localize purchasing to hone price competitiveness.

**Market Strategy**

**Seek balanced enhancement of line-up, marketing, and local production capacity**

Toyota aims to sell 1.20 million vehicles in the European market by 2010. To achieve that target, our basic strategy is to increase product appeal, sales capabilities, and localization.

Responding to the strong interest in environmental issues in the region,

we will add to our offerings of diesel vehicles and hybrid models while actively advertising their merits and performance to grow vehicle sales.

To advance localization, we will continue staged expansion of production capacity for vehicles and such major components as engines. At our plant in France, which builds the Yaris, we raised annual production capacity by 30,000 vehicles, to 270,000 vehicles, in February 2006. Currently under construction, our new plant in St. Petersburg, Russia, will produce 20,000 vehicles a year after coming onstream in December 2007.



France plant (TMMF)



Toyota Europe Design Development (ED<sup>2</sup>) (Côte d'Azur, France)

**European Management Subsidiaries Integrate**

In Europe in October 2005, we integrated our sales management company, Toyota Motor Marketing Europe NV/SA; our production control company, Toyota Motor Engineering & Manufacturing Europe NV/SA; and their holding company, Toyota Motor Europe NV/SA. By joining forces, the three companies are intensifying coordination between production, sales, and technology departments to enable us to move forward in the face of tough regional competition.

**Enlargement of European R&D Center**

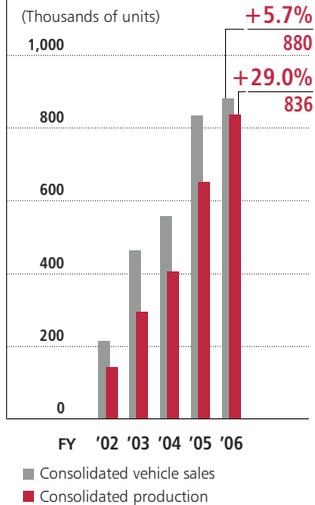
To further localize technology development and enhance our ability to develop products that reflect Europe's diversifying market, we expanded Toyota Motor Europe's Technical Center, completing new offices and testing facilities in January 2006. The Technical Center will handle body engineering for models to be built in Europe and diesel engine evaluation for models to be sold in Europe.



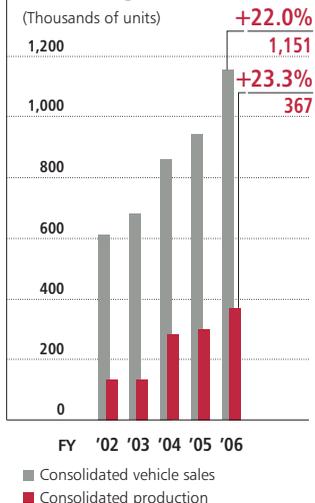
Czech plant (TPCA)

# Asia and Other Regions

## Consolidated Vehicle Sales and Production in Asia



## Consolidated Vehicle Sales and Production in Other Regions



Toyota will accelerate growth on a global scale through stepped-up operations in the rapidly developing automobile sectors of newly industrializing countries in such regions as Asia.

### Market Conditions

#### Advance of global motorization grows markets

The automotive market in Asia remained favorable, fueled by vigorous demand in China and Thailand. China is developing into one of the world's major vehicle manufacturing nations. In Other Regions, solid demand in the markets of Central and South America and Africa demonstrated that the global auto market continues to grow.

### Performance Overview

#### Vehicle production and sales up sharply due to localization

Buoyed by heavy demand for vehicles in markets worldwide, consolidated vehicle sales in Asia and in Other Regions posted significant increases. Vehicle production also rose markedly due to the rollout of the IMV project in Asia and higher

production volumes in China and Africa.

### IMV Strategy

#### Speed up development of global project in readiness for increased demand

With production centered on three hubs—the ASEAN region, Argentina, and South Africa—the IMV project seeks to establish an optimized international procurement and production system that provides multi-purpose vehicles to more than 140 countries and regions worldwide. Robust local sales and exports reflected markets' enthusiastic reaction to the project's dedication to "global best" products.

Anticipating increased demand, Toyota is already constructing a new plant in Thailand. We have also significantly increased production capacity in South Africa. Our

### China: Operational Highlights

2005	October	Guangqi Toyota Engine Co., Ltd., announced production capacity increase
		Tianjin FAW Toyota Motor Co., Ltd., began production of the REIZ at second plant
	November	Guangqi Toyota Engine Co., Ltd., began production of the AZ engines
	December	Sichuan FAW Toyota Motor Co., Ltd., began production of the Prius in Changchun
2006	May	Guangzhou Toyota Motor Co., Ltd., began production of the Camry



REIZ



VIOS



Fortuner, IMV Series

current focus is on expediting measures to bed down the IMV project's operational platform while further clarifying the distinctive identities of IMV lineups as globally strategic vehicles.

**China Strategy**

**Secure growth opportunities in the market while monitoring demand trends**

In China, Toyota will continue investing to grow production capacity and add to product lineups while closely monitoring market trends. At the

same time, we aim to heighten earnings by steadily increasing our competitiveness in the thriving local market, expanding our sales network, and increasing purchasing from local component suppliers.

In May 2006, production of the Camry began at Guangzhou Toyota Motor Co., Ltd. Also, Tianjin FAW Toyota Motor Co., Ltd., has slated mid-2007 to launch annual production of 200,000 vehicles at a third plant currently under construction.

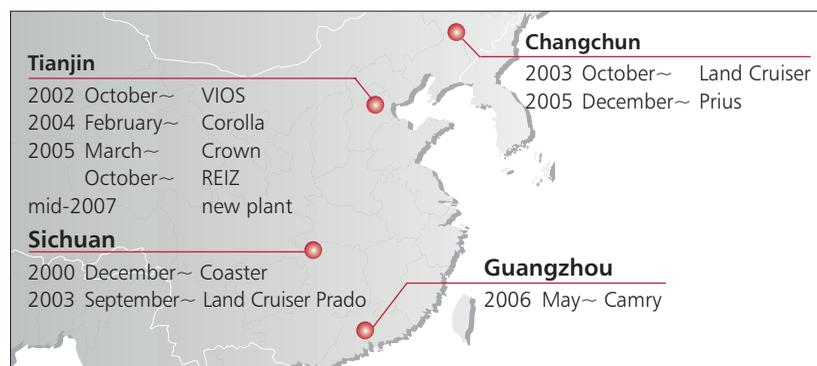


Line-off ceremony for the AZ engines at Guangqi Toyota Engine Co., Ltd.



Line-off ceremony for the Prius at Sichuan FAW Toyota Motor Co., Ltd.

**Raise Production Capacity in China to 643 Thousand by 2007**



Exhibiting the new-model REIZ

**Inauguration of Plant in Thailand**

In December 2005, Toyota's vehicle production and sales company in Thailand, Toyota Motor Thailand Co., Ltd. (TMT), held a cornerstone-laying ceremony for its third plant, in Chachoengsao Province. Earmarked to play a major role in the expansion of the IMV project, the plant will commence production of the Hilux pickup truck in early 2007. Plans call for annual production capacity of 100,000 vehicles, investment of about ¥41 billion, and the creation of roughly 2,000 jobs.

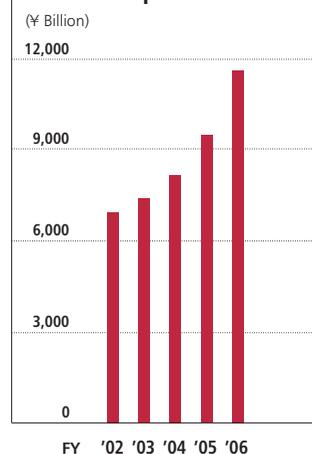


## Financial Services Operations



Our global auto sales financing network encompassing 31 countries and regions provides high-quality financial services to customers seeking to purchase Toyota vehicles.

### Total Assets by Financial Services Operations



### Overview of Toyota's Financial Services Operations

FY 2006

Total financial services segment assets.....	¥11,613.5 billion
Revenues from financial services operations.....	¥996.9 billion
Operating income.....	¥155.8 billion
Credit ratings.....	AAA /Aaa
Operating areas.....	31 countries and regions worldwide
Market coverage.....	approx. 90%
No. of customers.....	approx. 11 million
No. of employees.....	approx. 8,000

### Business Overview

#### Financing volume and revenues up due to robust automotive sales

In fiscal 2006, operating income declined because of such factors as the valuation losses on interest rate swaps stated at fair value that offset a large increase in revenues from financial services operations associated with higher financing volume.

Toyota's financial services operations play a vital role—underpinning the growth of the Company's core automotive operations. Because car purchases often require auto loans, delivering superior quality auto sales financing is a key part of competitive marketing. Covering 31 countries and regions, including Japan, financial services operations center on Toyota Financial Services Corporation (TFS), which has overall control of financial services subsidiaries in Japan and overseas. TFS has constructed a global network that covers approximately 90% of the markets in which Toyota sells its vehicles.

At present, TFS provides financial services related to vehicle purchases and leases to approximately 6 million customers worldwide. Further, TFS has the highest credit rating of U.S.

rating agencies Standard & Poor's and Moody's. Backed by such solid creditworthiness, TFS provides services customers trust.

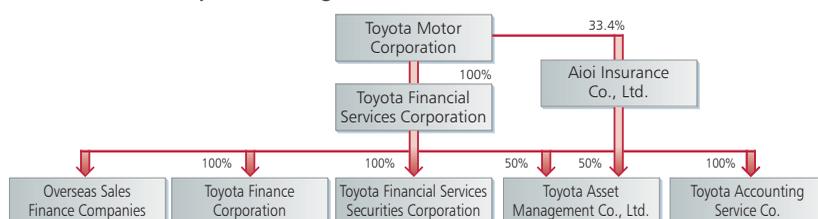
### Business Strategy

#### Offer one-stop financial services centered on auto sales

In addition to auto sales financing, the TFS Group is focusing on offering comprehensive financial services that closely reflect customers' lifestyle needs. Particularly in Japan, the group provides wide-ranging financial services that include auto sales financing, retail sales of corporate bonds and investment trusts, asset development services for individuals, housing loans, and insurance. For example, Toyota Financial Services Securities Corporation offers Toyota Group corporate bonds and securities with high credit ratings denominated in foreign currencies, mainly those issued by the World Bank (International Bank for Reconstruction and Development) and other institutions.

In addition, Toyota Finance Corporation released the TS CUBIC CARD in 2001, aiming to create a more accessible and convenient credit card by incorporating functions and services not normally available from credit cards. The TS CUBIC CARD had approximately 5.4 million cardholders at fiscal year-end. Also, Toyota Finance Corporation has the largest joint ETC (electronic toll collection) membership—1.7 million cardholders at fiscal year-end—in the domestic ETC card industry.

### Financial Services Operations Organization



## Other Business Operations



Toyota adapts the technologies and intellectual assets cultivated in its automotive operations to develop businesses in such areas as information technology and telecommunications, housing, and environmental preservation.

### **Intelligent Transport Systems Business**

With the goals of enhancing the functionality of cars and advancing transportation systems, Toyota is creating products and systems for the realization of the Intelligent Transport System (ITS). In those efforts, we advance driving support systems, combine cars and information technology and telecommunications, develop systems linking cars and infrastructure, and offer models for future highway-based public transportation systems. In the same way that we took steps to realize the full-fledged commercialization and popularization of ETC, we will lead efforts to advance the practical application and spread of ITSs. We will participate in collaborative projects among government, the private sector, and academic institutions that involve undertaking research and development and proving tests.

### **Information Technology and Telecommunications Business**

We believe that further integration of vehicles and communication is essential to enhance the convenience and comfort of cars. Focusing on cell phones, Toyota is collaborating on the planning and commercialization of telecommunications-related products and services with its main partner the general telecommunications services provider KDDI Corporation, which offers products ranging from cell phone services to fixed-line telephone domestic and international telecommunications services and Internet-related services. At the same time, we are developing a sales agency business that primarily handles KDDI cell phones.

### **e-Toyota Business**

Toyota's comprehensive information network service GAZOO provides its 4.9 million members with information on new cars, used cars, and related services and a wide range of other information through a web site and information terminals. Further, as part of GAZOO mobility services, we provide G-BOOK, an information service for onboard terminals. At present, we are introducing upgraded versions of the G-BOOK system: G-BOOK ALPHA and G-Link for Lexus vehicles. In addition, we are introducing e-CRB (Customer Relationship Building), a state-of-the-art CRM (Customer Relationship Management) network system that

helps cultivate long-term relationships with customers mainly in Thailand, Australia, and China.

### **Housing Business**

Toyota is focusing its efforts on developing homes that feature outstanding functionality, durability, and earthquake resistance and that cater to modern lifestyles. In fiscal 2006, sales of homes increased 4.6% year on year, to 5,525 units, thanks to such efforts as the marketing of new products.

### **Marine Business**

By making full use of the engine and other advanced technologies it has developed in automotive manufacturing, Toyota produces and markets motorboats and marine engines. In fiscal 2006, we launched a high-end pleasure boat, the PONAM-45.

### **Biotechnology and Afforestation Business**

To contribute to the construction of a recycling society, Toyota promotes biotechnology and greening businesses. Those operations include afforestation businesses in Australia and China, sweet potato processing in Indonesia, and floriculture and rooftop "greening" in Japan. In the field of bioplastics, Toyota constructed a pilot factory within its Hirose plant and began operations in May 2005. In addition, aiming to curb the burden placed on the environment by livestock farmers and resolve such environmental issues as offensive odors, Toyota jointly developed an agent that promotes the production of fertilizer, resQ45, with Menicon Co., Ltd., launching sales in July 2006.



Pilot factory in Toyota's Hirose plant