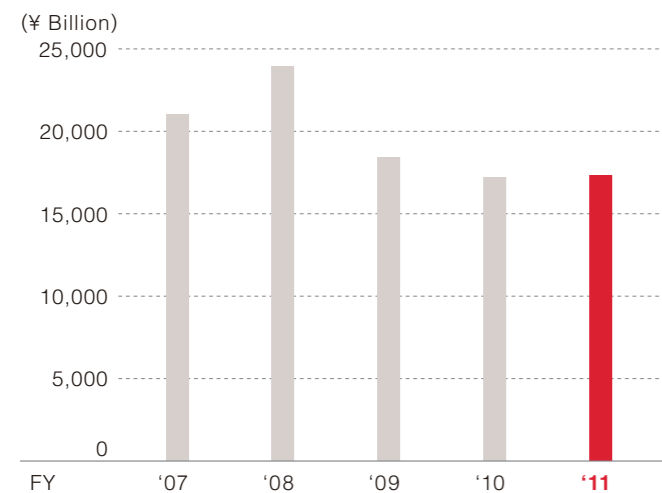


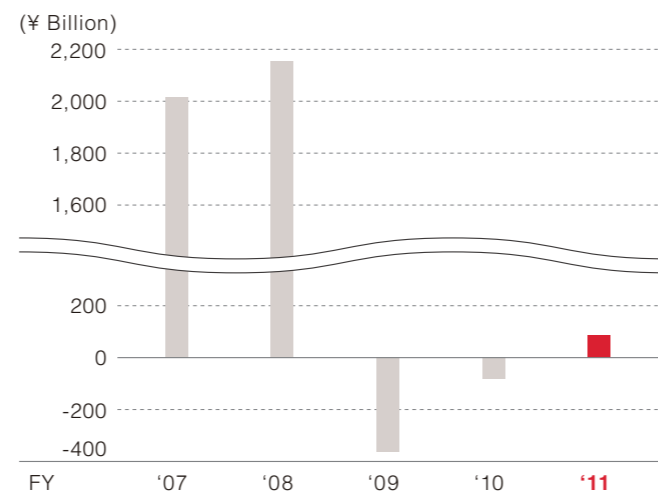
# Automotive Operations (Market Environment and Overview)

- Consolidated Performance Highlights
- Automotive Operations**
- Restore and Renew Our Production Structure for Further Growth
- Financial Services Operations
- Other Business Operations
- New Business Activities
- Support for Recovery from the Great East Japan Earthquake

## Net Revenues



## Operating Income



Note: Fiscal years ended March 31

**Under its founding philosophy of contributing to society through the manufacture of automobiles, Toyota is dedicated to creating “better cars” that are accepted by our customers and society, and continues its efforts to manufacture vehicles that meet the needs of countries and regions and strengthen its initiatives regarding environmentally friendly models.**

## Market Environment and Performance Summary

During the fiscal year ended March 31, 2011, Automotive Operations continued to expand in China and other emerging markets. The market was characterized by a transition to small and low-priced vehicles, in addition to which growing environmental awareness across the globe spurred the active development of new technologies and the introduction of new products.

Within this market environment, consolidated vehicle sales both in Japan and overseas (including Daihatsu and Hino) reached 7.31 million units, an increase of 71 thousand units, or 1%, over the previous fiscal year. Consolidated vehicle production also increased, rising by 360 thousand units, or 5.3% year-on-year, to 7.17 million units. Due to the rise in both vehicle production and vehicle sales, net revenues also increased 0.8%

year-on-year to ¥17.34 trillion. Despite the impact of currency exchange fluctuations, increased revenues and cost-reduction efforts resulted in operating income of ¥86.0 billion, a gain of ¥172.3 billion compared with the previous fiscal year.

Performance by geographic segments was as follows.

### ■ Japan

In FY2011, consolidated vehicle sales in Japan decreased due to weak market conditions compared with the prior fiscal year, down by 250 thousand units, or 11.5%, to 1.91 million units. Market share for Toyota and Lexus brands, excluding minivehicles, was 47.3%, while the share including minivehicles was 43.7%, indicating a strong market share continuing from the previous

year. Sales of the Lexus brand were at approximately 30 thousand units. Consolidated vehicle production was down 5.9% year-on-year, to 3.72 million units.

As a result, net revenues were ¥10.99 trillion, a decrease of ¥234.1 billion or 2.1% year-on-year. Despite cost-reduction efforts, the impact of currency exchange fluctuations and decreases in production and units sold resulted in an operating loss of ¥362.4 billion, a ¥137.2 billion higher loss than the previous fiscal year's operating loss of ¥225.2 billion.

### ■ North America

Consolidated vehicle sales in North America in FY2011 decreased by 67 thousand units, or 3.2% year-on-year, to 2.03 million units, due to the impact of a fiercely competitive environment caused by the introduction of new models by competitors and other factors. Market share (2010) in the United States was 15.2%. Sales of the Lexus brand in North America were at approximately 235 thousand units. Consolidated vehicle production reached 1.34 million units, a 28.4% increase year-on-year.

As a result, net revenues were ¥5.43 trillion, a decrease of ¥241.4 billion or 4.3% year-on-year. Due to the decrease in the provision for credit losses of sales finance subsidiaries in the United States, as well as production increases and cost reduction efforts, operating income quadrupled year-on-year, reaching ¥339.5 billion.

### ■ Europe

Consolidated vehicle sales in Europe during the period under review declined 7.2%, or 62 thousand units year-on-year, to 796 thousand units, due to a reduction of demand stimulus measures by European governments. Toyota's European market share (2010; about 40 countries) was 4.4%. Lexus sales totaled approximately 36

thousand units.

Consolidated vehicle production declined 14.1% year-on-year, to 372 thousand units.

As a result, net revenues decreased ¥165.6 billion, or 7.7% year-on-year, to ¥1.98 trillion. Nonetheless, operating income increased ¥46.1 billion year-on-year due to expense reductions.

### ■ Asia

Consolidated vehicle sales in Asia in FY2011 rose 276 thousand units, or 28.2% year-on-year, to 1.26 million units, due to an overall recovery of the Asian market led by economic growth in Thailand and Indonesia. Consolidated vehicle production also rose 31.6% year-on-year, to 1.34 million units.

As a result, net revenues were ¥3.37 trillion, a rise of ¥719.2 billion or 27.1% year-on-year. Operating income also rose due to increased product and sales units, to ¥313.0 billion, an increase of ¥109.4 billion or 53.8% year-on-year.

Sales in China, which continues to experience strong economic growth, reached 846 thousand units in 2010, a year-on-year increase of 19.3%.

\* Unit sales figures for China include domestically produced units as well as units imported from Japan.

### ■ Central and South America, Oceania, Africa, the Middle East, etc.

Among these regions, sales in FY2011 grew in Central and South America, Africa, and the Middle East, with combined sales reaching 1.31 million units, an increase of 174 thousand units or 15.3% year-on-year. Consolidated vehicle production (Central and South America, Oceania, Africa) was 394 thousand units, an increase of 37 thousand or 10.4% compared with the previous year.

As a result, net revenue reached ¥1.81 trillion, a year-on-year increase of 8.1% or ¥135.3 billion, while operating income also increased ¥44.6 billion or 38.6% year-on-year, reaching ¥160.1 billion.