

FINANCIAL SUMMARY

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

FY2003

(April 1, 2002 through March 31, 2003)

English translation from the original Japanese-language document

TOYOTA MOTOR CORPORATION

Cautionary Statement with Respect to Forward-Looking Statements

This report contains forward-looking statements that reflect Toyota's plans and expectations. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause Toyota's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. These factors include: (i) changes in economic conditions affecting, and the competitive environment in, the automotive markets in Japan, North America, Europe and other markets in which Toyota operates; (ii) fluctuations in currency exchange rates, particularly with respect to the value of the Japanese yen, the U.S. dollar, the euro and the British pound; (iii) Toyota's ability to realize production efficiencies and to implement capital expenditures at the levels and times planned by management; (iv) changes in the laws, regulations and government policies affecting Toyota's automotive operations, particularly laws, regulations and policies relating to environmental protection, vehicle emissions, vehicle fuel economy and vehicle safety, as well as changes in laws, regulations and government policies affecting Toyota's other operations, including the outcome of future litigation and other legal proceedings; (v) political instability in the markets in which Toyota operates; (vi) Toyota's ability to timely develop and achieve market acceptance of new products; and (vii) fuel shortages or interruptions in transportation systems, labor strikes, work stoppages or other interruptions to, or difficulties in, the employment of labor in the major markets where Toyota purchases materials, components and supplies for the production of its products or where its products are produced, distributed or sold. A discussion of these and other factors which may affect Toyota's actual results, performance, achievements or financial position is contained in the "Operating and Financial Review and Prospects" and "Information on the Company" sections and elsewhere in Toyota's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission.

OVERVIEW OF ASSOCIATED COMPANIES

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Toyota Motor Corporation (“TMC”) and its associated companies (581 subsidiaries and 233 affiliates as of March 31, 2003) are engaged mainly in the automotive industry and also in the financial services and other businesses.

The following three business segments are segmented on the basis as stated under the “Segment Information” according to the business category.

Automotive:

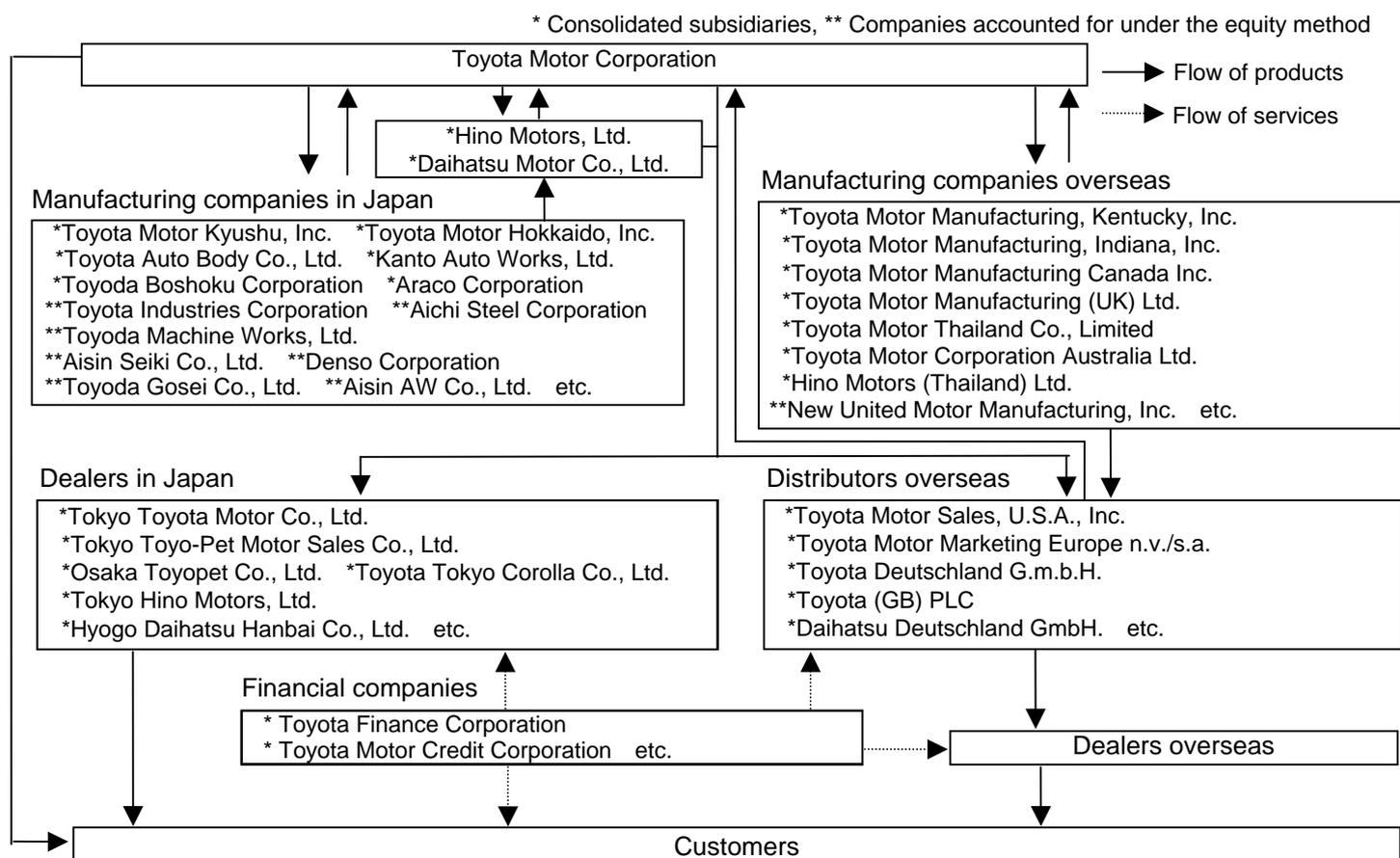
This business involves the design, manufacturing and sale of passenger cars, recreational vehicles, sport utility vehicles, minivans, trucks, buses and related parts. Automobiles are manufactured mainly by TMC, Hino Motors, Ltd., and Daihatsu Motor Co., Ltd., but a portion of manufacturing is consigned to Toyota Auto Body Co., Ltd. and others. Automobiles are also manufactured by Toyota Motor Manufacturing, Kentucky, Inc. and other overseas companies. Automobile parts are manufactured by TMC, Denso Corporation and others. These products are sold through Tokyo Toyo-Pet Motor Sales Co., Ltd. and other dealers and to certain large customers, sold directly by TMC. Overseas, sales are made through Toyota Motor Sales, U.S.A., Inc. and other distributors and dealers. In addition, Volkswagen vehicles are sold through TMC and some dealers in Japan.

Financial Services:

This business involves the provision of loans and leases to customers and the provision of loans to dealers. Toyota Finance Corporation in Japan, Toyota Motor Credit Corporation and others overseas provide sales financing for TMC's products and the products of its subsidiaries and affiliates.

All other:

Other business includes the design, manufacturing and sale of housing, telecommunications and other businesses. Housing is manufactured by TMC and sold through domestic housing dealers. In addition, Toyota Tsusho Corporation engages in the purchase and sale as well as import and export of various products.



Other major companies include Toyota Motor North America, Inc., which deals with public relations and research activities in North America, Toyota Motor Manufacturing, North America, Inc., which controls manufacturing companies in North America, Toyota Motor Europe n.v./s.a., which deals with public relations activities in Europe, Toyota Motor Engineering & Manufacturing Europe n.v./s.a., which controls manufacturing companies in Europe, and Toyota Financial Services Corporation, which controls the management of financial companies.

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Note 1: Toyota Motor Europe Marketing & Engineering n.v./s.a. was renamed to Toyota Motor Marketing Europe n.v./s.a. on July 1, 2002.

Note 2: Toyota Motor Europe Manufacturing n.v./s.a. was renamed to Toyota Motor Engineering & Manufacturing Europe n.v./s.a. on July 1, 2002.

<Overview of Changes in Major Associated Companies>

For FY2003, the change in our major associated companies is as follows:

(Change in major associated companies)

Newly established:

Toyota Motor Europe n.v./s.a.

In April 2002, TMC established a Europe-based holding company, Toyota Motor Europe n.v./s.a. ("TME"). The purpose of establishing TME is to enhance efficiency and accelerating decision making in Toyota's European operations as well as strengthening corporate lobbying and public relations activities in Europe.

MANAGEMENT POLICY

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

1. Toyota's Basic Management Policy

Toyota Motor Corporation (TMC) holds up the "Guiding Principles at Toyota Motor Corporation" as its basic management policy and believes that efforts to achieve the goals set forth in the principles will lead to an increase in shareholder value. The "Guiding Principles at Toyota Motor Corporation" are as follows:

- (1) Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.
- (2) Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.
- (3) Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.
- (4) Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
- (5) Foster a corporate culture that enhances individual creativity and teamwork value, while honoring mutual trust and respect between labor and management.
- (6) Pursue growth in harmony with the global community through innovative management.
- (7) Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

2. Basic Policy on the Distribution of Profits

TMC positions the benefit of its shareholders as one of its priority management policies and promotes its business aggressively while improving and strengthening its corporate foundations. TMC's basic approach is to continue paying stable dividends, while giving overall consideration to business results, dividends payout ratio, etc. Further, with the intent of responding to the expectations of its shareholders, TMC plans to implement a number of measures, including retiring shares, in order to return profits to its shareholders.

TMC aims to use reserves to establish a stable, long-term management foundation for making its products more competitive, improving domestic and overseas production and sales structures, and developing new businesses.

3. TMC's Medium and Long-term Management Strategy

TMC is promoting management reforms by introducing a new management system intended to speed up the pace of decision making and operations as well as to enhance transparency of management. In addition, the entire group will cooperate to address the following issues in order to contribute to the creation of a more prosperous society in the new century and for our continuous growth in the future.

First, TMC is working to launch products that respond precisely to customer needs in a timely manner, thereby providing the fun and convenience of automobiles to ever greater numbers of customers. Next, TMC will promote the further use of hybrid vehicles and will continue its efforts to develop fuel cell vehicles to strengthen our responses to environmental issues. Also, TMC will work towards the realization of an automobile-based society in which people can live in ease, safety and comfort through the development of advanced technologies in a wide range of fields including information technology. Finally, TMC will work to create systems for the development, production, and sale of products that respond to needs in different regions to establish robust and efficient structures that are truly global. By addressing these issues, TMC will work to increase shareholder value and strive to become a leader in creating automobiles and an automobile-based society in the 21st century.

In the future, TMC will continue to adopt a serious and modest attitude in order to become a corporation that earns the respect and support of people all over the world and to promote harmonious growth with our society.

4. Basic Policy on Corporate Governance and Status of Policy Implementation

TMC has positioned the stable long-term growth of shareholder value as a top-priority management issue.

In order to achieve this goal, TMC aims to build good relations with all stakeholders including shareholders, customers, business partners, local communities and employees, and improve corporate governance through a variety of means including statutory functions such as general meetings of shareholders, meetings of the board of directors, and meetings of corporate auditors and independent accountants.

Specifically, TMC established a "Committee of Ethics for Corporate Conduct", comprised of executives of the executive vice president level and higher, to evaluate all corporate activities from the viewpoint of legal requirements and corporate ethics. TMC also adopted guidelines to codify the basic attitude and conduct expected of employees. Efforts are being made to ensure employees strictly follow these guidelines. In addition, TMC has established a Disclosure Committee in response to the U.S. Sarbanes-Oxley Act to ensure transparency of TMC's disclosure procedures. Also, every year, TMC holds a meeting of the International Advisory Board, which is comprised of knowledgeable persons from foreign countries, to provide TMC with advice concerning management strategies in connection with Toyota's globalization initiatives.

TMC has long provided financial information to shareholders, investors and other stakeholders. As of this fiscal year TMC has started to disclose financial information on a quarterly basis and release its financial results earlier to ensure a high level of corporate accountability.

At the June 2003 general meetings of shareholders, TMC will introduce a new management system that features a streamlined board of directors, the new positions of non-board managing officers (non-directors), and increasing the number of outside corporate auditors. TMC believes this will speed up the pace of decision making and operations and enhance management transparency even further.

5. Policy for the Granting of Stock Options and Other Incentive Plans

Since 1997, TMC has implemented an incentive plan for granting stock options to the directors of TMC under the Commercial Code. Since 2001, TMC has expanded the scope of eligible stock option recipients to newly include senior managers in addition to directors. Together with this change, TMC has also decided to introduce a new incentive plan for the executives of its overseas subsidiaries and affiliated companies.

TMC believes that these incentive plans will further heighten their willingness and motivation to improve business performance in the medium and long-term, enhance international competitiveness and profitability, and contribute to increased shareholder value.

BUSINESS RESULTS AND FINANCIAL POSITION

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

1. Summary of Consolidated Financial Results of FY2003

(1) Financial Results

In the Japanese economy during FY2003, although TMC believes capital investments by the private sector bottomed out and there were some signs of improvement, personal consumption remained sluggish against a backdrop of severe employment conditions and the overall economic climate remains difficult. At the same time, although the economic downturn in Europe - particularly in the Euro zone - continued, overall overseas economies were comparatively strong, particularly in the United States and Asia.

Under these conditions, domestic vehicle sales increased by one thousand units, to 2,218 thousand units in FY2003 compared with FY2002 as a result of the active introduction of new products that met customer needs and the strong sales efforts made by dealers in Japan. Toyota's market share (excluding minivehicles) achieved 42.3% in FY2003, exceeding 40.0% for the fifth consecutive year. Including minivehicles, the market share was 38.5% in FY2003. Meanwhile, overseas vehicle sales increased by 461 thousand units, or 12.9%, to 4,028 thousand units in FY2003 compared with FY2002, mainly due to the introduction of new products that met customer needs worldwide. As a result, total vehicle sales in Japan and overseas increased by 462 thousand units, or 8.0%, to 6,246 thousand units in FY2003 compared with FY2002.

Net sales increased by 948.0 billion yen, or 6.3%, to 16,054.2 billion yen in FY2003 compared with FY2002, and operating income increased by 240.2 billion yen, or 21.4%, to 1,363.6 billion yen in FY2003 compared with FY2002. Among the factors contributing to the increase in operating income of 450.0 billion yen, cost reduction efforts accounted for 300.0 billion yen, marketing efforts for 90.0 billion yen and the effect of changes in exchange rates for 60.0 billion yen. On the other hand, factors contributing to the decrease in operating income of 209.8 billion yen included increases in R&D expenses, labor costs and other factors. Ordinary income increased by 300.5 billion yen, or 27.0%, to 1,414.0 billion yen in FY2003 compared with FY2002. Net income increased by 328.8 billion yen, or 53.4%, to 944.6 billion yen in FY2003 compared with FY2002.

Net sales, operating income, ordinary income and net income all reached historic highs.

In conjunction with enforcement of the Defined Benefit Enterprise Pension Plan Law, TMC and some of its domestic consolidated subsidiaries and domestic affiliates accounted for under the equity method received approval from the Minister of Health, Labour and Welfare, for exemption from payment of future benefits regarding the substituted portion of the employee pension fund.

TMC and these subsidiaries and affiliates applied the transitional accounting treatment specified in paragraph 47-2 of the "Practical Guidelines of Accounting for Retirement Benefits (Interim Report)", and recognized an extinguishment of retirement benefit obligation with respect to such substituted portion as of the date of the approval.

As a result, TMC has recorded a 267.6 billion yen impact on profit during FY2003. TMC has accounted for 32.3 billion yen (representing TMC's portion of the impact recorded by these affiliates) as "Equity in earnings of affiliates" in non-operating income and 235.3 billion yen (the impact recorded by TMC and these subsidiaries) as "Gains on return of the substituted portion of the employee pension fund" in extraordinary gains.

(2) Cash Flows

Cash flows from operating activities resulted in an increase in cash by 1,329.4 billion yen in FY2003, mainly due to income before income taxes and minority interest in consolidated subsidiaries of 1,649.3 billion yen. Net cash provided by operating activities increased by 570.3 billion yen from 759.1 billion yen in FY2002. Cash flows from investing activities resulted in a decrease in cash by 1,385.8 billion yen in FY2003, mainly due to the payments for acquisition of property, plants and equipment of 1,012.8 billion yen. Net cash used in investing activities decreased by 431.8 billion yen from 954.0 billion yen in FY2002. Net cash provided by financing activities decreased by 314.5 billion yen to 33.5 billion yen in FY2003 compared with 348.0 billion yen in FY2002. After consideration of the effect of exchange rate changes and other factors, cash and cash equivalents decreased by 64.9 billion yen, or 3.8%, to 1,623.2 billion yen at the end of FY2003 compared with the end of FY2002.

Regarding the consolidated cash flows by segment for FY2003, in non-financial services business, net cash provided by operating activities was 1,828.0 billion yen, net cash used in investing activities was 1,167.6 billion yen and net cash used in financing activities was 699.2 billion yen. Meanwhile, in the financial services business, net cash used in operating activities was 498.5 billion yen, net cash used in investing activities was 267.4 billion yen and net cash provided by financing activities was 782.0 billion yen.

2. Consolidated financial results of FY2003 by segment

(1) Business Segment

Automotive:

Net sales of the automotive segment increased by 891.3 billion yen, or 6.4%, to 14,801.2 billion yen in FY2003 compared with FY2002, and operating income increased by 254.3 billion yen, or 23.6%, to 1,332.3 billion yen in FY2003 compared with FY2002. The increase in operating income was mainly due to increases in vehicle units sold overseas and cost reduction efforts made by TMC and its subsidiaries, partially offset by increases in R&D expenses, labor costs, and other expenses.

Financial services:

Net sales of the financial services segment increased by 26.7 billion yen, or 3.8%, to 720.0 billion yen in FY2003 compared with FY2002, and operating income decreased by 40.1 billion yen, or 58.5%, to 28.5 billion yen in FY2003 compared with FY2002. The decrease in operating income was mainly due to a decrease in fair value of interest rate swaps, recorded as valuation losses by sales financing subsidiaries in the United States in accordance with the Statement of Financial Accounting Standards No. 133 and No. 138, despite solid performance in North America due to an increase in financing margin.

The valuation losses on interest rate swaps were 40.2 billion yen in FY2003, an income decrease by 45.4 billion yen compared with FY2002.

All other:

Net sales of all other operations increased by 52.5 billion yen, or 6.4%, to 871.9 billion yen in FY2003 compared with FY2002, and operating income increased by 15.2 billion yen to 14.3 billion yen in FY2003 compared with FY2002. The increase in operating income was mainly due to favorable production and sales of houses.

(2) Geographical Segment

Japan:

Net sales in Japan increased by 731.5 billion yen, or 6.9%, to 11,265.2 billion yen in FY2003 compared with FY2002, and operating income increased by 162.5 billion yen, or 18.7%, to 1,032.8 billion yen in FY2003 compared with FY2002. The increase in operating income was mainly due to cost reduction efforts made by TMC and its subsidiaries as well as an increase in vehicles sold overseas, partially offset by increases in R&D expenses and labor costs.

North America:

Net sales in North America increased by 430.3 billion yen, or 7.4%, to 6,262.6 billion yen in FY2003 compared with FY2002, and operating income increased by 24.1 billion yen, or 9.1%, to 289.7 billion yen in FY2003 compared with FY2002. The increase in operating income was mainly due to an increase in local production volume and vehicle units sold, despite an increase in valuation losses on interest rate swaps, recorded by sales financing subsidiaries in the United States.

Europe:

Net sales in Europe in FY2003 were at about the same level as in FY2002, at 1,591.0 billion yen, and operating income increased by 16.3 billion yen to 3.9 billion yen in FY2003 compared with FY2002. The increase in operating income was mainly due to increased production in France and strong sales in the region.

The FY2002 accounting period for TMC's subsidiaries, with certain exceptions, covered 15 months because of changes in their fiscal year-end dates from December 31 to March 31. When compared to the 12-month figures for FY2002 obtained by multiplying the 15-month figures by 12/15, the number of vehicles sold increased by 49 thousand, or 6.7%, net sales increased by 315.4 billion yen, or 24.7%, and operating income increased by 13.8 billion yen in FY2003.

Other:

Net sales in other regions increased by 295.4 billion yen, or 21.1%, to 1,695.8 billion yen in FY2003 compared with FY2002, and operating income increased by 32.8 billion yen, or 165.8%, to 52.5 billion yen in FY2003 compared with FY2002, mainly due to an increase in the number of vehicles sold in Asia.

The FY2002 accounting period for TMC's subsidiaries, with certain exceptions, covered 15 months because of changes in their fiscal year-end dates from December 31 to March 31. When compared to the 12-month figures for FY2002 obtained by multiplying the 15-month figures by 12/15, the number of vehicles sold increased by 452 thousand, or 55.3%, net sales increased by 575.5 billion yen, or 51.4%, and operating income increased by 36.7 billion yen in FY2003.

3. Distribution of Profits for FY2003

Regarding the dividends for FY2003, the interim dividend declared in November 2002 was increased by 3 yen to 16 yen per share. The year-end dividend is scheduled to be increased by 5 yen to 20 yen per share, for a total of 36 yen per share, 8 yen higher than FY2002, on an annual basis. Accordingly, the dividends payout ratio for FY2003 is 19.8%.

In addition, during FY2003 TMC retired 40 million shares in the amount of 142,992 million yen in order to return profits to its shareholders.

4. Others

(1) Litigation in the United States

On July 12, 1999, the U.S. Department of Justice, acting on behalf of the U.S. Environmental Protection Agency, filed a lawsuit against Toyota Motor Sales U.S.A., Inc. ("TMS"), a consolidated subsidiary of TMC (on November 22, 1999, TMC and Toyota Technical Center U.S.A., Inc., a consolidated subsidiary of TMC, were added as defendants) for alleged defects in the fuel evaporative emission leak monitors installed on approximately 2.2 million 1996 - 1998 model year vehicles sold by TMS in the U.S. in violation of the Clean Air Act.

On March 6, 2003, TMC (as representative for all the defendants) reached a settlement agreement with the federal government concerning this litigation, and the federal government filed the agreement with the court. After revising the agreement based on comments from the public, the approval of the court will be sought.

(2) Expected Accounting Treatment regarding Return of the Substituted Portion of the Employee Pension Fund to the Government under Accounting Principles Generally Accepted in the United States

As stated in "1. Summary of Consolidated Financial Results of FY2003, (1) Financial Results," TMC recorded in its consolidated financial statements prepared in accordance with accounting principles generally accepted in Japan 267.6 billion yen of the impact from return of the substituted portion of the employee pension fund to the government, of which 32.3 billion yen was recorded as "Equity in earnings of affiliates" in non-operating income, and of which 235.3 billion yen was recorded as "Gains on return of the substituted portion of the employee pension fund" in extraordinary gains. However, because the accounting treatment in the United States is different from the one in Japan, TMC will not expect to recognize it as gain in its consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States for the year ended March 31, 2003.

(3) Application of Accounting Principles Generally Accepted in the United States to Toyota's Consolidated Financial Statements

Toyota has decided to apply Article 87 of the "Regulations Concerning the Terminology, Forms and Preparation Methods of Consolidated Financial Statements" beginning in the fiscal year ending March 2004 and to prepare consolidated financial statements to be filed under the provisions of the Securities Exchange Act of Japan in accordance with accounting principles generally accepted in the United States.

CONSOLIDATED PRODUCTION AND SALES

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

1. Production

(Units)

		FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)	Increase (Decrease)
Vehicles (new)	Japan	4,162,291	4,029,259	133,032
	North America	882,951	792,526	90,425
	Europe	387,034	308,914	78,120
	Others	550,690	273,517	277,173
	Overseas total	1,820,675	1,374,957	445,718
	Total	5,982,966	5,404,216	578,750
Houses (Japan)		3,574	3,095	479

Note: The total production of vehicles (new) includes Daihatsu brand vehicles (including OEM production) of 739,480 units in FY2003 and 638,091 units in FY2002, and Hino brand vehicles (including OEM production) of 57,856 units in FY2003 and 27,159 units in FY2002 (produced in the latter half of FY2002).

Annual production of Hino brand vehicles (including OEM production) during the period from April 2001 to March 2002 was 52,965 units.

2. Sales (by destination)

(Units)

		FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)	Increase (Decrease)
Vehicles (new)	Japan	2,217,739	2,217,002	737
	North America	1,981,824	1,780,133	201,691
	Europe	775,952	866,351	(90,399)
	Others	1,270,641	921,431	349,210
	Overseas total	4,028,417	3,567,915	460,502
	Total	6,246,156	5,784,917	461,239
Houses (Japan)		4,021	3,685	336

Note: The total sales of vehicles (new) includes Daihatsu brand vehicles of 693,404 units in FY2003 and 573,543 units in FY2002, and Hino brand vehicles of 60,487 units in FY2003, and 29,305 units in FY2002 (sales for the latter half of FY2002).

Annual sales of Hino brand vehicles during the period from April 2001 to March 2002 was 55,459 units.

BREAKDOWN OF CONSOLIDATED NET SALES

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

		FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)	Increase (Decrease)
	Vehicles	12,583,713	11,858,751	724,962
	Parts & components for overseas production	171,187	194,531	(23,344)
	Parts	955,307	947,876	7,431
	Others	1,078,733	856,858	221,875
	Total Automotive	14,788,940	13,858,017	930,923
	Financial services	700,961	676,723	24,238
	Housing	95,185	83,570	11,615
	Telecommunications	70,850	63,185	7,665
	Others	398,351	424,801	(26,450)
	Total	16,054,290	15,106,297	947,993

Note: The amounts represent net sales to external customers.

CONSOLIDATED STATEMENTS OF INCOME

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)	Increase (Decrease)
Net sales	16,054,290	15,106,297	947,993
Cost of sales	12,156,140	11,518,782	637,358
Selling, general and administrative expenses	2,534,469	2,464,044	70,425
Operating income	1,363,679	1,123,470	240,209
Non-operating income	296,100	244,111	51,989
<i>Interest income</i>	43,278	46,958	(3,680)
<i>Dividend income</i>	10,002	8,691	1,311
<i>Equity in earnings of affiliates</i>	81,966	15,046	66,920
<i>Other non-operating income</i>	160,852	173,415	(12,563)
Non-operating expenses	245,775	254,057	(8,282)
<i>Interest expenses</i>	29,547	31,990	(2,443)
<i>Other non-operating expenses</i>	216,228	222,067	(5,839)
Ordinary income	1,414,003	1,113,524	300,479
Extraordinary gains	235,314	—	235,314
<i>Gains on return of substituted portion of employee pension fund</i>	235,314	—	235,314
Income before income taxes and minority interest in consolidated subsidiaries	1,649,318	1,113,524	535,794
Income taxes - current	617,556	591,327	26,229
Income taxes - deferred	33,237	(111,169)	144,406
Minority interest in consolidated subsidiaries	53,852	17,541	36,311
Net income	944,671	615,824	328,847

CONSOLIDATED BALANCE SHEETS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (As of March 31, 2003)	FY2002 (As of March 31, 2002)	Increase (Decrease)
Assets			
Current assets	11,019,607	10,410,966	608,641
Cash and deposits	620,870	707,233	(86,363)
Trade notes and accounts receivable	1,583,393	1,561,623	21,770
Marketable securities	1,661,978	1,605,460	56,518
Inventories	1,072,947	1,022,718	50,229
Installment credit from dealers	3,430,444	3,334,357	96,087
Short-term loans	1,558,161	1,192,054	366,107
Deferred income taxes	413,039	379,668	33,371
Other current assets	826,442	718,693	107,749
Less: allowance for doubtful accounts	(147,670)	(110,843)	(36,827)
Fixed assets	9,722,778	9,477,970	244,808
Property, plant and equipment	5,506,985	5,437,777	69,208
Buildings and structures	1,253,674	1,230,871	22,803
Machinery and equipment	1,163,778	1,179,305	(15,527)
Vehicles and delivery equipment	1,238,252	1,269,275	(31,023)
Land	1,097,189	1,070,869	26,320
Construction in progress	232,966	270,497	(37,531)
Other property, plant and equipment	521,123	416,958	104,165
Intangible fixed assets	5,123	4,328	795
Investments and other assets	4,210,669	4,035,865	174,804
Investments in securities	2,695,939	2,642,122	53,817
Long-term loans	757,922	796,349	(38,427)
Deferred income taxes	446,123	465,193	(19,070)
Other investments and other assets	335,618	159,450	176,168
Less: allowance for doubtful accounts	(24,934)	(27,251)	2,317
Total assets	20,742,386	19,888,937	853,449

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

	FY2003 (As of March 31, 2003)	FY2002 (As of March 31, 2002)	Increase (Decrease)
Liabilities			
Current liabilities	7,557,541	7,183,071	374,470
Trade notes and accounts payable	1,582,245	1,483,170	99,075
Current portion of bonds	1,124,035	1,020,930	103,105
Short-term borrowings	966,243	1,104,365	(138,122)
Commercial papers	1,080,613	952,553	128,060
Accrued expenses and other accounts payable	1,600,847	1,433,216	167,631
Income taxes payable	317,194	339,304	(22,110)
Deferred income taxes	1,570	1,769	(199)
Other current liabilities	884,791	847,761	37,030
Long-term liabilities	5,228,369	4,916,572	311,797
Bonds	3,520,344	3,132,372	387,972
Convertible debentures	–	13,308	(13,308)
Long-term borrowings	573,767	481,007	92,760
Deferred income taxes	410,330	398,273	12,057
Allowance for retirement benefits	639,708	769,714	(130,006)
Other long-term liabilities	84,218	121,897	(37,679)
Total liabilities	12,785,911	12,099,644	686,267
Minority interest in consolidated subsidiaries	496,207	464,220	31,987
Shareholders' equity			
Common stock	397,049	397,049	–
Capital reserve	–	415,150	(415,150)
Capital surplus	418,401	–	418,401
Consolidated earned surplus	–	6,527,956	(6,527,956)
Retained earnings	7,219,896	–	7,219,896
Net unrealized gains on other securities	78,630	152,809	(74,179)
Translation adjustments	(112,350)	22,855	(135,205)
Less: treasury stock	(541,360)	(157,766)	(383,594)
Less: common stock of the Parent held by consolidated subsidiaries	–	(32,983)	32,983
Total shareholders' equity	7,460,267	7,325,072	135,195
Total liabilities and shareholders' equity	20,742,386	19,888,937	853,449

Note: The "Accounting Standard for Treasury Stock and Reversal of Legal Reserves" has been applied during FY2003.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)	Increase (Decrease)
Consolidated earned surplus at beginning of period	-	6,162,656	(6,162,656)
Decreases in consolidated earned surplus	-	250,524	(250,524)
Dividends	-	98,638	(98,638)
Bonuses to directors and corporate auditors	-	2,050	(2,050)
Decrease resulting from increase in consolidated subsidiaries	-	16,742	(16,742)
Decrease resulting from decrease in consolidated subsidiaries	-	3,874	(3,874)
Decrease resulting from share retirement by the parent company	-	129,218	(129,218)
Net income	-	615,824	(615,824)
Consolidated earned surplus at end of period	-	6,527,956	(6,527,956)
(Capital surplus)			
Capital surplus at beginning of period	415,150	-	415,150
Capital reserve at beginning of period	415,150	-	415,150
Increase in capital surplus	3,251	-	3,251
Gain on disposal of treasury stock	1,430	-	1,430
Increase resulting from exchange of shares	1,820	-	1,820
Capital surplus at end of period	418,401	-	418,401
(Retained earnings)			
Retained earnings at beginning of period	6,527,956	-	6,527,956
Consolidated earned surplus at beginning of period	6,527,956	-	6,527,956
Increases in retained earnings	948,642	-	948,642
Net income	944,671	-	944,671
Increase resulting from decrease in consolidated subsidiaries	3,804	-	3,804
Increase resulting from increase in affiliates accounted for under the equity method	166	-	166
Decreases in retained earnings	256,702	-	256,702
Dividends	109,330	-	109,330
Bonuses to directors and corporate auditors	2,316	-	2,316
Decrease resulting from increase in consolidated subsidiaries	2,062	-	2,062
Decrease resulting from share retirement by the parent company	142,992	-	142,992
Retained earnings at end of period	7,219,896	-	7,219,896

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)
Cash flows from operating activities		
Income before income taxes and minority interest in consolidated subsidiaries	1,649,318	1,113,524
Depreciation expenses	851,634	803,607
Losses on disposal of fixed assets	53,863	52,637
(Decrease) Increase in allowance for retirement benefits	(113,478)	131,187
Interest and dividend income	(53,280)	(55,649)
Interest expenses	29,547	31,990
Equity in earnings of affiliates	(81,966)	(15,046)
Increase in trade notes and accounts receivable	(357,746)	(583,422)
Increase in loans receivable of consolidated financial subsidiaries	(407,186)	(91,321)
(Increase) Decrease in inventories	(25,842)	11,512
Increase in trade notes and accounts payable	108,611	14,686
Others	294,123	(174,576)
Subtotal	1,947,598	1,239,130
Interest and dividends received	69,766	68,454
Interest paid	(30,084)	(31,475)
Income taxes paid	(657,808)	(516,959)
Cash flows from operating activities	1,329,472	759,149
Cash flows from investing activities		
Net (increase) decrease in time deposits	(32,195)	34,828
Payments for purchase of marketable securities and investments in securities	(1,111,584)	(667,893)
Proceeds from sales of marketable securities and investments in securities	208,776	159,139
Proceeds from redemption of marketable securities and investments in securities	723,981	604,080
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(1,012,803)	(961,402)
Payments for acquisition of vehicles for lease	(540,945)	(566,690)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	64,074	65,119
Proceeds from sales of vehicles for lease	283,840	408,422
Others	31,042	(29,635)
Cash flows from investing activities	(1,385,814)	(954,031)
Cash flows from financing activities		
Net (decrease) increase in short-term borrowings	(202,190)	26,112
Net increase in commercial papers	179,453	78,331
Proceeds from origination of long-term borrowings	189,693	261,823
Payments for repayment of long-term borrowings	(144,933)	(293,559)
Proceeds from issuance of bonds	1,564,564	1,493,896
Payments for redemption of bonds	(984,848)	(830,294)
Payments for repurchase of treasury stock	(454,611)	(282,849)
Dividends paid	(109,330)	(98,638)
Others	(4,241)	(6,816)
Cash flows from financing activities	33,555	348,005
Effect of exchange rate changes on cash and cash equivalents	(42,098)	32,375
Net (decrease) increase in cash and cash equivalents	(64,884)	185,499
Cash and cash equivalents at beginning of year	1,688,126	1,507,280
Decrease in cash and cash equivalents due to change in scope of consolidated subsidiaries	—	(4,654)
Cash and cash equivalents at end of year	1,623,241	1,688,126

Note: In the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, bank deposits that can be withdrawn at any time and short-term investments that can be converted into cash at any time, carry minimal risk of change in value and have a redemption period of three months or less.

SIGNIFICANT ACCOUNTING POLICIES

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

1. Valuation of securities:
 - Securities are principally evaluated on the following basis
 - Other securities with fair value:
 - Stated at fair value based on market prices, etc. at end of year.
 - (Both unrealized gains and losses are included in “Net unrealized gains on other securities”, a component of shareholders’ equity; cost of sales is determined using the moving average method.)
 - Other securities not practicable to fair value:
 - Stated at cost determined using the moving average method
2. Valuation of derivatives:
 - Principally stated at fair value
3. Valuation of money trusts for trading purposes:
 - Stated at fair value
4. Valuation of inventories:
 - TMC and domestic consolidated subsidiaries:
 - Principally stated at cost, as determined using the periodic average method or the specific identification method
 - Overseas consolidated subsidiaries:
 - Principally stated at the lower of cost or market value based on the following: the specific identification method, first-in-first-out method or last-in-first-out method
5. Depreciation of property, plant and equipment:
 - TMC and domestic consolidated subsidiaries:
 - Principally computed using the declining balance method
 - Overseas consolidated subsidiaries:
 - Principally computed using the straight-line method
6. Amortization of intangible fixed assets:
 - Computed using the straight-line method
7. Significant reserves:
 - Allowance for doubtful accounts:
 - TMC: To prepare for losses from bad debt, allowance for doubtful accounts is provided in an amount equivalent to the maximum limit deductible for tax purposes which is determined by the Corporation Tax Laws or an amount determined by considering the collectibility of receivable
 - Consolidated subsidiaries:
 - Principally computed based on the maximum limit deductible for tax purposes which is determined by the Corporation Tax Laws or the historical loss experience
 - Allowance for employee bonus:
 - To provide for employee bonuses, some of the consolidated subsidiaries accrue part of the estimated bonus payments for the next year which are attributed to the current year
 - Allowance for retirement benefits:
 - Principally to provide for the retirement benefits for employees, including those already retired, allowance for retirement benefits is stated based on estimated retirement benefit obligations and estimated pension assets at the end of the year.
8. Consumption taxes:
 - Computed based on the net-of-tax method

NOTES TO CONSOLIDATED BALANCE SHEETS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

1. Accumulated depreciation of property, plant and equipment		7,931,514 million yen
2. Leased assets (as a lessor) of 1,134,883 million yen are included in "Vehicles and delivery equipment"		
3. Assets pledged as collateral and secured liability		
Assets pledged as collateral	Notes receivable	38,134 million yen
	Installment credit from dealers	66,013 million yen
	Buildings and structures	58,691 million yen
	Machinery and equipment	12,190 million yen
	Land	98,248 million yen
	Others	27,445 million yen
Secured liability	Short-term borrowings	143,266 million yen
	Long-term borrowings	56,769 million yen
	Bonds	66,013 million yen
4. Liabilities for guarantees		877,504 million yen
5. Trade notes receivable discounted		17,343 million yen
Trade notes receivable endorsed		11 million yen

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

R&D expenses included in general and administrative expenses and manufacturing costs	
	671,608 million yen

NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Reconciliation of cash and cash equivalents to accounts on the consolidated balance sheet at the end of FY2003.

Cash and deposits	620,870	million yen
Marketable securities	1,661,978	million yen
<hr/> Total	<hr/> 2,282,848	<hr/> million yen
Time deposits, bonds and others with original maturity exceeding a three-month period	(659,606)	million yen
<hr/> Cash and cash equivalents	<hr/> 1,623,241	<hr/> million yen

SEGMENT INFORMATION

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

1. Business Segment Information

(1) FY2003 (April 2002 through March 2003)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	14,788,940	700,961	564,387	16,054,290	–	16,054,290
(2) Inter-segment sales and transfers	12,337	19,045	307,564	338,947	(338,947)	–
Total	14,801,278	720,007	871,952	16,393,238	(338,947)	16,054,290
Operating expenses	13,468,917	691,486	857,569	15,017,973	(327,363)	14,690,610
Operating income	1,332,360	28,520	14,383	1,375,264	(11,584)	1,363,679
Assets	9,617,993	7,657,144	857,739	18,132,877	2,609,508	20,742,386
Depreciation expenses	722,742	109,151	19,740	851,634	–	851,634
Capital expenditure	1,013,586	470,863	52,708	1,537,157	–	1,537,157

(2) FY2002 (April 2001 through March 2002)

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

	Automotive	Financial services	All other	Total	Elimination and/or unallocated assets	Consolidated
Net sales						
(1) Sales to external customers	13,858,017	676,723	571,557	15,106,297	–	15,106,297
(2) Inter-segment sales and transfers	51,908	16,662	247,912	316,483	(316,483)	–
Total	13,909,926	693,385	819,470	15,422,781	(316,483)	15,106,297
Operating expenses	12,831,828	624,727	820,367	14,276,922	(294,095)	13,982,827
Operating income	1,078,097	68,657	(896)	1,145,858	(22,387)	1,123,470
Assets	9,458,096	7,069,278	778,650	17,306,025	2,582,911	19,888,937
Depreciation expenses	681,049	102,098	20,460	803,607	–	803,607
Capital expenditure	989,445	478,589	40,736	1,508,771	–	1,508,771

Note: Unallocated corporate assets included under "Elimination and/or unallocated assets" for FY2003 and FY2002 are 3,136,008 million yen and 3,016,176 million yen, respectively, and consist primarily of funds such as cash and deposits, marketable securities and portion of investments in securities held by TMC.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

2. Consolidated Financial Statements as Classified into Non-Financial Services Business and Financial Services Business

(1) Consolidated Statements of Income as Classified into Non-Financial Services Business and Financial Services Business

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

	FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)	Increase (Decrease)
(Non-financial services)			
Net sales	15,362,780	14,471,837	890,943
Cost of sales	11,730,912	11,113,753	617,159
Selling, general and administrative expenses	2,279,566	2,273,530	6,036
Operating income	1,352,301	1,084,553	267,748
Non-operating income	287,566	277,011	10,555
Non-operating expenses	256,878	253,468	3,410
Ordinary income	1,382,989	1,108,096	274,893
Extraordinary gains	235,314	–	235,314
<i>Gains on return of substituted portion of employee pension fund</i>	<i>235,314</i>	<i>–</i>	<i>235,314</i>
Income before income taxes and minority interest in consolidated subsidiaries	1,618,304	1,108,096	510,208
Income taxes	637,385	475,184	162,201
Minority interest in consolidated subsidiaries	53,279	16,763	36,516
Net income	927,639	616,147	311,492
(Financial services)			
Net sales	720,007	693,385	26,622
Cost of sales	428,327	433,085	(4,758)
Selling, general and administrative expenses	263,158	191,641	71,517
Operating income	28,520	68,657	(40,137)
Non-operating income	12,773	6,313	6,460
Non-operating expenses	9,824	53,539	(43,715)
Ordinary income	31,468	21,431	10,037
Income before income taxes and minority interest in consolidated subsidiaries	31,468	21,431	10,037
Income taxes	13,790	13,855	(65)
Minority interest in consolidated subsidiaries	575	810	(235)
Net income	17,102	6,765	10,337
(Elimination)			
Elimination of net income	(71)	(7,088)	7,017
(Consolidated)			
Net income	944,671	615,824	328,847

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(2) Consolidated Balance Sheets as Classified into Non-Financial Services Business and Financial Services Business

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

	FY2003 (As of March 31,2003)	FY2002 (As of March 31,2002)	Increase (Decrease)
Assets			
(Non-financial services)			
Current assets	6,065,008	5,857,335	207,673
Cash and deposits	443,913	549,398	(105,485)
Trade notes and accounts receivable	1,599,344	1,572,060	27,284
Marketable securities	1,655,596	1,601,256	54,340
Inventories	1,072,947	1,022,718	50,229
Other current assets, etc.	1,293,207	1,111,902	181,305
Fixed assets	7,788,396	7,663,886	124,510
Property, plant and equipment	4,447,518	4,353,811	93,707
Investments and other assets	3,340,877	3,310,074	30,803
Investments in securities	2,422,902	2,389,376	33,526
Long-term loans	327,945	399,349	(71,404)
Other investments and other assets, etc.	590,028	521,349	68,679
Total	13,853,404	13,521,221	332,183
(Financial services)			
Current assets	5,542,664	5,011,868	530,796
Cash and deposits	176,957	157,835	19,122
Marketable securities	6,381	4,204	2,177
Installment credit from dealers	3,320,405	3,214,276	106,129
Other current assets, etc.	2,038,920	1,635,551	403,369
Fixed assets	2,114,479	2,057,410	57,069
Property, plant and equipment	1,059,466	1,083,966	(24,500)
Intangible fixed assets	5,123	4,328	795
Investments and other assets	1,049,889	969,115	80,774
Investments in securities	273,036	252,746	20,290
Long-term loans	610,249	640,907	(30,658)
Other investments and other assets, etc.	166,603	75,461	91,142
Total	7,657,144	7,069,278	587,866
(Elimination)			
Elimination of assets	(768,162)	(701,563)	(66,599)
(Consolidated)			
Total assets	20,742,386	19,888,937	853,449

Note: Assets in the non-financial services include unallocated corporate assets.

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (As of March 31, 2003)	FY2002 (As of March 31, 2002)	Increase (Decrease)
Liabilities (Non-financial services)			
Current liabilities	4,736,878	4,583,985	152,893
Trade notes and accounts payable	1,570,853	1,475,934	94,919
Current portion of bonds	63,308	154,150	(90,842)
Short-term borrowings	843,193	922,792	(79,599)
Accrued expenses and other accounts payable	1,235,818	1,305,518	(69,700)
Income taxes payable	310,232	333,171	(22,939)
Other current liabilities, etc.	713,471	392,418	321,053
Long-term liabilities	1,590,995	1,620,829	(29,834)
Bonds and convertible debentures	500,400	413,808	86,592
Long-term borrowings	247,730	255,928	(8,198)
Other long-term liabilities, etc.	842,864	951,092	(108,228)
Total	6,327,874	6,204,815	123,059
(Financial services)			
Current liabilities	3,404,522	3,049,099	355,423
Current portion of bonds	1,060,727	866,780	193,947
Short-term borrowings	667,814	605,697	62,117
Commercial papers	1,031,271	923,989	107,282
Accrued expenses and other accounts payable	154,595	151,310	3,285
Income taxes payable	6,962	6,133	829
Other current liabilities, etc.	483,151	495,187	(12,036)
Long-term liabilities	3,822,166	3,548,381	273,785
Bonds	3,019,944	2,731,872	288,072
Long-term borrowings	510,829	477,716	33,113
Other long-term liabilities, etc.	291,392	338,792	(47,400)
Total	7,226,689	6,597,481	629,208
(Elimination)			
Elimination of liabilities	(768,651)	(702,652)	(65,999)
(Consolidated)			
Total liabilities	12,785,911	12,099,644	686,267
(Consolidated)			
Minority interest in consolidated subsidiaries	496,207	464,220	31,987
Shareholders' equity (Consolidated)			
Common stock	397,049	397,049	–
Capital reserve	–	415,150	(415,150)
Capital surplus	418,401	–	418,401
Consolidated earned surplus	–	6,527,956	(6,527,956)
Retained earnings	7,219,896	–	7,219,896
Net unrealized gains on other securities	78,630	152,809	(74,179)
Translation adjustments	(112,350)	22,855	(135,205)
Less: treasury stock	(541,360)	(157,766)	(383,594)
Less: common stock of the Parent held by consolidated subsidiaries	–	(32,983)	32,983
Total shareholders' equity	7,460,267	7,325,072	135,195
(Consolidated)			
Total liabilities and shareholders' equity	20,742,386	19,888,937	853,449

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(3) Consolidated Statements of Cash Flows as Classified into Non-Financial Services Business and Financial Services Business

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

	FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)
(Non-financial services)		
Cash flows from operating activities		
Income before income taxes and minority interest in consolidated subsidiaries	1,618,304	1,108,096
Depreciation expenses	742,482	701,509
Losses on disposal of fixed assets	53,576	52,046
(Decrease) Increase in allowance for retirement benefits	(113,836)	130,877
Interest and dividend income	(55,078)	(60,453)
Interest expenses	48,748	51,296
Equity in earnings of affiliates	(70,649)	(38,989)
Decrease in trade notes and accounts receivable	2,952	43,286
(Increase) Decrease in inventories	(25,842)	8,588
Increase in trade notes and accounts payable	105,652	49,513
Others	150,494	(226,423)
Subtotal	2,456,804	1,819,347
Interest and dividends received	69,798	71,907
Interest paid	(49,285)	(50,781)
Income taxes paid	(649,282)	(497,431)
Cash flows from operating activities	1,828,034	1,343,042
Cash flows from investing activities		
Net (increase) decrease in time deposits	(19,935)	45,906
Payments for purchase of marketable securities and investments in securities	(860,913)	(426,357)
Proceeds from sales of marketable securities and investments in securities	146,331	58,443
Proceeds from redemption of marketable securities and investments in securities	591,922	465,001
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(964,338)	(906,683)
Payments for acquisition of vehicles for lease	(121,227)	(144,556)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	52,929	54,972
Proceeds from sales of vehicles for lease	61,222	111,607
Others	(53,639)	(56,152)
Cash flows from investing activities	(1,167,647)	(797,817)
Cash flows from financing activities		
Net decrease in short-term borrowings	(104,607)	(25,909)
Proceeds from origination of long-term borrowings	39,447	84,018
Payments for repayment of long-term borrowings	(82,090)	(116,031)
Payments for purchase of treasury stocks	(454,611)	(282,849)
Dividends paid	(109,330)	(98,638)
Others	11,982	(36,463)
Cash flows from financing activities	(699,209)	(475,873)
Effect of exchange rate changes on cash and cash equivalents	(34,172)	24,095
Net (decrease) increase in cash and cash equivalents	(72,995)	93,446
Cash and cash equivalents at beginning of year	1,541,940	1,453,148
Decrease in cash and cash equivalents due to change in scope of consolidated subsidiaries	–	(4,654)
Cash and cash equivalents at end of year	1,468,944	1,541,940

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)
(Financial services)		
Cash flows from operating activities		
Income before income taxes and minority interest in consolidated subsidiaries	31,468	21,431
Depreciation expenses	109,151	102,098
Equity in (earnings) losses of affiliates	(11,317)	23,942
Increase in trade notes and accounts receivable	(367,213)	(612,144)
Increase in loans receivable of consolidated financial subsidiaries	(407,186)	(91,321)
Others	153,296	4,265
Subtotal	(491,800)	(551,727)
Interest and dividends received	1,766	1,350
Income taxes paid	(8,526)	(19,527)
Cash flows from operating activities	(498,560)	(569,905)
Cash flows from investing activities		
Net increase in time deposits	(12,259)	(11,077)
Payments for purchase of marketable securities and investments in securities	(250,670)	(241,535)
Proceeds from sales of marketable securities and investments in securities	62,444	100,695
Proceeds from redemption of marketable securities and investments in securities	132,059	139,078
Payments for acquisition of property, plant and equipment (excluding vehicles for lease)	(48,465)	(54,719)
Payments for acquisition of vehicles for lease	(419,718)	(422,133)
Proceeds from sales of property, plant and equipment (excluding vehicles for lease)	11,144	10,147
Proceeds from sales of vehicles for lease	222,617	296,814
Others	35,365	(147,036)
Cash flows from investing activities	(267,482)	(329,766)
Cash flows from financing activities		
Net (decrease) increase in short-term borrowings	(45,124)	207,507
Net increase in commercial papers	159,080	85,977
Proceeds from origination of long-term borrowings	166,768	190,028
Payments for repayment of long-term borrowings	(82,508)	(185,670)
Proceeds from issuance of bonds	1,414,564	1,493,896
Payments for redemption of bonds	(830,698)	(820,294)
Others	-	12,000
Cash flows from financing activities	782,080	983,445
Effect of exchange rate changes on cash and cash equivalents	(7,925)	8,280
Net increase in cash and cash equivalents	8,111	92,053
Cash and cash equivalents at beginning of year	146,185	54,132
Cash and cash equivalents at end of year	154,297	146,185
(Consolidated)		
Effect of exchange rate changes on cash and cash equivalents	(42,098)	32,375
Net (decrease) increase in cash and cash equivalents	(64,884)	185,499
Cash and cash equivalents at beginning of year	1,688,126	1,507,280
Decrease in cash and cash equivalents due to change in scope of consolidated subsidiaries	-	(4,654)
Cash and cash equivalents at end of year	1,623,241	1,688,126

Note: In the Consolidated Statements of Cash Flows, cash and cash equivalents include cash on hand, bank deposits that can be withdrawn at any time and short-term investments that can be converted into cash at any time, carry minimal risk of change in value and have a redemption period of three months or less.

3. Geographical Segment Information

(1) FY2003 (April 2002 through March 2003)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	6,990,384	5,973,581	1,505,895	1,584,428	16,054,290	–	16,054,290
(2) Inter-segment sales and transfers	4,274,841	289,118	85,137	111,381	4,760,478	(4,760,478)	–
Total	11,265,225	6,262,699	1,591,033	1,695,810	20,814,769	(4,760,478)	16,054,290
Operating expenses	10,232,412	5,972,908	1,587,128	1,643,300	19,435,749	(4,745,139)	14,690,610
Operating income	1,032,813	289,791	3,904	52,509	1,379,019	(15,339)	1,363,679
Assets	9,474,768	6,577,056	1,557,523	1,211,312	18,820,660	1,921,725	20,742,386

(2) FY2002 (April 2001 through March 2002)

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

	Japan	North America	Europe	Other	Total	Elimination and/or unallocated assets	Consolidated
Net sales							
(1) Sales to external customers	6,698,686	5,587,784	1,537,324	1,282,502	15,106,297	–	15,106,297
(2) Inter-segment sales and transfers	3,835,050	244,552	57,137	117,923	4,254,664	(4,254,664)	–
Total	10,533,737	5,832,337	1,594,461	1,400,426	19,360,962	(4,254,664)	15,106,297
Operating expenses	9,663,410	5,566,687	1,606,867	1,380,671	18,217,637	(4,234,810)	13,982,827
Operating income	870,326	265,649	(12,405)	19,754	1,143,324	(19,853)	1,123,470
Assets	9,253,687	6,534,782	1,215,021	960,048	17,963,539	1,925,397	19,888,937

Note: Unallocated corporate assets included under "Elimination and/or unallocated assets" for FY2003 and FY2002 are 3,136,008 million yen and 3,016,176 million yen, respectively, and consist primarily of funds such as cash and deposits, marketable securities and portion of investments in securities held by TMC.

4. Overseas Sales

(1) FY2003 (April 2002 through March 2003)

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

	North America	Europe	Other	Total
Overseas sales	6,243,637	1,547,389	2,666,889	10,457,916
Consolidated sales	–	–	–	16,054,290
Ratio of overseas sales to consolidated sales	% 38.9	% 9.6	% 16.6	% 65.1

(2) FY2002 (April 2001 through March 2002)

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

	North America	Europe	Other	Total
Overseas sales	5,796,721	1,572,732	2,168,685	9,538,139
Consolidated sales	–	–	–	15,106,297
Ratio of overseas sales to consolidated sales	% 38.4	% 10.4	% 14.3	% 63.1

UNCONSOLIDATED STATEMENTS OF INCOME

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (April 2002 through March 2003)	FY2002 (April 2001 through March 2002)	Increase (Decrease)
Ordinary profits and losses			
Operating revenue and expenses			
Operating revenue	8,739,310	8,284,968	454,342
Net sales	8,739,310	8,284,968	454,342
Operating expenses	7,877,987	7,536,043	341,944
Cost of sales	6,932,356	6,618,526	313,830
Selling, general and administrative expenses	945,630	917,517	28,113
Operating income	861,323	748,924	112,399
Non-operating income and expenses			
Non-operating income	167,814	174,212	(6,398)
Interest income	20,482	23,069	(2,587)
Dividend income	45,240	34,488	10,752
Other non-operating income	102,090	116,654	(14,564)
Non-operating expenses	136,460	154,215	(17,755)
Interest expenses	11,023	10,669	354
Other non-operating expenses	125,437	143,546	(18,109)
Ordinary income	892,676	768,920	123,756
Extraordinary gains and losses			
Extraordinary gains	162,457	–	162,457
Gains on return of substituted portion of employee pension fund	162,457	–	162,457
Income before income taxes	1,055,134	768,920	286,214
Income taxes – current	432,000	418,800	13,200
Income taxes – deferred	(10,925)	(120,118)	109,193
Net income	634,059	470,239	163,820
Unappropriated retained earnings brought forward	306,006	66,919	239,087
Retirement of shares	142,992	129,218	13,774
Interim cash dividends	56,801	47,434	9,367
Unappropriated retained earnings at end of year	740,272	360,506	379,766

PROPOSED APPROPRIATION OF UNCONSOLIDATED RETAINED EARNINGS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

(Million yen except 'Per share' amounts; amounts less than one million yen are omitted.)

	FY2003	FY2002
Unappropriated retained earnings at end of year	740,272	360,506
Reversal of reserve for losses on overseas investments	141	1
Reversal of reserve for special depreciation	49	–
Reversal of reserve for reduction of acquisition cost of fixed assets	–	382
Total	740,463	360,889
The proposed appropriation is as follows:		
Cash dividends	69,032	54,087
	< ¥20 per share >	< ¥15 per share >
Bonuses to directors	660	600
Bonuses to corporate auditors	51	45
Reserve for special depreciation	–	150
Reserve for reduction of acquisition cost of fixed assets	378	–
General reserve	200,000	–
Unappropriated retained earnings to be carried forward	470,341	306,006

Note: An interim dividend of ¥16 per share was paid on November 26, 2002, to shareholders (including the beneficial shareholders notified by Japanese Securities Depository Center) or registered pledgees of record as of September 30, 2002. Total interim dividends were paid in amount of 56,801 million yen.

UNCONSOLIDATED BALANCE SHEETS

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (As of March 31,2003)	FY2002 (As of March 31,2002)	Increase (Decrease)
Assets			
Current assets	3,620,881	3,431,039	189,842
Cash and deposits	113,802	265,802	(152,000)
Trade accounts receivable	919,468	994,390	(74,922)
Marketable securities	1,373,742	1,190,085	183,657
Finished goods	140,516	107,794	32,722
Raw materials	13,807	14,843	(1,036)
Work in process	64,881	66,987	(2,106)
Supplies	7,599	6,323	1,276
Short-term loans	321,986	182,204	139,782
Deferred income taxes	250,469	216,084	34,385
Other current assets	423,307	395,623	27,684
Less: allowance for doubtful accounts	(8,700)	(9,100)	400
Fixed assets	4,971,941	5,036,891	(64,950)
Property, plant and equipment	1,269,042	1,275,101	(6,059)
Buildings	341,722	350,141	(8,419)
Structures	40,908	42,360	(1,452)
Machinery and equipment	336,077	341,507	(5,430)
Vehicle and delivery equipment	10,528	9,398	1,130
Tools, furniture and fixtures	81,750	79,848	1,902
Land	400,863	400,484	379
Construction in progress	57,190	51,360	5,830
Investments and other assets	3,702,899	3,761,789	(58,890)
Investments in securities	1,720,649	1,832,686	(112,037)
Investments in subsidiaries	1,242,883	1,223,747	19,136
Long-term loans	340,999	389,309	(48,310)
Deferred income taxes	298,167	297,445	722
Other investments	111,398	25,600	85,798
Less: allowance for doubtful accounts	(11,200)	(7,000)	(4,200)
Total assets	8,592,823	8,467,930	124,893

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

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

	FY2003 (As of March 31,2003)	FY2002 (As of March 31,2002)	Increase (Decrease)
Liabilities			
Current liabilities	2,040,821	1,961,602	79,219
Trade notes payable	967	1,202	(235)
Trade accounts payable	765,041	731,445	33,596
Current portion of bonds	50,000	114,150	(64,150)
Accrued liabilities	374,758	348,720	26,038
Income taxes payable	221,320	262,336	(41,016)
Accrued expenses	401,121	352,215	48,906
Deposits received	184,763	118,809	65,954
Allowance for EXPO 2005 Aichi	644	–	644
Other current liabilities	42,205	32,723	9,482
Long-term liabilities	848,679	844,169	4,510
Bonds	500,600	400,600	100,000
Allowance for retirement benefits	293,039	391,458	(98,419)
Other long-term liabilities	55,039	52,111	2,928
Total liabilities	2,889,501	2,805,772	83,729
Shareholders' equity			
Common stock	397,049	397,049	–
Capital surplus	416,970	415,150	1,820
Capital reserve	416,970	415,150	1,820
Retained earnings	5,287,601	4,908,068	379,533
Legal reserve	99,454	99,454	–
Reserve for losses on overseas investments	396	397	(1)
Reserve for special depreciation	1,547	1,396	151
Reserve for reduction of acquisition cost of fixed assets	5,004	5,386	(382)
General reserve	4,440,926	4,440,926	–
Unappropriated retained earnings at end of year	740,272	360,506	379,766
<i><Included net income for current year></i>	<i>< 634,059 ></i>	<i>< 470,239 ></i>	<i>< 163,820 ></i>
Net unrealized gains on other securities	69,019	99,656	(30,637)
Less: treasury stock	(467,320)	(157,766)	(309,554)
Total shareholders' equity	5,703,321	5,662,158	41,163
Total liabilities and shareholders' equity	8,592,823	8,467,930	124,893

Note 1: The scope of subsidiaries is determined in accordance with the provisions of the Japan's Commercial Code.

Note 2: Changes in number of issued shares: Decrease due to the retirement of shares 40,000 thousand shares