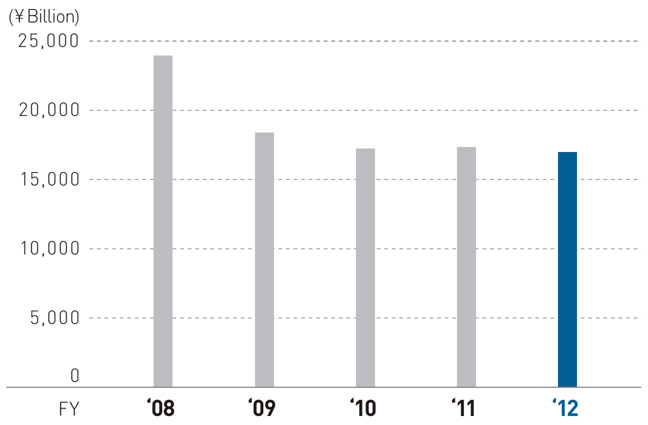
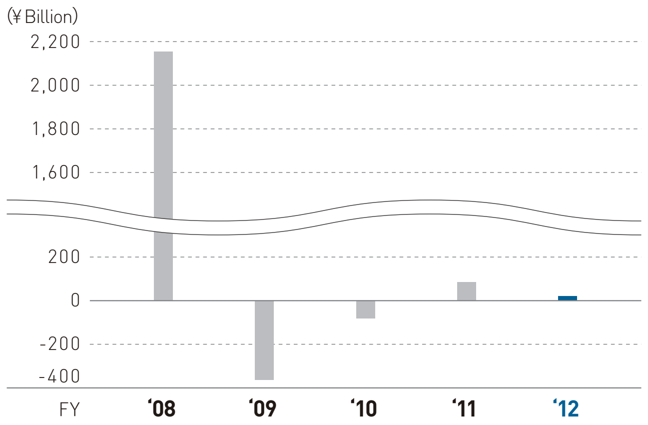
Automotive Operations

Toyota was heavily impacted by the Great East Japan Earthquake and the Thailand floods, but through combined efforts with our group companies, we were able to return to normal operations quicker than originally expected. Toyota remained able to build better cars that exceed expectations, even under such harsh conditions.

Net Revenues



Operating Income



Note: Fiscal years ended March 31

Market Environment and Performance Summary

Despite bullish automotive markets in the U.S. and emerging markets in Asia and elsewhere during the fiscal year under review, the majority of Japanese automakers, including Toyota, suffered the twin impact of the Great East Japan Earthquake and the Thailand floods. These events caused supply limitations and made production adjustments and temporary halts unavoidable. Despite the difficult conditions, Toyota launched new products that clearly speak to the needs of consumers in Japan and around the world. One such new model was a compact-class dedicated hybrid vehicle that achieves world-class fuel economy. We also launched a next-generation sports car that pursues pure driving enjoyment. In addition, Toyota worked with dealers throughout the world to actively develop sales initiatives.

As a result, consolidated vehicle sales both in Japan and overseas (including Daihatsu and Hino) reached 7,352 thousand units, an increase of 44 thousand units, or 0.6%, over the previous fiscal year. Consolidated vehicle production also increased, rising by 266 thousand units, or 3.7% year-on-year, to 7,435 thousand units.

Net revenues decreased ¥342.7 billion, or 2.0% year-on-year, to ¥16,994.5 billion. Despite cost-reduction efforts, due to the impact of currency exchange fluctuations operating income was down ¥64.3 billion or 74.8% year-on-year, to ¥21.6 billion.

Performance by geographic segment was as follows.

Japan

In fiscal 2012, due to active new product campaigns and the efforts of dealers nationwide, consolidated vehicle sales in Japan increased by 158 thousand units, or 8.2%, to 2,071 thousand units. Market share for Toyota and Lexus brands, excluding mini-vehicles, was 45.5%, while the share including mini-vehicles (including Daihatsu and Hino) was 43.2%, indicating a strong market share continuing from the previous fiscal year. Sales of the Lexus brand were approximately 45 thousand units. Consolidated vehicle production was up 219 thousand units, or 5.9% year-on-year, to 3,940 thousand units.

As a result, net revenues were ¥11,167.3 billion, an increase of ¥181.0 billion or 1.6% year-on-year. The operating loss of ¥207.0 billion represents a ¥155.3 billion improvement over the previous fiscal year. Despite the impact of currency exchange fluctuations, cost-reduction efforts and increases in production and units sold resulted in the decrease in operating losses.

North America

Consolidated vehicle sales in North America in fiscal 2012 decreased by 159 thousand units, or 7.8% year-on-year, to 1,872 thousand units, with supply shortages caused by the Great East Japan Earthquake in the first half having a major impact. 2011 market share in the United States was 12.9%. Sales of the Lexus brand in North America were at approximately 214 thousand units. Consolidated vehicle production was 1,275 thousand units, a 63 thousand-unit or 4.8% decrease year-on-year.

As a result, net revenues were ¥4,751.8 billion, a decrease of ¥677.2 billion or 12.5% year-on-year. Due to decreases in production and units sold, as well as the impact of gains or losses on doubtful accounts of our dealer finance subsidiary in the United States, operating income was down ¥153.0 billion, or 45.1% year-on-year.

Europe

Consolidated vehicle sales in Europe in fiscal 2012 rose 2 thousand units, or 0.3% year-on-year, to 798 thousand units. Toyota's European market share (2011; about 40 countries) was 4.2%. Lexus sales totaled approximately 47 thousand units. Consolidated vehicle production increased 11 thousand units, or 3.2% year-on-year, to 383 thousand units.

As a result, net revenues increased ¥12.4 billion, or 0.6% year-on-year, to ¥1,993.9 billion. Operating income was ¥17.7 billion, an increase of ¥4.6 billion, or 35.4% year-on-year.

Automotive Operations

Asia

Despite a decrease in sales (mainly of IMVs) caused by supply shortages resulting from the Thailand floods, consolidated vehicle sales in Asia in fiscal 2012 rose 72 thousand units, or 5.7% year-on-year, to 1,327 thousand units, setting a new record. This was due in part to strong sales of the Etios in India. Consolidated vehicle production was up 97 thousand units, or 7.2% year-on-year, to 1,441 thousand units.

As a result, net revenues were ¥3,334.2 billion, a decline of ¥40.3 billion or 1.2% year-on-year. Operating income was also down ¥56.2 billion, or 18.0% year-on-year, due to increased expenses. Sales in China, which continues to experience strong economic growth, reached 883 thousand units in 2011, a year-on-year increase of 4.4%.

Note: Unit sales figures for China include domestically produced units as well as units imported from Japan.

Other Regions (such as Central and South America, Oceania, Africa, the Middle East)

Consolidated sales for these regions in fiscal 2012 totaled 1,284 thousand units, a decrease of 29 thousand or 2.2% year-on-year. Consolidated vehicle production was 396 thousand units, an increase of 2 thousand or 0.4% compared with the previous year.

As a result, net revenue was ¥1,760.1 billion, a year-on-year decrease of 2.7% or ¥48.9 billion, while operating income was also lower by ¥51.3 billion or 32.0% year-on-year, to ¥108.8 billion.