## Selected Financial Summary (U.S. GAAP)

**Toyota Motor Corporation**  
Fiscal years ended March 31

### For the Year:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales of Products</strong></td>
<td>¥16,578,033</td>
<td>¥17,790,862</td>
<td>¥20,059,493</td>
<td>¥22,670,097</td>
<td>¥24,820,510</td>
</tr>
<tr>
<td><strong>Financing Operations</strong></td>
<td>716,727</td>
<td>760,664</td>
<td>977,416</td>
<td>1,277,994</td>
<td>1,468,730</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>¥17,294,760</td>
<td>¥18,551,526</td>
<td>¥21,036,909</td>
<td>¥23,948,091</td>
<td>¥26,289,240</td>
</tr>
<tr>
<td><strong>Cost of Products Sold</strong></td>
<td>¥13,506,337</td>
<td>¥14,500,282</td>
<td>¥16,335,312</td>
<td>¥18,356,255</td>
<td>¥20,452,338</td>
</tr>
<tr>
<td><strong>Cost of Financing Operations</strong></td>
<td>364,177</td>
<td>369,844</td>
<td>609,632</td>
<td>872,138</td>
<td>1,068,015</td>
</tr>
<tr>
<td><strong>Selling, General and Administrative</strong></td>
<td>1,757,356</td>
<td>2,009,213</td>
<td>2,213,623</td>
<td>2,481,015</td>
<td>2,498,512</td>
</tr>
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<td><strong>Total</strong></td>
<td>¥15,627,870</td>
<td>¥16,879,339</td>
<td>¥19,158,567</td>
<td>¥21,709,408</td>
<td>¥24,018,865</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>¥1,666,890</td>
<td>¥1,672,187</td>
<td>¥1,878,342</td>
<td>¥2,238,683</td>
<td>¥2,270,375</td>
</tr>
<tr>
<td><strong>% of Net Revenues</strong></td>
<td>9.6%</td>
<td>9.0%</td>
<td>8.9%</td>
<td>9.3%</td>
<td>8.6%</td>
</tr>
<tr>
<td><strong>Income (Loss) before Income Taxes and Equity in Earnings of Affiliates</strong></td>
<td>¥1,765,793</td>
<td>¥1,754,637</td>
<td>¥2,087,360</td>
<td>¥2,382,516</td>
<td>¥2,437,222</td>
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<tr>
<td><strong>Provision for Income Taxes</strong></td>
<td>681,304</td>
<td>657,910</td>
<td>795,153</td>
<td>898,312</td>
<td>911,495</td>
</tr>
<tr>
<td><strong>Net Income (Loss) Attributable to Toyota Motor Corporation</strong></td>
<td>¥1,162,098</td>
<td>¥1,171,260</td>
<td>¥1,372,180</td>
<td>¥1,644,032</td>
<td>¥1,717,879</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>15.2%</td>
<td>13.6%</td>
<td>14.0%</td>
<td>14.7%</td>
<td>14.5%</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities</strong></td>
<td>¥2,186,734</td>
<td>¥2,370,940</td>
<td>¥2,515,480</td>
<td>¥3,238,173</td>
<td>¥2,981,624</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Investing Activities</strong></td>
<td>(2,216,495)</td>
<td>(3,061,196)</td>
<td>(3,755,500)</td>
<td>(3,814,378)</td>
<td>(3,874,886)</td>
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<tr>
<td><strong>Net Cash Provided by (Used in) Financing Activities</strong></td>
<td>242,223</td>
<td>419,384</td>
<td>876,911</td>
<td>891,768</td>
<td>706,189</td>
</tr>
<tr>
<td><strong>Capital Expenditures for Property, Plant and Equipment</strong></td>
<td>682,279</td>
<td>755,147</td>
<td>812,648</td>
<td>890,782</td>
<td>958,882</td>
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<tr>
<td><strong>Capital Expenditures for Property, Plant and Equipment</strong>*</td>
<td>945,803</td>
<td>1,068,287</td>
<td>1,523,459</td>
<td>1,425,814</td>
<td>1,480,570</td>
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<tr>
<td><strong>Depreciation</strong></td>
<td>969,904</td>
<td>997,713</td>
<td>1,211,178</td>
<td>1,362,594</td>
<td>1,491,315</td>
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<tr>
<td><strong>At Year-End:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Toyota Motor Corporation Shareholders’ Equity</strong></td>
<td>¥2,456,081</td>
<td>¥2,767,673</td>
<td>¥3,257,633</td>
<td>¥3,701,177</td>
<td>¥3,788,975</td>
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<tr>
<td><strong>Cash and Cash Equivalents</strong></td>
<td>4,247,266</td>
<td>5,014,925</td>
<td>5,640,490</td>
<td>6,238,858</td>
<td>5,981,931</td>
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<tr>
<td><strong>Ratio of Toyota Motor Corporation Shareholders’ Equity</strong></td>
<td>37.1%</td>
<td>37.2%</td>
<td>36.8%</td>
<td>36.3%</td>
<td>36.6%</td>
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### Per Share Data:

<table>
<thead>
<tr>
<th>Yen in millions</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income (Loss) Attributable to Toyota Motor Corporation (Basic)</strong></td>
<td>¥342,90</td>
<td>¥355,35</td>
<td>¥421,76</td>
<td>¥512,09</td>
<td>¥540,65</td>
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<td><strong>Annual Cash Dividends</strong></td>
<td>45</td>
<td>65</td>
<td>90</td>
<td>120</td>
<td>140</td>
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<tr>
<td><strong>Toyota Motor Corporation Shareholders’ Equity</strong></td>
<td>2,456,081</td>
<td>2,767,673</td>
<td>3,257,633</td>
<td>3,701,177</td>
<td>3,788,975</td>
</tr>
</tbody>
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### Stock Information (March 31):

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<th>Yen in millions</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td><strong>Price</strong></td>
<td>¥3,880</td>
<td>¥3,990</td>
<td>¥6,430</td>
<td>¥7,550</td>
<td>¥4,970</td>
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<tr>
<td><strong>Market Capitalization</strong></td>
<td>¥14,006,790</td>
<td>¥14,403,890</td>
<td>¥23,212,284</td>
<td>¥27,255,481</td>
<td>¥17,136,548</td>
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</tbody>
</table>

*Excluding vehicles and equipment of operating leases*
### Selected Financial Summary (U.S. GAAP)

**Toyota Motor Corporation**  
**Fiscal years ended March 31**

#### For the Year:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>% change</th>
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</thead>
<tbody>
<tr>
<td><strong>Net Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of Products</td>
<td>¥19,173,720</td>
<td>¥17,724,729</td>
<td>¥17,820,520</td>
<td>¥17,511,916</td>
<td>¥20,914,150</td>
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<tr>
<td>Total</td>
<td>¥20,529,570</td>
<td>¥18,960,973</td>
<td>¥18,993,688</td>
<td>¥18,583,653</td>
<td>¥22,064,192</td>
<td>+18.7</td>
</tr>
<tr>
<td><strong>Costs and Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of Products Sold</td>
<td>¥17,468,416</td>
<td>¥15,971,496</td>
<td>¥15,985,783</td>
<td>¥15,795,918</td>
<td>¥18,010,569</td>
<td>+14.0</td>
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<tr>
<td>Cost of Financing Operations</td>
<td>987,384</td>
<td>712,301</td>
<td>629,543</td>
<td>592,646</td>
<td>630,426</td>
<td>+6.4</td>
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<tr>
<td>Selling, General and Administrative</td>
<td>¥2,534,781</td>
<td>¥2,119,660</td>
<td>¥1,910,083</td>
<td>¥1,839,462</td>
<td>¥2,102,309</td>
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<tr>
<td>Total</td>
<td>¥20,990,581</td>
<td>¥18,803,457</td>
<td>¥18,525,409</td>
<td>¥18,228,026</td>
<td>¥20,743,304</td>
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<tr>
<td><strong>Operating Income (Loss):</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y (461,011)</td>
<td>¥147,516</td>
<td>¥468,279</td>
<td>¥355,627</td>
<td></td>
<td>¥1,320,888</td>
<td>+271.4</td>
</tr>
<tr>
<td>% of Net Revenues</td>
<td>-2.2%</td>
<td>0.8%</td>
<td>2.5%</td>
<td>1.9%</td>
<td>6.0%</td>
<td>—</td>
</tr>
<tr>
<td>Income (Loss) before Income Taxes and Equity in Earnings of Affiliated Companies</td>
<td>(560,381)</td>
<td>291,468</td>
<td>563,290</td>
<td>432,873</td>
<td>1,403,649</td>
<td>+224.3</td>
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<tr>
<td>Provision for Income Taxes</td>
<td>(56,442)</td>
<td>92,664</td>
<td>312,821</td>
<td>262,272</td>
<td>551,686</td>
<td>+110.3</td>
</tr>
<tr>
<td>Net Income (Loss) Attributable to Toyota Motor Corporation</td>
<td>(436,937)</td>
<td>209,456</td>
<td>408,183</td>
<td>283,559</td>
<td>962,163</td>
<td>+239.3</td>
</tr>
<tr>
<td>ROE</td>
<td>-4.0%</td>
<td>2.1%</td>
<td>3.9%</td>
<td>2.7%</td>
<td>8.5%</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net Cash Provided by Operating Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y 1,476,905</td>
<td>¥2,558,530</td>
<td>¥2,024,009</td>
<td>¥1,452,435</td>
<td></td>
<td>¥2,451,316</td>
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<tr>
<td><strong>Net Cash Used in Investing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1,230,220)</td>
<td>(2,850,184)</td>
<td>(2,116,344)</td>
<td>(1,442,658)</td>
<td></td>
<td>(3,027,312)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Net Cash Provided by (Used in) Financing Activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>698,841</td>
<td>(277,982)</td>
<td>434,327</td>
<td>(355,347)</td>
<td>477,242</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td><strong>R&amp;D Expenses:</strong></td>
<td>904,075</td>
<td>725,345</td>
<td>730,340</td>
<td>779,806</td>
<td>807,454</td>
<td>+3.5</td>
</tr>
<tr>
<td><strong>Capital Expenditures for Property, Plant and Equipment:</strong></td>
<td>1,364,582</td>
<td>604,536</td>
<td>629,326</td>
<td>723,537</td>
<td>854,561</td>
<td>+18.1</td>
</tr>
<tr>
<td><strong>Depreciation:</strong></td>
<td>1,495,170</td>
<td>1,414,569</td>
<td>1,175,573</td>
<td>1,067,830</td>
<td>1,105,109</td>
<td>+3.5</td>
</tr>
<tr>
<td><strong>At Year-End:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corporation Shareholders’ Equity</td>
<td>¥10,061,207</td>
<td>¥10,359,723</td>
<td>¥10,332,371</td>
<td>¥10,550,261</td>
<td>¥12,148,035</td>
<td>+15.1</td>
</tr>
<tr>
<td><strong>Total Assets:</strong></td>
<td>29,062,037</td>
<td>30,349,287</td>
<td>29,818,166</td>
<td>30,650,965</td>
<td>35,483,317</td>
<td>+15.8</td>
</tr>
<tr>
<td><strong>Long-Term Debt:</strong></td>
<td>6,301,469</td>
<td>7,015,409</td>
<td>6,449,220</td>
<td>6,042,277</td>
<td>7,337,824</td>
<td>+21.4</td>
</tr>
<tr>
<td><strong>Cash and Cash Equivalents:</strong></td>
<td>2,444,280</td>
<td>1,865,746</td>
<td>2,080,709</td>
<td>1,679,200</td>
<td>1,718,297</td>
<td>+2.3</td>
</tr>
<tr>
<td><strong>Ratio of Toyota Motor Corporation Shareholders’ Equity:</strong></td>
<td>34.6%</td>
<td>34.1%</td>
<td>34.7%</td>
<td>34.4%</td>
<td>34.2%</td>
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</tr>
</tbody>
</table>

#### Per Share Data:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income (Loss) Attributable to Toyota Motor Corporation (Basic)</td>
<td>(139.13)</td>
<td>66.79</td>
<td>130.17</td>
<td>90.21</td>
<td>303.82</td>
<td>+236.8</td>
</tr>
<tr>
<td>Annual Cash Dividends</td>
<td>100</td>
<td>45</td>
<td>50</td>
<td>50</td>
<td>90</td>
<td>+80.0</td>
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<tr>
<td>Toyota Motor Corporation Shareholders’ Equity</td>
<td>3,208.41</td>
<td>3,303.49</td>
<td>3,295.08</td>
<td>3,331.51</td>
<td>3,835.30</td>
<td>+15.1</td>
</tr>
</tbody>
</table>

**Stock Information** (March 31):

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Price</td>
<td>¥3,120</td>
<td>¥3,745</td>
<td>¥3,350</td>
<td>¥3,570</td>
<td>¥4,860</td>
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<tr>
<td>Market Capitalization (Yen in millions)</td>
<td>¥10,757,752</td>
<td>¥12,912,751</td>
<td>¥11,550,792</td>
<td>¥12,309,351</td>
<td>¥16,757,268</td>
<td>+36.1</td>
</tr>
</tbody>
</table>

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*Excluding vehicles and equipment of operating leases
### Consolidated Segment Information

**Toyota Motor Corporation**  
Fiscal years ended March 31

#### Business Segment:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Automotive</td>
<td>¥24,177,306</td>
<td>¥18,564,723</td>
<td>¥17,197,428</td>
<td>¥17,337,320</td>
<td>¥16,994,546</td>
<td>¥20,419,100</td>
</tr>
<tr>
<td>Financial Services</td>
<td>1,498,354</td>
<td>1,377,548</td>
<td>1,245,407</td>
<td>1,192,206</td>
<td>1,100,324</td>
<td>1,170,670</td>
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<tr>
<td>All Other</td>
<td>1,346,955</td>
<td>1,184,947</td>
<td>947,615</td>
<td>972,252</td>
<td>1,048,915</td>
<td>1,066,461</td>
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<tr>
<td>Intergsegment Elimination</td>
<td>(733,375)</td>
<td>(597,648)</td>
<td>(439,477)</td>
<td>(508,089)</td>
<td>(560,132)</td>
<td>(592,039)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥26,289,240</td>
<td>¥20,529,570</td>
<td>¥18,950,973</td>
<td>¥18,993,688</td>
<td>¥18,583,653</td>
<td>¥22,064,192</td>
</tr>
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</table>

#### Operating Income (Loss):

<table>
<thead>
<tr>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>¥2,171,905</td>
<td>¥(394,876)</td>
<td>¥85,973</td>
<td>¥21,683</td>
<td>¥944,704</td>
<td>¥4,256,9</td>
</tr>
<tr>
<td>Financial Services</td>
<td>86,494</td>
<td>(71,947)</td>
<td>246,927</td>
<td>358,280</td>
<td>306,438</td>
<td>315,820</td>
</tr>
<tr>
<td>All Other</td>
<td>33,080</td>
<td>9,913</td>
<td>(8,860)</td>
<td>35,242</td>
<td>42,062</td>
<td>53,616</td>
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<tr>
<td>Intergsegment Elimination</td>
<td>(21,104)</td>
<td>(4,101)</td>
<td>(11,216)</td>
<td>(14,556)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥2,270,375</td>
<td>¥(461,011)</td>
<td>¥147,516</td>
<td>¥468,279</td>
<td>¥355,627</td>
<td>¥1,320,888</td>
</tr>
</tbody>
</table>

#### Geographic Information:

<table>
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<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td><strong>Net Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>¥15,315,812</td>
<td>¥12,186,737</td>
<td>¥11,220,303</td>
<td>¥10,986,246</td>
<td>¥11,167,319</td>
<td>¥12,821,018</td>
</tr>
<tr>
<td>North America</td>
<td>9,423,258</td>
<td>6,222,914</td>
<td>5,670,526</td>
<td>5,429,136</td>
<td>4,751,886</td>
<td>6,284,425</td>
</tr>
<tr>
<td>Europe</td>
<td>3,993,434</td>
<td>3,013,128</td>
<td>2,147,049</td>
<td>1,981,497</td>
<td>1,995,946</td>
<td>2,083,113</td>
</tr>
<tr>
<td>Asia</td>
<td>3,120,826</td>
<td>2,719,329</td>
<td>2,655,327</td>
<td>3,374,534</td>
<td>3,334,274</td>
<td>4,385,476</td>
</tr>
<tr>
<td>Other</td>
<td>2,294,137</td>
<td>1,882,900</td>
<td>1,873,861</td>
<td>1,809,116</td>
<td>1,760,175</td>
<td>2,094,265</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥26,289,240</td>
<td>¥20,529,570</td>
<td>¥18,950,973</td>
<td>¥18,993,688</td>
<td>¥18,583,653</td>
<td>¥22,064,192</td>
</tr>
</tbody>
</table>

#### Operating Income (Loss):

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>¥1,440,286</td>
<td>¥(237,531)</td>
<td>¥(225,242)</td>
<td>¥(362,396)</td>
<td>¥(207,040)</td>
<td>¥576,355</td>
</tr>
<tr>
<td>North America</td>
<td>305,352</td>
<td>(390,192)</td>
<td>85,490</td>
<td>339,503</td>
<td>186,409</td>
<td>221,925</td>
</tr>
<tr>
<td>Europe</td>
<td>141,571</td>
<td>(143,233)</td>
<td>(32,955)</td>
<td>13,148</td>
<td>17,796</td>
<td>26,462</td>
</tr>
<tr>
<td>Asia</td>
<td>256,356</td>
<td>176,060</td>
<td>203,527</td>
<td>312,977</td>
<td>256,790</td>
<td>376,055</td>
</tr>
<tr>
<td>Other</td>
<td>143,978</td>
<td>87,648</td>
<td>115,574</td>
<td>160,129</td>
<td>108,814</td>
<td>133,744</td>
</tr>
<tr>
<td>Intergsegment Elimination</td>
<td>(17,168)</td>
<td>46,237</td>
<td>1,122</td>
<td>4,918</td>
<td>(7,142)</td>
<td>(13,633)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥2,270,375</td>
<td>¥(461,011)</td>
<td>¥147,516</td>
<td>¥468,279</td>
<td>¥355,627</td>
<td>¥1,320,888</td>
</tr>
</tbody>
</table>
## Consolidated Quarterly Financial Summary

**Toyota Motor Corporation**  
Fiscal years ended March 31

### Selected Financial Summary (U.S. GAAP)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenues</strong></td>
<td>¥3,441.0</td>
<td>¥5,501.5</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>-29.4%</td>
<td>59.9%</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>(108.0)</td>
<td>353.1</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>-32.4%</td>
<td>351.9%</td>
</tr>
<tr>
<td><strong>Income (Loss) before Taxes</strong></td>
<td>198.6</td>
<td>235.6</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>-38.7%</td>
<td>-33.9%</td>
</tr>
<tr>
<td><strong>Net Income Attributable</strong></td>
<td>80.4</td>
<td>257.9</td>
</tr>
<tr>
<td><strong>% Change</strong></td>
<td>-18.5%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

### Business Segment:

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive</strong></td>
<td>¥3,060.8</td>
<td>¥5,120.1</td>
</tr>
<tr>
<td><strong>Financial Services</strong></td>
<td>285.8</td>
<td>353.1</td>
</tr>
<tr>
<td><strong>All Other</strong></td>
<td>190.5</td>
<td>243.2</td>
</tr>
<tr>
<td><strong>Intersegment Elimination</strong></td>
<td>(96.1)</td>
<td>(136.2)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥3,441.0</td>
<td>¥5,501.5</td>
</tr>
</tbody>
</table>

### Operating Income (Loss):

<table>
<thead>
<tr>
<th>Segment</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Automotive</strong></td>
<td>¥202.5</td>
<td>¥258.6</td>
</tr>
<tr>
<td><strong>Financial Services</strong></td>
<td>94.6</td>
<td>86.7</td>
</tr>
<tr>
<td><strong>All Other</strong></td>
<td>20.5</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>Intersegment Elimination</strong></td>
<td>(1.9)</td>
<td>(1.6)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥204.0</td>
<td>¥255.7</td>
</tr>
</tbody>
</table>

### Geographic Information:

<table>
<thead>
<tr>
<th>Region</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>¥1,784.5</td>
<td>¥2,082.9</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>1,085.7</td>
<td>1,379.5</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>459.9</td>
<td>507.8</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td>700.0</td>
<td>1,102.9</td>
</tr>
<tr>
<td><strong>Intersegment Elimination</strong></td>
<td>(725.7)</td>
<td>(1,402.7)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥3,441.0</td>
<td>¥5,501.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>¥206.6</td>
<td>¥107.1</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>32.5</td>
<td>117.6</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>(7.5)</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td>60.1</td>
<td>101.5</td>
</tr>
<tr>
<td><strong>Intersegment Elimination</strong></td>
<td>(3.9)</td>
<td>(3.7)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>¥209.0</td>
<td>¥101.8</td>
</tr>
</tbody>
</table>
Management’s Discussion and Analysis of Financial Condition and Results of Operations

All financial information discussed in this section is derived from Toyota’s consolidated financial statements that appear elsewhere in this annual report. The financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America.

Overview

The business segments of Toyota include automotive operations, financial services operations and all other operations. Automotive operations are Toyota’s most significant business segment, accounting for 90% of Toyota’s total revenues before the elimination of intersegment revenues for fiscal 2013. Toyota’s primary markets based on vehicle unit sales for fiscal 2013 were: Japan (26%), North America (28%), Europe (9%) and Asia (19%).

Automotive Market Environment

The worldwide automotive market is highly competitive and volatile. The demand for automobiles is affected by a number of factors including social, political and general economic conditions; introduction of new vehicles and technologies; and costs incurred by customers to purchase or operate vehicles. These factors can cause consumer demand to vary substantially in different geographic markets and for different types of automobiles.

For the automobile industry, markets have progressed in a steady manner, especially in the U.S. and emerging countries such as Asia. The demand for products with advanced green technology has remained strong throughout all markets worldwide.

The following table sets forth Toyota’s consolidated vehicle unit sales by geographic market based on location of customers for the past three fiscal years.

<table>
<thead>
<tr>
<th></th>
<th>Thousands of units</th>
<th>Years Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Japan</td>
<td>1,913</td>
<td>2,071</td>
</tr>
<tr>
<td>North America</td>
<td>2,031</td>
<td>1,872</td>
</tr>
<tr>
<td>Europe</td>
<td>796</td>
<td>798</td>
</tr>
<tr>
<td>Asia</td>
<td>1,255</td>
<td>1,327</td>
</tr>
<tr>
<td>Other*</td>
<td>1,313</td>
<td>1,284</td>
</tr>
<tr>
<td>Overseas total</td>
<td>5,395</td>
<td>5,281</td>
</tr>
<tr>
<td>Total</td>
<td>7,308</td>
<td>7,352</td>
</tr>
</tbody>
</table>

* “Other” consists of Central and South America, Oceania, Africa and the Middle East, etc.

During fiscal 2013 and 2012, Toyota’s consolidated vehicle unit sales increased as compared with each prior fiscal year, primarily as a result of the active introduction of new products and the efforts of dealers nationwide. Toyota and Lexus brands’ market share excluding mini-vehicles was 48.4% for fiscal 2013, representing a record high, and market share (including Daihatsu and Hino brands) including mini-vehicles remained at a high level of 44.3% following the prior fiscal year.

Overseas consolidated vehicle unit sales decreased during fiscal 2012, whereas they increased during fiscal 2013. During fiscal 2012, total overseas vehicle unit sales decreased, particularly in North America due to impact of the Great East Japan Earthquake and the flood in Thailand, although an increase in Asia resulted from steady demand in spite of the flood in Thailand. During fiscal 2013, total overseas vehicle unit sales increased in every region.

Toyota’s share of total vehicle unit sales in each market is influenced by the quality, safety, reliability, price, design, performance, economy and utility of Toyota’s vehicles compared with those offered by other manufacturers. The timely introduction of new or redesigned vehicles is also an important factor in satisfying customer needs. Toyota’s ability to satisfy changing customer preferences can affect its revenues and earnings significantly.

The profitability of Toyota’s automotive operations is affected by many factors. These factors include:

- vehicle unit sales volumes,
- the mix of vehicle models and options sold,
- the level of parts and service sales,
- the levels of price discounts and other sales incentives and marketing costs,
- the cost of customer warranty claims and other customer satisfaction actions,
- the cost of research and development and other fixed costs,
- the prices of raw materials,
- the ability to control costs,
- the efficient use of production capacity,
- the adverse effect on production due to the reliance on various suppliers for the provision of supplies,
- the adverse effect on market, sales and production of natural calamities and interruptions of social infrastructure, and
- changes in the value of the Japanese yen and other currencies in which Toyota conducts business.
Changes in laws, regulations, policies and other governmental actions can also materially impact the profitability of Toyota’s automotive operations. These laws, regulations and policies include those attributed to environmental matters, vehicle safety, fuel economy and emissions that can add significantly to the cost of vehicles. The European Union has enforced a directive that requires manufacturers to be financially responsible for taking back end-of-life vehicles and to take measures to ensure that adequate used vehicle disposal facilities are established and those hazardous materials and recyclable parts are removed from vehicles prior to scrapping. See “Legislation Regarding End-of-Life Vehicles”, “Information on the Company—Business Overview—Governmental Regulation, Environmental and Safety Standards” in Toyota’s annual report on Form 20-F and note 23 to the consolidated financial statements for a more detailed discussion of these laws, regulations and policies.

Many governments also regulate local content, impose tariffs and other trade barriers, and enact price or exchange controls that can limit an automaker’s operations and can make the repatriation of profits unpredictable. Changes in these laws, regulations, policies and other governmental actions may affect the production, licensing, distribution or sale of Toyota’s products, cost of products or applicable tax rates. From time-to-time when potential safety problems arise, Toyota issues vehicle recalls and takes other safety measures including safety campaigns with respect to its vehicles. In November 2009, Toyota announced a safety campaign in North America for certain models of Toyota and Lexus brands’ vehicles related to floor mat entrapment of accelerator pedals, and later expanded it to include additional models. In January 2010, Toyota announced a recall in North America for certain models of Toyota vehicles related to sticking and slow-to-return accelerator pedals. Also in January 2010, Toyota recalled in Europe and China certain models of Toyota vehicles related to sticking accelerator pedals. In February 2010, Toyota announced a recall in markets including Japan, North America and Europe related to the braking control system in certain vehicle models including the Prius. The recalls and other safety measures described above have led to a number of claims, lawsuits and government investigations against Toyota in the United States. For a more detailed description of these claims, lawsuits and government investigations, see note 23 to the consolidated financial statements.

The worldwide automotive industry is in a period of global competition which may continue for the foreseeable future, and in general the competitive environment in which Toyota operates is likely to intensify. Toyota believes it has the resources, strategies and technologies in place to compete effectively in the industry as an independent company for the foreseeable future.

### Financial Services Operations

The competition of worldwide automobile financial services industry is intensifying despite the recovery trend in the automotive markets. As competition increases, margins on financing transactions may decrease and market share may also decline as customers obtain financing for Toyota vehicles from alternative sources.

Toyota’s financial services operations mainly include loans and leasing programs for customers and dealers. Toyota believes that its ability to provide financing to its customers is an important value added service. Therefore, Toyota has expanded its network of finance subsidiaries in order to offer financial services in many countries.

Toyota’s competitors for retail financing and retail leasing include commercial banks, credit unions and other finance companies. Meanwhile, commercial banks and other captive automobile finance companies also compete against Toyota’s wholesale financing activities.

Toyota’s total finance receivables increased during fiscal 2013 mainly due to the favorable impact of fluctuations in foreign currency translation rates and an increase in the retail receivables.
### The following table provides information regarding Toyota's finance receivables and operating leases in the past two fiscal years.

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>March 31, 2012</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance Receivables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>¥ 7,248,793</td>
<td>¥ 9,047,782</td>
<td></td>
</tr>
<tr>
<td>Finance leases</td>
<td>955,430</td>
<td>1,029,887</td>
<td></td>
</tr>
<tr>
<td>Wholesale and other dealer loans</td>
<td>2,033,954</td>
<td>2,615,728</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10,238,177</td>
<td>12,693,397</td>
<td></td>
</tr>
<tr>
<td>Deferred origination costs</td>
<td>105,533</td>
<td>135,398</td>
<td></td>
</tr>
<tr>
<td>Unearned income</td>
<td>(494,123)</td>
<td>(628,340)</td>
<td></td>
</tr>
<tr>
<td>Allowance for credit losses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>(77,353)</td>
<td>(83,858)</td>
<td></td>
</tr>
<tr>
<td>Finance leases</td>
<td>(30,637)</td>
<td>(28,928)</td>
<td></td>
</tr>
<tr>
<td>Wholesale and other dealer loans</td>
<td>(24,238)</td>
<td>(26,243)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(132,228)</td>
<td>(139,029)</td>
<td></td>
</tr>
<tr>
<td>Total finance receivables, net</td>
<td>9,717,359</td>
<td>12,061,426</td>
<td></td>
</tr>
<tr>
<td>Less—Current portion</td>
<td>(4,114,897)</td>
<td>(5,117,660)</td>
<td></td>
</tr>
<tr>
<td>Noncurrent finance receivables, net</td>
<td>¥ 5,602,462</td>
<td>¥ 6,943,766</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Leases</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td>¥ 2,536,595</td>
<td>¥ 2,999,294</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>87,848</td>
<td>104,351</td>
<td></td>
</tr>
<tr>
<td>Less—Deferred income and other</td>
<td>(49,090)</td>
<td>(65,634)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2,575,353</td>
<td>3,038,011</td>
<td></td>
</tr>
<tr>
<td>Less—Accumulated depreciation</td>
<td>(667,406)</td>
<td>(749,238)</td>
<td></td>
</tr>
<tr>
<td>Less—Allowance for credit losses</td>
<td>(8,135)</td>
<td>(8,020)</td>
<td></td>
</tr>
<tr>
<td>Vehicles and equipment on operating leases, net</td>
<td>¥ 1,899,812</td>
<td>¥ 2,280,753</td>
<td></td>
</tr>
</tbody>
</table>

Toyota enters into interest rate swap agreements and cross currency interest rate swap agreements to convert its fixed-rate debt to variable-rate functional currency debt. A portion of the derivative instruments are entered into to hedge interest rate risk from an economic perspective and are not designated as a hedge of specific assets or liabilities on Toyota's consolidated balance sheet and accordingly, unrealized gains or losses related to derivatives that are not designated as a hedge are recognized currently in operations. See discussion in “Critical Accounting Estimates—Derivatives and Other Contracts at Fair Value” and “Quantitative and Qualitative Disclosures about Market Risk” and notes 20 and 26 to the consolidated financial statements.

The fluctuations in funding costs can affect the profitability of Toyota’s financial services operations. Funding costs are affected by a number of factors, some of which are not in Toyota’s control. These factors include general economic conditions, prevailing interest rates and Toyota’s financial strength. Funding costs decreased during fiscal 2012 and 2013, mainly as a result of lower interest rates.

Toyota continues to originate leases to finance new Toyota vehicles. These leasing activities are subject to residual value risk. Residual value losses could be incurred when the lessee of a vehicle does not exercise the option to purchase the vehicle at the end of the lease term. See discussion in “Critical Accounting Estimates—Allowance for Doubtful Accounts and Credit Losses” and note 11 to the consolidated financial statements.

Toyota’s finance receivables are subject to collectability risks. These risks include consumer and dealer insolvencies and insufficient collateral values (less costs to sell) to realize the full carrying values of these receivables. See discussion in “Critical Accounting Estimates—Allowance for Doubtful Accounts and Credit Losses” and note 11 to the consolidated financial statements.

Toyota continues to originate leases to finance new Toyota vehicles. These leasing activities are subject to residual value risk. Residual value losses could be incurred when the lessee of a vehicle does not exercise the option to purchase the vehicle at the end of the lease term. See discussion in “Critical Accounting Estimates—Allowance for Doubtful Accounts and Credit Losses” and note 2 to the consolidated financial statements.

Toyota enters into interest rate swap agreements and cross currency interest rate swap agreements to convert its fixed-rate debt to variable-rate functional currency debt. A portion of the derivative instruments are entered into to hedge interest rate risk from an economic perspective and are not designated as a hedge of specific assets or liabilities on Toyota’s consolidated balance sheet and accordingly, unrealized gains or losses related to derivatives that are not designated as a hedge are recognized currently in operations. See discussion in “Critical Accounting Estimates—Derivatives and Other Contracts at Fair Value” and “Quantitative and Qualitative Disclosures about Market Risk” and notes 20 and 26 to the consolidated financial statements.

The fluctuations in funding costs can affect the profitability of Toyota’s financial services operations. Funding costs are affected by a number of factors, some of which are not in Toyota’s control. These factors include general economic conditions, prevailing interest rates and Toyota’s financial strength. Funding costs decreased during fiscal 2012 and 2013, mainly as a result of lower interest rates.

Toyota launched its credit card business in Japan in April 2001. As of March 31, 2012, Toyota had 10.9 million cardholders, an increase of 2.0 million cardholders compared with March 31, 2011. As of March 31, 2013, Toyota had 11.8 million cardholders, an increase of 0.9 million cardholders compared with March 31, 2012. The credit card receivables at March 31, 2012 increased by ¥44.0 billion from March 31, 2011 to ¥307.5 billion. The credit card receivables at March 31, 2013 increased by ¥30.5 billion from March 31, 2012 to ¥338.1 billion.

### Other Business Operations

Toyota’s other business operations consist of housing including the manufacture and sale of prefabricated homes, information technology related businesses including information technology and telecommunications, intelligent transport systems and GAZOO, and other businesses.

Toyota does not expect its other business operations to materially contribute to Toyota’s consolidated results of operations.

### Currency Fluctuations

Toyota is affected by fluctuations in foreign currency exchange rates. Toyota is exposed to fluctuations in the value of the Japanese yen against the U.S. dollar and the euro and, to a lesser extent, the Australian dollar, the Russian ruble, the Canadian dollar, the British pound, and others. Toyota’s consolidated financial statements, which are presented in Japanese yen, are affected by foreign currency exchange fluctuations through both translation risk and transaction risk.

Translation risk is the risk that Toyota’s consolidated financial statements for a particular period or for a particular date will be affected by changes in the prevailing exchange rates of the currencies in those countries in which Toyota does business compared with the Japanese yen. Even though the fluctuations of currency exchange rates to the Japanese yen can be substantial, and, therefore,
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Significantly impact comparisons with prior periods and among the various geographic markets, the translation risk is a reporting consideration and does not reflect Toyota’s underlying results of operations. Toyota does not hedge against translation risk.

Transaction risk is the risk that the currency structure of Toyota’s costs and liabilities will deviate from the currency structure of sales proceeds and assets. Transaction risk relates primarily to sales proceeds from Toyota’s non-domestic operations from vehicles produced in Japan.

Toyota believes that the location of its production facilities in different parts of the world has significantly reduced the level of transaction risk. As part of its globalization strategy, Toyota has continued to localize production by constructing production facilities in the major markets in which it sells its vehicles. In calendar 2011 and 2012, Toyota produced 71.3% and 75.4% of its non-domestic sales outside Japan, respectively. In North America, 66.8% and 75.3% of vehicles sold in calendar 2011 and 2012 respectively were produced locally. In Europe, 57.7% and 58.5% of vehicles sold in calendar 2011 and 2012 respectively were produced locally. Localizing production enables Toyota to locally purchase many of the supplies and resources used in the production process, which allows for a better match of local currency revenues with local currency expenses.

Toyota also enters into foreign currency transactions and other hedging instruments to address a portion of its transaction risk. This has reduced, but not eliminated, the effects of foreign currency exchange rate fluctuations, which in some years can be significant. See notes 20 and 26 to the consolidated financial statements for additional information.

Generally, a weakening of the Japanese yen against other currencies has a positive effect on Toyota’s revenues, operating income and net income attributable to Toyota Motor Corporation. A strengthening of the Japanese yen against other currencies has the opposite effect. Although, in fiscal 2012, the Japanese yen was on average and at the end of the fiscal year stronger against the U.S. dollar in comparison to the prior fiscal year, it was on average and at the end of the fiscal year weaker in fiscal 2013. In fiscal 2012 and 2013, the Japanese yen was on average stronger against the euro in comparison to fiscal 2011 and 2012, respectively. The Japanese yen was at the end of fiscal 2012 stronger against the euro in comparison to the prior fiscal year, but was weaker at the end of fiscal 2013 due to the depreciation of the yen in the second half of the fiscal year. See further discussion in “Quantitative and Qualitative Disclosures about Market Risk—Market Risk Disclosures—Foreign Currency Exchange Rate Risk”.

During fiscal 2012 and 2013, the average exchange rate of the Japanese yen against the U.S. dollar and the euro compared to the prior fiscal year has fluctuated as described above. The operating results excluding the impact of currency fluctuations described in “Results of Operations—Fiscal 2013 Compared with Fiscal 2012” and “Results of Operations—Fiscal 2012 Compared with Fiscal 2011” show results of net revenues obtained by applying the Japanese yen’s average exchange rate in the previous fiscal year to the local currency-denominated net revenues for fiscal 2012 and 2013, respectively, as if the value of the Japanese yen had remained constant for the comparable periods. Results excluding the impact of currency fluctuations year-on-year are not on the same basis as Toyota’s consolidated financial statements and do not conform with U.S. GAAP. Furthermore, Toyota does not believe that these measures are a substitute for U.S. GAAP measures. However, Toyota believes that such results excluding the impact of currency fluctuations year-on-year provide additional useful information to investors regarding the operating performance on a local currency basis.

**Segmentation**

Toyota’s most significant business segment is its automotive operations. Toyota carries out its automotive operations as a global competitor in the worldwide automotive market. Management allocates resources to, and assesses the performance of, its automotive operations as a single business segment on a worldwide basis. Toyota does not manage any subset of its automotive operations, such as domestic or overseas operations or parts, as separate management units.

The management of the automotive operations is aligned on a functional basis with managers having oversight responsibility for the major operating functions within the segment. Management assesses financial and non-financial data such as vehicle unit sales, production volume, market share information, vehicle model plans and plant location costs to allocate resources within the automotive operations.

**Geographic Breakdown**

The following table sets forth Toyota’s net revenues in each geographic market based on the country location of the parent company or the subsidiaries that transacted the sale with the external customer for the past three fiscal years.

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>Years Ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Japan</td>
<td>¥6,966,929</td>
</tr>
<tr>
<td>North America</td>
<td>5,327,809</td>
</tr>
<tr>
<td>Europe</td>
<td>1,920,416</td>
</tr>
<tr>
<td>Asia</td>
<td>3,138,112</td>
</tr>
<tr>
<td>Other*</td>
<td>1,640,422</td>
</tr>
</tbody>
</table>

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

Toyota had net revenues for fiscal 2013 of ¥22,064.1 billion, an increase of ¥3,480.5 billion, or 18.7%, compared with the prior fiscal year. This increase reflected changes in numbers of the vehicle unit sales and sales mix of ¥3,031.5 billion and favorable impact of fluctuations in foreign currency translation rates of ¥281.8 billion. Excluding the difference in the Japanese yen value used for translation purposes of ¥281.8 billion, net revenues would have been ¥21,782.3 billion during fiscal 2013, a 17.2% increase compared with the prior fiscal year. The automotive market in 2012 increased by 11.3% in North America and 14.3% in Asia compared with the prior fiscal year. In fiscal 2013, the market in the U.S. and emerging countries such as Asia developed in a steady manner. Under these automotive market conditions, Toyota’s consolidated vehicle unit sales increased to 8,871 thousand vehicles by 20.7% compared with the prior fiscal year.

### Consolidated Segment Information

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>¥11,167,319</td>
<td>¥12,821,018</td>
<td>¥1,653,709</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>4,751,886</td>
<td>6,284,425</td>
<td>1,532,539</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>1,993,946</td>
<td>2,083,113</td>
<td>89,167</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td>3,334,274</td>
<td>4,385,476</td>
<td>1,051,202</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>1,760,175</td>
<td>2,094,265</td>
<td>334,090</td>
</tr>
<tr>
<td><strong>Intersegment elimination/unallocated amount</strong></td>
<td>(4,423,947)</td>
<td>(5,604,105)</td>
<td>(1,180,158)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>¥18,583,653</td>
<td>¥22,064,192</td>
<td>¥3,480,539</td>
</tr>
</tbody>
</table>

### Operating Income (loss)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan</strong></td>
<td>¥ (207,040)</td>
<td>¥ 576,335</td>
<td>¥783,375</td>
</tr>
<tr>
<td><strong>North America</strong></td>
<td>186,409</td>
<td>221,925</td>
<td>35,516</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>17,796</td>
<td>26,462</td>
<td>8,666</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td>256,790</td>
<td>376,055</td>
<td>119,265</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>108,814</td>
<td>133,744</td>
<td>24,930</td>
</tr>
<tr>
<td><strong>Intersegment elimination/unallocated amount</strong></td>
<td>(7,142)</td>
<td>(13,633)</td>
<td>(6,491)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>¥355,627</td>
<td>¥1,320,888</td>
<td>¥965,261</td>
</tr>
</tbody>
</table>

### Operating Margin

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income before income taxes and equity in earnings of affiliated companies</strong></td>
<td>432,873</td>
<td>1,403,649</td>
<td>970,776</td>
</tr>
<tr>
<td><strong>Net margin from income before income taxes and equity in earnings of affiliated companies</strong></td>
<td>2.3%</td>
<td>6.4%</td>
<td>4.1%</td>
</tr>
<tr>
<td><strong>Equity in earnings of affiliated companies</strong></td>
<td>197,701</td>
<td>231,519</td>
<td>33,818</td>
</tr>
<tr>
<td><strong>Net income attributable to Toyota Motor Corporation</strong></td>
<td>283,559</td>
<td>962,163</td>
<td>678,604</td>
</tr>
<tr>
<td><strong>Net margin attributable to Toyota Motor Corporation</strong></td>
<td>1.5%</td>
<td>4.4%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

- *“Other” consists of Central and South America, Oceania and Africa.*
Toyota’s net revenues include net revenues from sales of products, consisting of net revenues from automotive operations and all other operations, which increased by 19.4% during fiscal 2013 compared with the prior fiscal year to ¥20,914.1 billion, and net revenues from financial services operations which increased by 7.3% during fiscal 2013 compared with the prior fiscal year to ¥1,150.0 billion. Excluding the difference in the Japanese yen value used for translation purposes of ¥246.0 billion, net revenues from sales of products would have been ¥20,668.1 billion, an 18.0% increase during fiscal 2013 compared with the prior fiscal year.

Years ended March 31, 2013 vs. 2012 Change

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota’s consolidated vehicle unit sales*</td>
<td>3,741</td>
<td>4,202</td>
<td>461</td>
<td>+12.3</td>
</tr>
</tbody>
</table>

* including number of exported vehicle unit sales

The following table shows the number of financing contracts by geographic region at the end of the fiscal 2013 and 2012, respectively.

<table>
<thead>
<tr>
<th>Number of financing contracts in thousands</th>
<th>2012</th>
<th>2013</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1,697</td>
<td>1,765</td>
<td>68</td>
<td>+4.0</td>
</tr>
<tr>
<td>North America</td>
<td>4,535</td>
<td>4,596</td>
<td>61</td>
<td>+1.3</td>
</tr>
<tr>
<td>Europe</td>
<td>756</td>
<td>825</td>
<td>69</td>
<td>+8.7</td>
</tr>
<tr>
<td>Asia</td>
<td>649</td>
<td>868</td>
<td>219</td>
<td>+33.7</td>
</tr>
<tr>
<td>Other*</td>
<td>552</td>
<td>618</td>
<td>66</td>
<td>+11.9</td>
</tr>
<tr>
<td>Total</td>
<td>8,229</td>
<td>8,672</td>
<td>443</td>
<td>+5.4</td>
</tr>
</tbody>
</table>

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

Geographically, net revenues (before the elimination of intersegment revenues) for fiscal 2013 increased by 14.8% in Japan, 32.3% in North America, 4.5% in Europe, 31.5% in Asia, and 19.0% in Other compared with the prior fiscal year. Excluding the difference in the Japanese yen value used for translation purposes of ¥281.8 billion, net revenues in fiscal 2013 would have increased by 14.8% in Japan, 26.2% in North America, 6.9% in Europe, 28.0% in Asia and 22.5% in Other compared with the prior fiscal year.

**Consolidated Segment Information**

The following is a discussion of net revenues in each geographic market (before the elimination of intersegment revenues).

**Japan**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota’s consolidated vehicle unit sales*</td>
<td>3,741</td>
<td>4,202</td>
<td>461</td>
<td>+12.3</td>
</tr>
</tbody>
</table>

* including number of exported vehicle unit sales

**Consolidated Quarterly Financial Summary**

Net revenues:

Sales of products: ¥11,040,964 ¥12,687,092 ¥1,646,128 +14.9
Financial services: 126,355 133,926 7,571 +6.0
Total: ¥11,167,319 ¥12,821,018 ¥1,653,699 +14.8

In North America, the vehicle unit sales increased by 461 thousand vehicles compared with the prior fiscal year due mainly to a recovery from the negative impact of the Great East Japan Earthquake in the first half of fiscal 2012, an increase in demand by subsidies for eco-cars offered by the government and strong sales of Aqua and other car models in fiscal 2013.

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota’s consolidated vehicle unit sales</td>
<td>1,872</td>
<td>2,469</td>
<td>597</td>
<td>+31.9</td>
</tr>
</tbody>
</table>

**Notes to Consolidated Financial Statements**

In North America, the vehicle unit sales increased by 597 thousand vehicles compared with the prior fiscal year due mainly to the market recovering in a steady manner and strong sales of Corolla, Camry and other car models.
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Europe

Thousands of units

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota’s consolidated vehicle unit sales</td>
<td>799</td>
<td>798</td>
<td></td>
<td>1</td>
<td>+0.1</td>
</tr>
</tbody>
</table>

Net revenues:

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of products</td>
<td>¥1,925,670</td>
<td>¥2,007,207</td>
<td></td>
<td>¥81,537</td>
<td>+4.2</td>
</tr>
<tr>
<td>Financial services</td>
<td>68,276</td>
<td>75,906</td>
<td></td>
<td>7,630</td>
<td>+11.2</td>
</tr>
<tr>
<td>Total</td>
<td>¥1,993,946</td>
<td>¥2,083,113</td>
<td></td>
<td>¥89,167</td>
<td>+4.5</td>
</tr>
</tbody>
</table>

Net revenues in Europe as a whole increased due primarily to the 1 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year. The vehicle unit sales increased in Eastern Europe, especially in Russia, although sales of Toyota brands’ vehicles decreased in Western Europe compared with the prior fiscal year due to the European sovereign debt crisis.

Asia

Thousands of units

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota’s consolidated vehicle unit sales</td>
<td>1,684</td>
<td>1,327</td>
<td></td>
<td>357</td>
<td>+26.9</td>
</tr>
</tbody>
</table>

Net revenues:

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of products</td>
<td>¥3,275,871</td>
<td>¥4,307,943</td>
<td></td>
<td>¥1,032,072</td>
<td>+31.5</td>
</tr>
<tr>
<td>Financial services</td>
<td>58,403</td>
<td>77,533</td>
<td></td>
<td>19,130</td>
<td>+32.8</td>
</tr>
<tr>
<td>Total</td>
<td>¥3,334,274</td>
<td>¥4,385,476</td>
<td></td>
<td>¥1,051,202</td>
<td>+31.5</td>
</tr>
</tbody>
</table>

Net revenues in Asia as a whole increased due primarily to the 357 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year. The vehicle unit sales increased in Eastern Asia due mainly to the expansion of markets such as Thailand and Indonesia, and the recovery during fiscal 2013 from the negative impacts of the flood in Thailand in fiscal 2012.

Other

Thousands of units

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota’s consolidated vehicle unit sales</td>
<td>1,640</td>
<td>1,284</td>
<td></td>
<td>356</td>
<td>+27.8</td>
</tr>
</tbody>
</table>

Net revenues:

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of products</td>
<td>¥1,636,043</td>
<td>¥1,942,215</td>
<td></td>
<td>¥306,172</td>
<td>+18.7</td>
</tr>
<tr>
<td>Financial services</td>
<td>124,132</td>
<td>152,050</td>
<td></td>
<td>27,918</td>
<td>+22.5</td>
</tr>
<tr>
<td>Total</td>
<td>¥1,760,175</td>
<td>¥2,094,265</td>
<td></td>
<td>¥334,090</td>
<td>+19.0</td>
</tr>
</tbody>
</table>

Net revenues in Other as a whole increased due primarily to the 356 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year. The vehicle unit sales increased due mainly to strong sales of IMV and Land Cruiser in each region in fiscal 2013 and the recovery from the shortages of parts supplies caused by the Great East Japan Earthquake and the flood in Thailand in fiscal 2012.

Operating Costs and Expenses

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of products sold</td>
<td>¥15,795,918</td>
<td>¥18,010,569</td>
<td></td>
<td>¥2,214,651</td>
<td>+14.0</td>
</tr>
<tr>
<td>Cost of financing operations</td>
<td>592,646</td>
<td>630,426</td>
<td></td>
<td>37,780</td>
<td>+6.4</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1,839,462</td>
<td>2,102,309</td>
<td></td>
<td>262,847</td>
<td>+14.3</td>
</tr>
<tr>
<td>Total</td>
<td>¥18,228,026</td>
<td>¥20,743,304</td>
<td></td>
<td>¥2,515,278</td>
<td>+13.8</td>
</tr>
</tbody>
</table>

Changes in operating costs and expenses:

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31</th>
<th>2013</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of changes in vehicle unit sales and sales mix</td>
<td>¥2,360,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of fluctuation in foreign currency translation rates</td>
<td>270,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of cost reduction efforts</td>
<td>(450,000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of increase in miscellaneous costs and others</td>
<td>335,278</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>¥2,515,278</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Operating costs and expenses increased by ¥2,515.2 billion, or 13.8%, to ¥20,743.3 billion during fiscal 2013 compared with the prior fiscal year. This increase resulted from the ¥2,360.0 billion impact of changes in vehicle unit sales and sales mix, the ¥270.0 billion unfavorable impact of fluctuations in foreign currency translation rates and the ¥335.2 billion increase in miscellaneous costs and others, partially offset by the ¥450.0 billion impact of cost reduction efforts.

The increase in miscellaneous costs and others was due mainly to the ¥90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the ¥70.0 billion increase in labor costs, the ¥50.0 billion impact of increase in product quality related expenses and the ¥20.0 billion increase in research and development expenses. This increase in product quality related expenses resulted from the weakening of the Japanese yen at the end of fiscal 2013 against other currencies in comparison to the prior fiscal year. See note 14 to the consolidated financial statements.

During fiscal 2013, Toyota announced recalls and other safety measures including the following:

In October 2012, Toyota announced in Japan and other regions the voluntary safety recall of certain models of Toyota brands’ vehicles in relation to the insufficient hardness treatment of some intermediate extension shafts and in relation to the electric water pump for the hybrid system.

Cost Reduction Efforts
During fiscal 2013, Toyota's continued cost reduction efforts reduced operating costs and expenses by ¥450.0 billion. The amount of effect of cost reduction efforts includes the impact of fluctuation in the price of steel, precious metals, non-ferrous alloys including aluminum, plastic parts and other production materials and parts. In fiscal 2013, continued cost reduction efforts together with suppliers contributed to the improvement in earnings. These cost reduction efforts related to ongoing value engineering and value analysis activities, the use of common parts resulting in a reduction of part types and other manufacturing initiatives designed to reduce the costs of vehicle production.

Cost of Products Sold
Cost of products sold increased by ¥2,214.6 billion, or 14.0%, to ¥18,010.5 billion during fiscal 2013 compared with the prior fiscal year. The increase resulted from the ¥2,124.0 billion impact of changes in vehicle unit sales and sales mix and the ¥201.0 billion unfavorable impact of fluctuations in foreign currency translation rates, partially offset by the ¥450.0 billion impact of cost reduction efforts.

Selling, General and Administrative Expenses
Selling, general and administrative expenses increased by ¥262.8 billion, or 14.3%, to ¥2,102.3 billion during fiscal 2013 compared with the prior fiscal year. This increase reflected the ¥90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the ¥43.2 billion increase in expenses for the financial services operations and the ¥35.8 billion unfavorable impact of fluctuations in foreign currency translation rates.
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Toyota’s operating income increased by ¥965.2 billion, or 271.4%, to ¥1,320.8 billion during fiscal 2013 compared with the prior fiscal year. This increase was due mainly to the ¥650.0 billion increase of marketing efforts, the ¥450.0 billion impact of cost reduction efforts and the ¥150.0 billion favorable impact of changes in exchange rates, partially offset by the ¥300.0 billion increase in miscellaneous costs and others. The increase in miscellaneous costs and others was due mainly to the ¥90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the ¥70.0 billion increase in labor costs, the ¥50.0 billion impact of increase in product quality related expenses and the ¥20.0 billion increase in research and development expenses.

During fiscal 2013, operating income (before elimination of intersegment profits), increased by ¥783.3 billion in Japan compared with the prior fiscal year, ¥35.5 billion, or 19.1%, in North America, ¥8.6 billion, or 48.7%, in Europe, ¥119.2 billion, or 46.4%, in Asia, and ¥24.9 billion, or 22.9%, in Other.

The following is a description of operating income in each geographic market.

### North America

<table>
<thead>
<tr>
<th>Changes in operating income and loss:</th>
<th>2013 vs. 2012 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of marketing efforts</td>
<td>¥30,000</td>
</tr>
<tr>
<td>Effect of cost reduction efforts</td>
<td>50,000</td>
</tr>
<tr>
<td>Effect of increase of miscellaneous costs and others</td>
<td>(65,000)</td>
</tr>
<tr>
<td>Other</td>
<td>20,516</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>¥35,516</strong></td>
</tr>
</tbody>
</table>

### Europe

<table>
<thead>
<tr>
<th>Changes in operating income and loss:</th>
<th>2013 vs. 2012 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of marketing efforts</td>
<td>¥6,000</td>
</tr>
<tr>
<td>Effect of cost reduction efforts</td>
<td>5,000</td>
</tr>
<tr>
<td>Effect of increase of miscellaneous costs and others</td>
<td>(5,000)</td>
</tr>
<tr>
<td>Other</td>
<td>3,666</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>¥8,666</strong></td>
</tr>
</tbody>
</table>

### Asia

<table>
<thead>
<tr>
<th>Changes in operating income and loss:</th>
<th>2013 vs. 2012 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of marketing efforts</td>
<td>¥135,000</td>
</tr>
<tr>
<td>Effect of cost reduction efforts</td>
<td>15,000</td>
</tr>
<tr>
<td>Effect of changes in exchange rates</td>
<td>(10,000)</td>
</tr>
<tr>
<td>Effect of increase of miscellaneous costs and others</td>
<td>(30,000)</td>
</tr>
<tr>
<td>Other</td>
<td>9,265</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>¥119,265</strong></td>
</tr>
</tbody>
</table>
Other Income and Expenses
Interest and dividend income decreased by ¥1.1 billion, or 1.2%, to ¥98.6 billion during fiscal 2013 compared with the prior fiscal year.

Interest expense was ¥22.9 billion during fiscal 2013, on the same level as that of the prior fiscal year.

Foreign exchange gain, net decreased by ¥31.5 billion, or 85.0%, to ¥6.5 billion during fiscal 2013 compared with the prior fiscal year. Foreign exchange gains and losses include the differences between the value of foreign currency denominated assets and liabilities recognized through transactions in foreign currencies translated at prevailing exchange rates and the value at the date the transaction settled during the fiscal year, including those settled using forward foreign currency exchange contracts, or the value translated by appropriate year-end current exchange rates. The ¥31.5 billion decrease in foreign exchange gain, net was due mainly to the losses resulting from the Japanese yen being stronger against foreign currencies at the time foreign currency bonds were redeemed during fiscal 2013 than those at the time of purchase.

Other loss, net increased by ¥38.3 billion to ¥1.5 billion during fiscal 2013 compared with the prior fiscal year.

Income Taxes
The provision for income taxes increased by ¥289.4 billion, or 110.3%, to ¥651.6 billion during fiscal 2013 compared with the prior fiscal year.
The effective tax rate for fiscal 2013 was 39.3%, which was higher than the statutory tax rate in Japan. This was due mainly to deferred tax liabilities relating to undistributed earnings in affiliated companies accounted for by the equity method.

Net Income and Loss Attributable to Noncontrolling Interests and Equity in Earnings of Affiliated Companies
Net income attributable to noncontrolling interests increased by ¥36.5 billion, or 43.2%, to ¥121.3 billion during fiscal 2013 compared with the prior fiscal year. This increase was due mainly to an increase during fiscal 2013 in net income attributable to the shareholders of consolidated subsidiaries.

Net income attributable to shareholders of affiliated companies accounted for by the equity method.

Net Income Attributable to Toyota Motor Corporation
Net income attributable to the shareholders of Toyota Motor Corporation increased by ¥678.6 billion, or 239.3%, to ¥962.1 billion during fiscal 2013 compared with the prior fiscal year.

Other Comprehensive Income and Loss
Other comprehensive income increased by ¥856.8 billion to ¥822.7 billion for fiscal 2013 compared with the prior fiscal year. This increase resulted from favorable foreign currency translation adjustments gains of ¥434.6 billion in fiscal 2013 compared with losses of ¥87.7 billion in the prior fiscal year, and from unrealized holding gains on securities in fiscal 2013 of ¥368.5 billion compared with gains of ¥129.3 billion in the prior fiscal year. The increase in unrealized holding gains on securities was due mainly to changes in stock prices.

Management’s Discussion and Analysis of Financial Condition and Results of Operations
Net Income (Loss) Attributable to Toyota Motor Corporation and ROE

Segment Information
The following is a discussion of results of operations for each of Toyota’s operating segments. The amounts presented are prior to intersegment elimination.

Automotive Operations Segment
The automotive operations segment is Toyota’s largest operating segment by net revenues. Net revenues for the automotive segment increased during fiscal 2013 by ¥3,424.5 billion, or 20.2%, compared with the prior fiscal year to ¥20,419.1 billion. The increase reflects the ¥3,030.0 billion of favorable impact of changes in vehicle unit sales and sales mix and the ¥245.4 billion favorable impact of fluctuations in foreign currency translation rates.

Operating income from the automotive operations increased by ¥923.0 billion during fiscal 2013 compared with the prior fiscal year to ¥944.7 billion. This increase in operating income was due mainly to the
$150.0 billion favorable impact of changes in exchange rates, the $645.0 billion of favorable impact of changes in vehicle unit sales and sales mix, and the $450.0 billion impact of cost reduction efforts, partially offset by the $300.0 billion increase in miscellaneous costs and others.

The changes in vehicle unit sales and changes in sales mix was due primarily to the increase in Toyota’s vehicle unit sales by 1,519 thousand vehicles compared with the prior fiscal year resulting from the increase in vehicle unit sales in every region. The increase in miscellaneous costs and others was due mainly to the $90.0 billion charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S., the $70.0 billion increase in labor costs, the $50.0 billion impact of increase in product quality related expenses and the $20.0 billion increase in research and development expenses.

Yen in millions
<table>
<thead>
<tr>
<th>Years ended March 31</th>
<th>2011</th>
<th>2012</th>
<th>Amount</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>¥10,986,246</td>
<td>¥11,167,319</td>
<td>¥181,073</td>
<td>+1.6</td>
</tr>
<tr>
<td>North America</td>
<td>5,429,136</td>
<td>4,751,886</td>
<td>(677,250)</td>
<td>–12.5</td>
</tr>
<tr>
<td>Europe</td>
<td>1,981,497</td>
<td>1,993,946</td>
<td>12,449</td>
<td>+0.6</td>
</tr>
<tr>
<td>Asia</td>
<td>3,374,534</td>
<td>3,334,274</td>
<td>(40,260)</td>
<td>–1.2</td>
</tr>
<tr>
<td>Other*</td>
<td>1,809,116</td>
<td>1,760,175</td>
<td>(48,941)</td>
<td>–2.7</td>
</tr>
<tr>
<td>Intersegment elimination/unallocated amount</td>
<td>(4,586,841)</td>
<td>(4,423,947)</td>
<td>162,894</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>¥18,993,688</td>
<td>¥18,583,653</td>
<td>(410,035)</td>
<td>–2.2</td>
</tr>
<tr>
<td>Operating income (loss):</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>¥ (362,396)</td>
<td>¥ (207,040)</td>
<td>155,356</td>
<td>—</td>
</tr>
<tr>
<td>North America</td>
<td>339,503</td>
<td>186,409</td>
<td>(153,094)</td>
<td>–45.1</td>
</tr>
<tr>
<td>Europe</td>
<td>13,148</td>
<td>17,796</td>
<td>4,648</td>
<td>+35.4</td>
</tr>
<tr>
<td>Asia</td>
<td>312,977</td>
<td>256,790</td>
<td>(56,187)</td>
<td>–18.0</td>
</tr>
<tr>
<td>Other*</td>
<td>160,129</td>
<td>108,814</td>
<td>(51,315)</td>
<td>–32.0</td>
</tr>
<tr>
<td>Intersegment elimination/unallocated amount</td>
<td>4,918</td>
<td>(7,142)</td>
<td>(12,060)</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>¥ 468,279</td>
<td>¥ 355,627</td>
<td>(112,652)</td>
<td>–24.1</td>
</tr>
<tr>
<td>Operating margin</td>
<td>2.5%</td>
<td>1.9%</td>
<td>(0.6)%</td>
<td></td>
</tr>
<tr>
<td>Income before income taxes and equity in earnings of affiliated companies</td>
<td>563,290</td>
<td>432,873</td>
<td>(130,417)</td>
<td>–23.2</td>
</tr>
<tr>
<td>Net margin from income before income taxes and equity in earnings of affiliated companies</td>
<td>3.0%</td>
<td>2.3%</td>
<td>(0.7)%</td>
<td></td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>215,016</td>
<td>197,701</td>
<td>(17,315)</td>
<td>–8.1</td>
</tr>
<tr>
<td>Net income attributable to Toyota Motor Corporation</td>
<td>408,183</td>
<td>283,559</td>
<td>(124,624)</td>
<td>–30.5</td>
</tr>
<tr>
<td>Net margin attributable to Toyota Motor Corporation</td>
<td>2.1%</td>
<td>1.5%</td>
<td>(0.6)%</td>
<td></td>
</tr>
</tbody>
</table>

* "Other" consists of Central and South America, Oceania and Africa.
Net Revenues
Toyota had net revenues for fiscal 2012 of ¥18,583.6 billion, a decrease of ¥410.0 billion, or 2.2%, compared with the prior fiscal year. This decrease reflects unfavorable impact of fluctuations in foreign currency translation rates and others of ¥717.7 billion, partially offset by changes in numbers of the vehicle unit sales and sales mix of approximately ¥320.0 billion and other factors. Excluding the difference in the Japanese yen value used for translation purposes of ¥717.7 billion, net revenues would have been approximately

¥19,301.3 billion during fiscal 2012, a 1.6% increase compared with the prior fiscal year. The automotive market in fiscal 2012 increased by 9.7% in North America and 3.9% in Asia compared with the prior fiscal year due to that market in the U.S. and emerging countries such as Asia have developed in a steady manner. Under these automotive market conditions, despite the Great East Japan Earthquake and the flood in Thailand, Toyota’s consolidated vehicle unit sales increased to 7,352 thousand vehicles by 0.6% compared with the prior fiscal year.

The following table shows the number of financing contracts by geographic region at the end of the fiscal 2012 and 2011, respectively.

<table>
<thead>
<tr>
<th>Geographic Region</th>
<th>2011</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1,709</td>
<td>1,697</td>
<td>–0.7%</td>
</tr>
<tr>
<td>North America</td>
<td>4,654</td>
<td>4,535</td>
<td>–2.6%</td>
</tr>
<tr>
<td>Europe</td>
<td>790</td>
<td>796</td>
<td>+0.7%</td>
</tr>
<tr>
<td>Asia</td>
<td>522</td>
<td>649</td>
<td>+24.3%</td>
</tr>
<tr>
<td>Other</td>
<td>527</td>
<td>552</td>
<td>+4.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>8,202</td>
<td>8,229</td>
<td>+0.3%</td>
</tr>
</tbody>
</table>

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

Geographically, net revenues (before the elimination of intersegment revenues) for fiscal 2012 decreased by 12.5% in North America, 1.2% in Asia, and 2.7% in Other, whereas net revenues increased by 1.6% in Japan and 0.6% in Europe compared with the prior fiscal year. Excluding the difference in the Japanese yen value used for translation purposes of ¥717.7 billion, net revenues in fiscal 2012 were ¥18,583.6 billion, a 2.9% decrease during fiscal 2012 compared with the prior fiscal year. This decrease was mainly due to the decrease of ¥18.3 billion rental revenue generated by vehicles and equipment on operating lease.

The following table shows Toyota’s net revenues from external customers by product category and by business.

<table>
<thead>
<tr>
<th>Product Category</th>
<th>2011 Yen in millions</th>
<th>2012 Yen in millions</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vehicles</strong></td>
<td>¥14,507,479</td>
<td>¥14,164,940</td>
<td>–2.4%</td>
</tr>
<tr>
<td><strong>Parts and components for overseas production</strong></td>
<td>335,366</td>
<td>338,000</td>
<td>+0.8%</td>
</tr>
<tr>
<td><strong>Parts and components for after service</strong></td>
<td>1,553,497</td>
<td>1,532,219</td>
<td>–1.4%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>926,411</td>
<td>929,219</td>
<td>+0.3%</td>
</tr>
<tr>
<td><strong>Total Automotive</strong></td>
<td>17,322,753</td>
<td>16,964,378</td>
<td>–2.1%</td>
</tr>
<tr>
<td><strong>All Other</strong></td>
<td>497,767</td>
<td>547,538</td>
<td>+10.0%</td>
</tr>
<tr>
<td><strong>Total sales of products</strong></td>
<td>17,820,520</td>
<td>17,511,916</td>
<td>–1.7%</td>
</tr>
<tr>
<td><strong>Financial services</strong></td>
<td>1,173,168</td>
<td>1,071,737</td>
<td>–8.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>¥18,993,688</td>
<td>¥18,583,653</td>
<td>–2.2%</td>
</tr>
</tbody>
</table>

Toyota’s net revenues include net revenues from sales of products, consisting of net revenues from automotive operations and all other operations, which decreased by 1.7% during fiscal 2012 compared with the prior fiscal year to ¥17,511.9 billion, and net revenues from financial services operations which decreased by 8.6% during fiscal 2012 compared with the prior fiscal year.

Net Revenues from Sales of Products
Toyota’s net revenues from sales of products is due to an increase in Toyota vehicle unit sales by 44 thousand vehicles. Excluding the difference in the Japanese yen value used for translation purposes of ¥66.9 billion, net revenues from financial services operations would have been approximately ¥1,138.6 billion, a 2.9% decrease during fiscal 2012 compared with the prior fiscal year.

Net Revenues from Financial Services Operations
Net revenues from financial services operations decreased by 8.6% during fiscal 2012 compared with the prior fiscal year. Excluding the difference in the Japanese yen value used for translation purposes of ¥717.7 billion, net revenues would have been approximately ¥19,301.3 billion during fiscal 2012, a 1.6% increase compared with the prior fiscal year. The automotive market in fiscal 2012 increased by 9.7% in North America and 3.9% in Asia compared with the prior fiscal year due to that market in the U.S. and emerging countries such as Asia have developed in a steady manner. Under these automotive market conditions, despite the Great East Japan Earthquake and the flood in Thailand, Toyota’s consolidated vehicle unit sales increased to 7,352 thousand vehicles by 0.6% compared with the prior fiscal year. Excluding the difference in the Japanese yen value used for translation purposes of ¥717.7 billion, net revenues would have been approximately ¥19,301.3 billion during fiscal 2012, a 1.6% increase compared with the prior fiscal year. The automotive market in fiscal 2012 increased by 9.7% in North America and 3.9% in Asia compared with the prior fiscal year due to that market in the U.S. and emerging countries such as Asia have developed in a steady manner. Under these automotive market conditions, despite the Great East Japan Earthquake and the flood in Thailand, Toyota’s consolidated vehicle unit sales increased to 7,352 thousand vehicles by 0.6% compared with the prior fiscal year.

Management’s Discussion and Analysis of Financial Condition and Results of Operations
Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following is a discussion of net revenues in each geographic market (before the elimination of intersegment revenues).

Japan

<table>
<thead>
<tr>
<th>Thousands of units</th>
<th>Years ended March 31</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Toyota’s consolidated vehicle unit sales*</td>
<td>3,611</td>
<td>3,741</td>
</tr>
</tbody>
</table>

* including number of exported vehicle unit sales

Net revenues:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>Years ended March 31</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of products</td>
<td>¥10,864,329</td>
<td>¥11,040,964</td>
</tr>
<tr>
<td>Financial services</td>
<td>121,917</td>
<td>126,355</td>
</tr>
<tr>
<td>Total</td>
<td>¥10,986,246</td>
<td>¥11,167,319</td>
</tr>
</tbody>
</table>

Although Toyota’s domestic and exported vehicle unit sales decreased due to the impact of the Great East Japan Earthquake in the first half of fiscal 2012, Toyota’s domestic and exported vehicle unit sales over the fiscal year increased by 130 thousand vehicles compared with the prior fiscal year. The increase in vehicle unit sales resulted primarily from introduction of new products such as Prius and Aqua.

Net revenues in North America decreased compared with the prior fiscal year due to the decrease in vehicle unit sales and the unfavorable impact of fluctuations in foreign currency translation rates of ¥398.9 billion.

Europe

<table>
<thead>
<tr>
<th>Thousands of units</th>
<th>Years ended March 31</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Toyota’s consolidated vehicle unit sales</td>
<td>2,031</td>
<td>1,872</td>
</tr>
</tbody>
</table>

Net revenues:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>Years ended March 31</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of products</td>
<td>¥1,910,336</td>
<td>¥1,925,670</td>
</tr>
<tr>
<td>Financial services</td>
<td>71,161</td>
<td>68,276</td>
</tr>
<tr>
<td>Total</td>
<td>¥1,981,497</td>
<td>¥1,993,946</td>
</tr>
</tbody>
</table>

Net revenues in Europe as a whole increased due primarily to the 2 thousand vehicles increase in vehicle unit sales compared with the prior fiscal year, such as a 49 thousand vehicles increase in Russia, where the economy has been strong, although sales of Toyota brands’ vehicles decreased in some European countries compared with the prior fiscal year, such as a 18 thousand vehicles decrease in Italy and a 7 thousand vehicles decrease in Portugal, both of which were mainly due to the European sovereign debt crisis.

Asia

<table>
<thead>
<tr>
<th>Thousands of units</th>
<th>Years ended March 31</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Toyota’s consolidated vehicle unit sales</td>
<td>1,255</td>
<td>1,327</td>
</tr>
</tbody>
</table>

Net revenues:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>Years ended March 31</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales of products</td>
<td>¥3,325,466</td>
<td>¥3,275,871</td>
</tr>
<tr>
<td>Financial services</td>
<td>49,068</td>
<td>58,403</td>
</tr>
<tr>
<td>Total</td>
<td>¥3,374,534</td>
<td>¥3,334,274</td>
</tr>
</tbody>
</table>
Despite the flood in Thailand, Toyota’s vehicle unit sales in Asia increased by 72 thousand vehicles compared with the prior fiscal year due to steady growth in automotive markets. Although Toyota’s vehicle unit sales in Asia increased, net revenues in Asia decreased compared with the prior fiscal year mainly due to the unfavorable impact of fluctuations in foreign currency translation rates of ¥168.8 billion and others.

### Operating Costs and Expenses

<table>
<thead>
<tr>
<th>Yen in billions</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of changes in vehicle unit sales and sales mix and other operational factors</td>
<td>¥150,000</td>
</tr>
<tr>
<td>Effect of fluctuation in foreign currency translation rates and others</td>
<td>(432,300)</td>
</tr>
<tr>
<td>Effect of cost reduction efforts</td>
<td>(150,000)</td>
</tr>
<tr>
<td>Effect of increase in miscellaneous costs and others</td>
<td>134,917</td>
</tr>
<tr>
<td>Total</td>
<td>¥(297,383)</td>
</tr>
</tbody>
</table>

Operating costs and expenses decreased by ¥297.3 billion, or 1.6%, to ¥18,228.0 billion during fiscal 2012 compared with the prior fiscal year. This decrease resulted from the ¥432.3 billion favorable impact of fluctuations in foreign currency translation rates and others, and the ¥150.0 billion impact of cost reduction efforts, partially offset by the ¥150.0 billion impact of changes in vehicle unit sales and sales mix and other operational factors and the ¥134.9 billion increase in miscellaneous costs and others.

The increase in miscellaneous costs and others was due mainly to a ¥100.0 billion increase in labor costs, a ¥50.0 billion increase in research and development expenses and the ¥104.9 billion increase in other various costs, partially offset by the ¥120.0 billion impact of decrease in product quality related expenses and others. This cost decreased because costs related to recalls and other safety measures occurred at a high level during the prior fiscal year. See note 14 to the consolidated financial statements.

During fiscal 2012, Toyota announced recalls and other safety measures including the following:

- In June 2011, Toyota announced in Japan and other regions a voluntary safety recall of certain models of Toyota and Lexus brands’ vehicles in relation to damage to elements of the substrate and potential shutdown of the hybrid system that may have resulted from improper manufacturing of electronic converter control substrate. The affected vehicle models included Harrier Hybrid, Kluger Hybrid, RX400h, and Highlander Hybrid, 111 thousand vehicles were included in this recall.

- In September 2011, Toyota announced in Japan the service campaign of certain models of Toyota in relation to abnormal noise and oil leakage that may have resulted from slack of bolts in the sub transmission and the rear wheel differential. The affected vehicle models included EstimaL, EstimaT and Wish, 181 thousand vehicles were included in this service campaign.

- In November 2011, Toyota announced in Japan and other regions the voluntary safety recall of certain models of Toyota and Lexus brands’ vehicles in relation to abnormal noise, charge warning light indicators, and increasing of handle operation force resulted from peeling of a bonded part of the engine crankshaft pulley. The affected vehicle models included AlphardG, AlphardV, EstimaL, EstimaT, KlugerV, KlugerL, Kluger Hybrid, Harrier, Harrier Hybrid, Windom, RX300, RX330, RX400h, ES300, ES330, Solaris, Camry, Avalon, Sienna, Highlander,
and Highlander Hybrid, 549 thousand vehicles were included in this recall.

**Cost Reduction Efforts**
During fiscal 2012, Toyota’s continued cost reduction efforts reduced operating costs and expenses by ¥150.0 billion. The amount of effect of cost reduction efforts includes the impact of fluctuation in the price of steel, precious metals, non-ferrous alloys including aluminum, plastic parts and other production materials and parts. In fiscal 2012, raw materials prices were on an increasing trend; however, continued cost reduction efforts together with suppliers contributed to the improvement in earnings by more than offsetting the effects from raw materials price increase. These cost reduction efforts related to ongoing value engineering and value analysis activities, the use of common parts resulting in a reduction of part types and other manufacturing initiatives designed to reduce the costs of vehicle production.

**Cost of Products Sold**
Cost of products sold decreased by ¥189.8 billion, or 1.2%, to ¥15,795.9 billion during fiscal 2012 compared with the prior fiscal year. This decrease reflects the ¥53.0 billion favorable impact of fluctuations in foreign currency translation rates and others, and the ¥192.0 billion decrease for the financial services operations.

Toyota’s operating income decreased by ¥112.6 billion, or 24.1%, to ¥355.6 billion during fiscal 2012 compared with the prior fiscal year. This decrease was due mainly to the ¥285.4 billion unfavorable impact of fluctuations in foreign currency translation rates and others, and the ¥100.0 billion increase in miscellaneous costs and others, partially offset by the ¥150.0 billion impact of cost reduction efforts, financial services operations, and others.

The following is a description of operating income and loss in each geographic market.

**Japan**

<table>
<thead>
<tr>
<th>Changes in operating income and loss:</th>
<th>Yen in millions</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect of changes in vehicle unit sales and sales mix and other operational factors</td>
<td>¥195,000</td>
<td></td>
</tr>
<tr>
<td>Effect of fluctuation in foreign currency translation rates and others</td>
<td>(275,000)</td>
<td></td>
</tr>
<tr>
<td>Effect of cost reduction efforts, decrease in miscellaneous costs and others</td>
<td>235,356</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>¥155,356</td>
<td></td>
</tr>
</tbody>
</table>
The decrease in operating losses in Japan reflects the ¥195.0 billion of favorable impact by changes in vehicle unit sales and sales mix and other operational factors and ¥235.3 billion impact of the cost reduction efforts, and decrease in miscellaneous costs and others, partially offset by the ¥275.0 billion unfavorable impact of effect of fluctuation in foreign currency transaction rates and others. The cost reduction efforts, decrease in miscellaneous costs and others mainly reflect the ¥130.0 billion impact of the cost reduction efforts and ¥40.0 billion decrease in miscellaneous costs and others. The increase in vehicle unit sales was mainly due to introduction of new products such as Prius and Aqua.

The increase in operating income in Europe was due to the ¥10.0 billion impact of cost reduction efforts and the ¥5.0 billion increase in operating income in the financial services operations, partially offset by ¥15.0 billion negative impact of changes in vehicle unit sales and sales mix and other operational factors and the ¥1.2 billion unfavorable impact of fluctuations in foreign currency translation rates and others.

### Asia

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>2012 vs. 2011 Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in operating income and loss:</td>
<td></td>
</tr>
<tr>
<td>Effect of changes in vehicle unit sales and sales mix and other operational factors</td>
<td>¥ (10,000)</td>
</tr>
<tr>
<td>Effect of fluctuation in foreign currency translation rates and others</td>
<td>11,600</td>
</tr>
<tr>
<td>Effect of cost reduction efforts, increase in miscellaneous costs and others</td>
<td>(57,757)</td>
</tr>
<tr>
<td>Total</td>
<td>¥(56,187)</td>
</tr>
</tbody>
</table>

The decrease in operating income in Asia was due to the ¥10.0 billion negative impact of changes in vehicle unit sales and sales mix and other operational factors and the ¥55.0 billion decrease in operating income in the financial services operations, the ¥5.0 billion negative impact of changes in vehicle unit sales and sales mix and other operational factors and the ¥90.0 billion increase in miscellaneous costs and others.

### Other Income and Expenses

Interest and dividend income increased by ¥9.0 billion, or 10.0%, to ¥99.8 billion during fiscal 2012 compared with the prior fiscal year.

Interest expense decreased by ¥6.3 billion, or 21.8%, to ¥22.9 billion during fiscal 2012 compared with the prior fiscal year.

Foreign exchange gain, net increased by ¥22.8 billion, or 159.4%, to ¥37.1 billion during fiscal 2012 compared with the prior fiscal year.

The net gain of ¥37.1 billion in fiscal 2012 was primarily attributable to Toyota Motor Corporation’s receivables, which were mainly denominated in the U.S. dollars, specifically transactional gains on account of an increase in export volume due to the recovery of production levels in the second half of fiscal 2012 after the Great East Japan Earthquake, and the weakening of the Japanese yen against the U.S. dollar in the second half of fiscal 2012, together with the impact of forward foreign currency exchange contracts, which were mainly denominated in the U.S. dollars and the yen as well as the euro and the yen.

The ¥22.8 billion increase in foreign exchange gain, net, during fiscal 2012 compared with the prior fiscal year was mainly attributable to the losses incurred by certain subsidiaries during fiscal 2011. Such losses were principally due to the Brazilian real and the Thai baht, the functional currencies for Toyota Motor Corporation's Brazilian and Thai operations.
subsidiaries, respectively, both strengthening against the U.S. dollar, decreasing the value of assets denominated in dollars that were not settled during the year.

Other loss, net decreased by ¥56.0 billion to ¥36.8 billion during fiscal 2012 compared with the prior fiscal year. This was due to the recognition of impairment losses on available-for-sale securities.

Income Taxes
The provision for income taxes decreased by ¥50.5 billion, or 16.2%, to ¥262.2 billion during fiscal 2012 compared with the prior fiscal year due to the decrease in income before income taxes. The effective tax rate for fiscal 2012 was 60.6%, which was higher than the statutory tax rate in Japan. This was due to recurring items such as the valuation allowance and deferred tax liabilities relating to undistributed earnings in affiliated companies accounted for by the equity method.

Net Income Attributable to Toyota Motor Corporation
Net income attributable to the shareholders of Toyota Motor Corporation decreased by ¥124.6 billion, or 30.5%, to ¥283.5 billion during fiscal 2012 compared with the prior fiscal year.

Other Comprehensive Income and Loss
Other comprehensive loss decreased by ¥263.8 billion to ¥34.1 billion for fiscal 2012 compared with the prior fiscal year. This decrease resulted from unfavorable foreign currency translation adjustments losses of ¥87.7 billion in fiscal 2012 compared with losses of ¥287.6 billion in the prior fiscal year, and from unrealized holding gains on securities in fiscal 2012 of ¥129.3 billion compared with losses of ¥26.1 billion in the prior fiscal year. The increase in unrealized holding gains on securities was due to changes in stock prices.

Management’s Discussion and Analysis of Financial Condition and Results of Operations

Segment Information
The following is a discussion of results of operations for each of Toyota’s operating segments. The amounts presented are prior to intersegment elimination.

<table>
<thead>
<tr>
<th>Segment Information</th>
<th>2012</th>
<th>2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive:</td>
<td>Y17,337,320</td>
<td>Y16,994,546</td>
<td>¥(342,774)</td>
</tr>
<tr>
<td>Operating income</td>
<td>85,973</td>
<td>21,683</td>
<td>(64,290)</td>
</tr>
<tr>
<td>Financial Services:</td>
<td>Net revenues: Y1,192,205</td>
<td>1,100,324</td>
<td>(91,881)</td>
</tr>
<tr>
<td>Operating income</td>
<td>358,280</td>
<td>306,438</td>
<td>(51,842)</td>
</tr>
<tr>
<td>All Other:</td>
<td>Net revenues: Y972,252</td>
<td>1,048,915</td>
<td>76,663</td>
</tr>
<tr>
<td>Operating income</td>
<td>35,242</td>
<td>42,062</td>
<td>6,820</td>
</tr>
</tbody>
</table>

Automotive Operations Segment
The automotive operations segment is Toyota’s largest operating segment by net revenues. Net revenues for the automotive segment decreased during fiscal 2012 by ¥342.7 billion, or 2.0%, compared with the prior fiscal year to ¥16,994.5 billion. The decrease reflects the ¥450.2 billion unfavorable impact of fluctuations in foreign currency translation rates and others, partially offset by the ¥170.0 billion effect of cost reduction efforts, and the ¥150.0 billion of favorable impact by changes in vehicle unit sales and sales mix.

The changes in vehicle unit sales and changes in sales mix was due primarily to an increase in Toyota’s vehicle unit sales by 44 thousand vehicles compared with the prior fiscal year resulting from the introduction of new products in spite of the impact of the Great East Japan Earthquake and the flood in Thailand. The increase in miscellaneous costs and others was due primarily to the ¥100.0 billion increase in labor costs and the ¥50.0 billion increase in research and development expenses.

Financial Services Operations Segment
Net revenues for the financial services operations decreased during fiscal 2012 by ¥91.8 billion, or 7.7%, compared with the prior fiscal year to ¥1,100.3 billion. This decrease was primarily due to the unfavorable impact of fluctuations in foreign currency translation rates and others of ¥66.9 billion and the ¥18.3 billion decrease in rental income from vehicles and equipment on operating leases.
Operating income from financial services operations decreased by ¥51.8 billion, or 14.5%, to ¥306.4 billion during fiscal 2012 compared with the prior fiscal year. This decrease was due primarily to the recording of ¥20.8 billion of valuation losses on interest rate swaps stated at fair value.

Ratio of credit loss experience in the United States is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Years ended March 31:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Net charge-offs as a percentage of average gross earning assets:</td>
<td></td>
</tr>
<tr>
<td>Finance receivables</td>
<td>0.61%</td>
</tr>
<tr>
<td>Operating lease</td>
<td>0.22%</td>
</tr>
<tr>
<td>Total</td>
<td>0.82%</td>
</tr>
</tbody>
</table>

All Other Operations Segment
Net revenues for Toyota’s other operations segments increased by ¥76.6 billion, or 7.9%, to ¥1,048.9 billion during fiscal 2012 compared with the prior fiscal year. Operating income from Toyota’s other operations segments increased by ¥6.8 billion, or 19.4%, to ¥42.0 billion during fiscal 2012 compared with the prior fiscal year.

Liquidity and Capital Resources
Historically, Toyota has funded its capital expenditures and research and development activities through cash generated by operations. The ongoing external factors in mind, Toyota expects that net revenues for fiscal 2014 will increase compared with fiscal 2013 as a result of a favorable impact of fluctuations in foreign currency translation rates and an increase in vehicle unit sales. With respect to operating income, factors expected to contribute to an increase in operating income include the favorable impact of fluctuations in foreign currency rates, increased vehicle unit sales through marketing efforts, and cost reduction efforts. On the other hand, factors expected to contribute to a decrease in operating income include an increase in miscellaneous costs and others. As the result, Toyota expects that operating income will increase in fiscal 2014 compared with fiscal 2013.

The automotive market is expected to see recovery in the U.S. and expansion in emerging countries. However, amid the change in market structure, as seen in the expansion and diversification of demand for eco-cars backed by rising environmental consciousness, fierce competition exists on a global scale. With the foregoing external factors in mind, Toyota expects that net revenues for fiscal 2014 will increase compared with fiscal 2013 as results of a favorable impact of fluctuations in foreign currency translation rates and an increase in vehicle unit sales. With respect to operating income, factors expected to contribute to an increase in operating income include the favorable impact of fluctuations in foreign currency rates, increased vehicle unit sales through marketing efforts, and cost reduction efforts. On the other hand, factors expected to contribute to a decrease in operating income include an increase in miscellaneous costs and others. As the result, Toyota expects that operating income will increase in fiscal 2014 compared with fiscal 2013. Also, Toyota expects that net revenues for fiscal 2014 will increase compared with fiscal 2013 as results of a favorable impact of fluctuations in foreign currency translation rates and an increase in vehicle unit sales. With respect to operating income, factors expected to contribute to an increase in operating income include the favorable impact of fluctuations in foreign currency rates, increased vehicle unit sales through marketing efforts, and cost reduction efforts. On the other hand, factors expected to contribute to a decrease in operating income include an increase in miscellaneous costs and others. As the result, Toyota expects that operating income will increase in fiscal 2014 compared with fiscal 2013.

The following statements are forward-looking statements based upon Toyota’s management’s assumptions and beliefs regarding exchange rates, market demand for Toyota’s products, economic conditions and others. See “Cautionary Statement Concerning Forward-Looking Statements”. Toyota’s actual results of operations could vary significantly from those described above as a result of unanticipated changes in the factors described above or other factors, including those described in “Risk Factors”.

Outlook
As for our world future business environment, the U.S. economy is expected to benefit from ongoing moderate recovery and a pickup in the pace of economic expansion in emerging countries. Europe, meanwhile, still faces the risk of economic stagnation due to the sovereign debt crisis and other factors, though a gradual bottoming out is anticipated.

The automotive market is expected to see recovery in the U.S. and expansion in emerging countries. However, amid the change in market structure, as seen in the expansion and diversification of demand for eco-cars backed by rising environmental consciousness, fierce competition exists on a global scale. With the foregoing external factors in mind, Toyota expects that net revenues for fiscal 2014 will increase compared with fiscal 2013 as results of a favorable impact of fluctuations in foreign currency translation rates and an increase in vehicle unit sales. With respect to operating income, factors expected to contribute to an increase in operating income include the favorable impact of fluctuations in foreign currency rates, increased vehicle unit sales through marketing efforts, and cost reduction efforts. On the other hand, factors expected to contribute to a decrease in operating income include an increase in miscellaneous costs and others. As the result, Toyota expects that operating income will increase in fiscal 2014 compared with fiscal 2013.

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The following statements are forward-looking statements based upon Toyota’s management’s assumptions and beliefs regarding exchange rates, market demand for Toyota’s products, economic conditions and others. See “Cautionary Statement Concerning Forward-Looking Statements”. Toyota’s actual results of operations could vary significantly from those described above as a result of unanticipated changes in the factors described above or other factors, including those described in “Risk Factors”.

Liquidity and Capital Resources
Historically, Toyota has funded its capital expenditures and research and development activities through cash generated by operations.
In fiscal 2014, Toyota expects to sufficiently fund its capital expenditures and research and development activities through cash and cash equivalents on hand, and cash generated by operations. Toyota will use its funds for the development of environment technologies, maintenance and replacement of manufacturing facilities, and the introduction of new products. See "Information on the Company—Business Overview—Capital Expenditures and Divestitures" in Toyota's annual report on Form-20F for information regarding Toyota's material capital expenditures and divestitures for fiscal 2011, 2012 and 2013, and information concerning Toyota's principal capital expenditures and divestitures currently in progress.

Toyota funds its financing programs for customers and dealers, including loans and leasing programs, from both cash generated by operations and borrowings by its sales finance subsidiaries. Toyota seeks to expand its ability to raise funds locally in markets throughout the world by expanding its network of finance subsidiaries.

Net cash provided by operating activities increased by ¥998.8 billion to ¥2,451.3 billion for fiscal 2013, compared with ¥1,452.4 billion for fiscal 2012. The increase was primarily attributable to the ¥965.2 billion increase in operating income. See "Results of Operations—Fiscal 2013 Compared with Fiscal 2012—Operating income" for further information regarding the increase in operating income.

Net cash provided by operating activities decreased by ¥571.5 billion to ¥1,452.4 billion for fiscal 2012, compared with ¥2,024.0 billion for fiscal 2011. The decrease was primarily attributable to the ¥112.6 billion decrease in operating income, to a decline in depreciation expense of ¥107.7 billion and a reduction in inventory.

Even though other working capital items significantly fluctuated in line with the significant decrease in production and sales in March 2011 due to the Great East Japan Earthquake and increase in sales in the second half of fiscal 2012 due to the recovery of production levels from the Great East Japan Earthquake, changes in other working capital items largely offset each other such that Toyota believes the impact of such changes on net cash provided by operating activities was not material. The impact of changes in interest and other items on net cash provided by operating activities were also not material.

Inventory levels were at comparable levels as between the ends of fiscal 2010 and 2011; while the reduction in sales after the Lehman financial crisis and other factors kept the inventory level low at the end of fiscal 2010, the inventory level at the end of fiscal 2011 was approximately equivalent because of the Great East Japan Earthquake and the subsequent downturn in production. However, the inventory level at the end of fiscal 2012 increased due to the recovery of production and sales after the Great East Japan Earthquake. This increase of inventory involved related expenditures incurred in producing the inventory, which resulted in reducing the net cash provided by operating activities by ¥396.7 billion.

Furthermore, depreciation decreased by ¥107.7 billion in fiscal 2012 as a result of a reduction of Toyota's capital expenditures after the Lehman financial crisis compared with capital expenditures before such financial crisis. The decrease in depreciation favorably affected net income while it did not affect the net cash provided by operating activities.

Net cash used in investing activities increased by ¥1,584.6 billion to ¥3,027.3 billion for fiscal 2013, compared with ¥1,442.6 billion for fiscal 2012. The increase was primarily attributable to the ¥630.5 billion increase in finance receivables, to the ¥426.5 billion increase in marketable securities and security investments and to the ¥311.0 billion increase in purchases of investments in property.

Net cash used in investing activities decreased by ¥673.6 billion to ¥1,442.6 billion for fiscal 2012, compared with ¥2,116.3 billion for fiscal 2011. The decrease was primarily attributable to the ¥1,248.1 billion decrease in purchases of marketable securities and security investments, partially offset by a ¥859.3 billion decrease in sales and maturity of marketable securities and security investments.

Net cash provided by or used in financing activities increased by ¥832.5 billion to ¥477.2 billion increase for fiscal 2013, compared with ¥355.3 billion decrease for fiscal 2012. The increase was primarily attributable to the ¥796.4 billion increase in proceeds from issuance of long-term debt and to the ¥185.4 billion decrease in payments of long-term debt.

Net cash provided by or used in financing activities decreased by ¥789.6 billion to ¥355.3 billion decrease for fiscal 2012, compared with ¥434.3 billion increase for fiscal 2011. The decrease was primarily attributable to the ¥536.6 billion decrease in proceeds from issuance of long-term debt and to the ¥377.9 billion increase in payments of long-term debt.

Total capital expenditures for property, plant and equipment, excluding vehicles and equipment on operating leases, were ¥854.5 billion during fiscal 2013, an increase of 18.1% over the ¥723.5 billion in total capital expenditures during the prior fiscal year. This increase was due primarily to an increase of investments in North America and Asia.

Total capital expenditures for vehicles and equipment on operating leases were ¥1,119.5 billion during fiscal 2013, an increase of 38.5% over the ¥808.5 billion in expenditures from the prior fiscal year. This increase was due to an increase in investments in the financial services operations.

Toyota expects investments in property, plant and equipment, excluding vehicles and equipment on operating leases, to be approximately ¥910.0 billion during fiscal 2014.

Based on currently available information, Toyota does not expect environmental matters to have a material impact on its financial position, results of operations, liquidity or cash flows during fiscal 2014. However, uncertainty exists with respect to Toyota's obligations under current and future environmental regulations as described in "Information on the Company—Business Overview—Governmental Regulation, Environmental Safety Standards" in Toyota's annual report on Form 20-F.

Cash and cash equivalents were ¥1,718.2 billion as of March 31, 2013. Most of Toyota's cash and cash equivalents are held in the Japanese yen or in the U.S. dollars. In addition, time deposits were ¥106.7 billion and marketable securities were ¥1,445.6 billion as of March 31, 2013.
Liquid assets, which Toyota defines as cash and cash equivalents, time deposits, marketable debt securities and its investment in monetary trust funds, increased during fiscal 2013 by ¥1,043.0 billion, or 18.1%, to ¥6,804.5 billion.

Trade accounts and notes receivable, less allowance for doubtful accounts decreased during fiscal 2013 by ¥28.1 billion, or 1.4%, to ¥1,971.6 billion. This decrease was due to a decrease in the volume of sales in the fourth quarter of fiscal 2013.

Inventories increased during fiscal 2013 by ¥93.5 billion, or 5.8%, to ¥1,715.7 billion. This increase was due mainly to the fluctuations in foreign currency translation rates.

Total finance receivables, net increased during fiscal 2013 by ¥2,344.0 billion, or 24.1%, to ¥12,061.4 billion. This increase was due mainly to the fluctuations in foreign currency translation rates and an increase in the number of financing contracts. As of March 31, 2013, finance receivables were geographically distributed as follows: in North America 57.6%, in Europe 10.0%, in Japan 9.9%, in Asia 9.5% and in Other 13.0%.

Marketable securities and other securities investments, including those included in current assets, increased during fiscal 2013 by ¥1,387.6 billion, or 26.5%, reflecting an increase in the fair values of common stocks and purchase of marketable securities and investment in monetary trust funds.

Property, plant and equipment increased during fiscal 2013 by ¥615.8 billion, or 9.9%, primarily reflecting fluctuations in foreign currency translation rates and the increase in the capital expenditures, partially offset by the impacts of depreciation charges during the year.

Accounts and notes payable decreased during fiscal 2013 by ¥128.8 billion, or 5.7%. This decrease was due mainly to a decrease in production volume in the fourth quarter of fiscal 2013.

Accrued expenses increased during fiscal 2013 by ¥357.0 billion, or 19.5%. This increase was due mainly to the charge for costs related to the settlement of the economic loss claims in the consolidated federal action in the U.S. and the increase of product quality related expenses resulted from the weakening of the Japanese yen at the end of fiscal 2013 against other currencies in comparison to the prior fiscal year. Income taxes payable increased during fiscal 2013 by ¥22.4 billion, or 16.8%, as a result of reflecting fluctuations in foreign currency translation rates.

Toyota’s total borrowings increased during fiscal 2013 by ¥2,126.2 billion, or 17.7%. Toyota’s short-term borrowings consist of loans with a weighted-average interest rate of 2.31% and commercial paper with a weighted-average interest rate of 0.52%. Short-term borrowings increased during fiscal 2013 by ¥638.8 billion, or 18.5%, to ¥4,089.5 billion. Toyota’s long-term debt consists of secured and secured loans, medium-term notes, unsecured notes and long-term capital lease obligations with interest rates ranging from 0.00% to 27.30%, and maturity dates ranging from 2013 to 2050. The current portion of long-term debt increased during fiscal 2013 by ¥191.8 billion, or 7.6%, to ¥2,704.4 billion and the non-current portion increased by ¥1,295.6 billion, or 21.4%, to ¥7,337.8 billion. The increase in total borrowings resulted from an increase in medium-term notes. As of March 31, 2013, approximately 40% of long-term debt was denominated in the U.S. dollars, 17% in the Japanese yen, 13% in the Australian dollars, and 30% in other currencies. Toyota hedges interest rate risk exposure of fixed-rate borrowings by entering into interest rate swaps. There are no material seasonally variations in Toyota’s borrowings requirements.

As of March 31, 2013, Toyota’s total interest bearing debt was 116.3% of Toyota Motor Corporation shareholders’ equity, compared with 113.8% as of March 31, 2012.

The following table provides information for credit rating of Toyota’s short-term borrowing and long-term debt from rating agencies, Standard & Poor’s Ratings Group (S&P), Moody’s Investors Services (Moody’s), and Rating and Investment Information, Inc. (R&I), as of May 31, 2013. A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating.

<table>
<thead>
<tr>
<th></th>
<th>S&amp;P</th>
<th>Moody’s</th>
<th>R&amp;I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term borrowing</td>
<td>A-1+</td>
<td>P-1</td>
<td>—</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>AA-</td>
<td>As3</td>
<td>AA+</td>
</tr>
</tbody>
</table>

Toyota’s unfunded pension liabilities of Japanese plans decreased during fiscal 2013 by ¥48.6 billion, or 8.8%, to ¥504.1 billion. On the other hand, the liabilities of foreign plans increased during fiscal 2013 by ¥30.1 billion, or 24.4%, to ¥153.9 billion. The unfunded amounts will be funded through future cash contributions by Toyota or in some cases will be settled on the retirement date of each covered employee. The decrease in unfunded pension liabilities of the Japanese plans as of the end of fiscal 2013 compared with the prior fiscal year end reflects mainly an increase in pension assets due to rising equity security prices, despite an increase in
pension benefit obligations resulted from a decline in discount rate. On the other hand, the increase in liabilities of foreign plans reflects the increase in pension benefit obligations resulted from a decline in discount rate. See note 19 to the consolidated financial statements for further discussion.

Toyota’s treasury policy is to maintain controls on all exposures, to adhere to stringent counterparty credit standards, and to actively monitor marketplace exposures. Toyota remains centralized, and is pursuing global efficiency of its financial services operations through Toyota Financial Services Corporation.

The key element of Toyota’s financial strategy is maintaining a strong financial position that will allow Toyota to fund its research and development initiatives, capital expenditures and financial services operations efficiently even if earnings are subject to short-term fluctuations. Toyota believes that it maintains sufficient liquidity for its present requirements and that by maintaining its high credit ratings, it will continue to be able to access funds from external sources in large amounts and at relatively low costs. Toyota’s ability to maintain its high credit ratings is subject to a number of factors, some of which are not within Toyota’s control. These factors include general economic conditions in Japan and the other major markets in which Toyota does business, as well as Toyota’s successful implementation of its business strategy.

**Off-Balance Sheet Arrangements**

Toyota uses its securitization program as part of its funding through special purpose entities for its financial services operations. Toyota is considered the primary beneficiary of these special purpose entities and therefore consolidates them. Toyota has not entered into any off-balance sheet securitization transactions during fiscal 2013.

**Lending Commitments**

**Credit Facilities with Credit Card Holders**

Toyota’s financial services operations issue credit cards to customers. As customary for credit card businesses, Toyota maintains credit facilities with holders of credit cards issued by Toyota. These facilities are used upon each holder’s requests up to the limits established on an individual holder’s basis. Although loans made to customers through these facilities are not secured, for the purposes of minimizing credit risks and of appropriately establishing credit limits for each individual credit card holder, Toyota employs its own risk management policy which includes an analysis of information provided by financial institutions in alliance with Toyota. Toyota periodically reviews and revises, as appropriate, these credit limits. Outstanding credit facilities with credit card holders were ¥245.2 billion as of March 31, 2013.

**Guarantees**

Toyota enters into certain guarantee contracts with its dealers to guarantee customers’ payments of their installment payables that arise from installment contracts between customers and Toyota dealers, as and when requested by Toyota dealers. Guarantee periods are set to match the maturity of installment payments, and as of March 31, 2013, ranged from one month to 35 years. However, they are generally shorter than the useful lives of products sold. Toyota is required to execute its guarantees primarily when customers are unable to make required payments.

The maximum potential amount of future payments as of March 31, 2013 is ¥1,849.4 billion. Liabilities for these guarantees of ¥6.5 billion have been provided as of March 31, 2013. Under these guarantee contracts, Toyota is entitled to recover any amounts paid by it from the customers whose obligations it guaranteed.

**Contractual Obligations and Commitments**

For information regarding debt obligations, capital lease obligations, operating lease obligations and other obligations, including amounts maturing in each of the next five years, see notes 13, 22 and 23 to the consolidated financial statements. In addition, as part of Toyota’s normal business practices, Toyota enters into long-term arrangements with suppliers for purchases of certain raw materials, components and services. These arrangements may contain fixed/minimum quantity purchase requirements. Toyota enters into such arrangements to facilitate an adequate supply of these materials and services.
Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following tables summarize Toyota’s contractual obligations and commercial commitments as of March 31, 2013.

### Contractual Obligations:

#### Payments Due by Period

<table>
<thead>
<tr>
<th>Payments Due by Period</th>
<th>Total</th>
<th>Less than 1 year</th>
<th>1 to 3 years</th>
<th>3 to 5 years</th>
<th>5 years and after</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>¥15,155,139</td>
<td>¥7,083,777</td>
<td>¥4,120,057</td>
<td>¥2,691,098</td>
<td>¥1,260,207</td>
</tr>
</tbody>
</table>

#### Short-term borrowings (note 13)

- Loans: ¥1,062,233
- Commercial paper: ¥3,027,295

* "Long-term debt" represents future principal payments.

Toyota is unable to make reasonable estimates of the period of cash settlement with respect to liabilities recognized for uncertain tax benefits, and accordingly such liabilities are excluded from the table above. See note 16 to the consolidated financial statements for further discussion.

Toyota expects to contribute ¥54,094 million domestically and ¥8,688 million overseas to its pension plans in fiscal 2014.

### Commercial Commitments (note 23):

Maximum potential exposure to guarantees given in the ordinary course of business:

| Total Commitments | ¥1,849,493 |

Recent Accounting Pronouncements in the United States

In December 2011, FASB issued updated guidance of disclosures about offsetting assets and liabilities. This guidance requires additional disclosures about gross and net information for assets and liabilities including financial instruments eligible for offset in the balance sheets. This guidance is effective for fiscal year beginning on or after January 1, 2013, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota’s consolidated financial statements.

### Related Party Transactions

Toyota does not have any significant related party transactions other than transactions with affiliated companies in the ordinary course of business. See note 12 to the consolidated financial statements for further discussion.

### Legislation Regarding End-of-Life Vehicles

In October 2000, the European Union enforced a directive that requires member states to promulgate regulations implementing the following:

- Manufacturers shall bear all or a significant part of the costs for taking back end-of-life vehicles put on the market after July 1, 2002 and dismantling and recycling those vehicles. Beginning January 1, 2007, this requirement will also be applicable to vehicles put on the market before July 1, 2002;
- Manufacturers may not use certain hazardous materials in vehicles sold after July 2003;
- Vehicles type-approved and put on the market after December 15, 2008 shall be re-usable and/or recyclable to a minimum of 85% by weight per vehicle and shall be re-usable and/or recoverable to a minimum of 95% by weight per vehicle; and
- End-of-life vehicles must meet actual re-use of 80% and re-use as material or energy of 85%, respectively, of vehicle weight by 2006, rising to 85% and 95%, respectively, by 2015.

See note 23 to the consolidated financial statements for further discussion.

In February 2013, FASB issued updated guidance on the presentation of items reclassified out of accumulated other comprehensive income. This guidance requires to present, either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified out of each component of accumulated other comprehensive income based on its source. This guidance is effective for fiscal year beginning on or after December 15, 2012, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota’s consolidated financial statements.
Management’s Discussion and Analysis of Financial Condition and Results of Operations

Critical Accounting Estimates

The consolidated financial statements of Toyota are prepared in conformity with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Toyota believes that of its significant accounting policies, the following may involve a higher degree of judgments, estimates and assumptions:

Product Warranties and Recalls and Other Safety Measures

Toyota generally warrants its products against certain manufacturing and other defects. Provisions for product warranties are provided for specific periods of time and/or usage of the product and vary depending upon the nature of the product, the geographic location of the sale and other factors. All product warranties are consistent with commercial practices. Toyota includes a provision for estimated product warranty costs as a component of cost of sales at the time the related sale is recognized. The accrued warranty costs represent management’s best estimate at the time of sale of the total costs that Toyota will incur to repair or replace product parts that fail while still under warranty. The amount of accrued estimated warranty costs is primarily based on historical experience of product failures as well as current information on repair costs. The amount of warranty costs accrued also contains an estimate of warranty claim recoveries to be received from suppliers. The foregoing evaluations are inherently uncertain, as they require material estimates and some products’ warranties extend for several years. Consequently, actual warranty costs may differ from the estimated amounts and could require additional warranty provisions. If these factors require a significant increase in Toyota’s accrued estimated warranty costs, it would negatively affect future operating results of the automotive operations.

An estimate of warranty claim accrued for each fiscal year is calculated based on the estimated warranty claim per unit. The estimate of warranty claim per unit is calculated by dividing the actual amounts of warranty claim, net of claim recovery cost received from suppliers, by the number of sales units for the fiscal year.

As the historical recovery amounts received from suppliers is used as a factor in Toyota’s calculation of estimated accrued warranty cost, the estimated accrued warranty cost may change depending on the average recovery amounts received from suppliers in the past. However, Toyota believes that there is not a significant uncertainty of estimated amounts based on historical experience regarding recoveries received from suppliers. Toyota may seek recovery to suppliers over the life of the warranty, and there are no other significant special terms and conditions including cap on amounts that can be recovered.

Toyota accrues for costs of recalls and other safety measures, as well as product warranty cost described above, included as a component of cost of sales at the time of vehicle sale. Toyota provides for such “liabilities for recalls and other safety measures” at the time of vehicle sales comprehensively by aggregate sales of various models in a certain period by geographical regions instead of by individual models. While there is no difference in the calculation method among geographical regions, Toyota believes it is reasonable to calculate the liabilities by geographical regions because of factors such as varying labor costs among geographical regions.

The “liabilities for the costs of recalls and other safety measures” recorded in the balance sheet is calculated by deducting the “accumulated amount of repair cost paid” from the “expected liability for the cost of recalls and other safety measures”. As such, this liability is evaluated every period based on new data and are adjusted as appropriate. Toyota calculates these liabilities for units sold in the current period and each of the past 10 fiscal years, and aggregates such liabilities in determining the final liability amount.

The “expected liability for the cost of recalls and other safety measures” are calculated by multiplying the “sales unit” by the “expected average repair cost per unit”. The “expected average repair cost per unit” is calculated based on dividing the “accumulated amount of repair cost paid per unit” by the “pattern of payment occurrences”. The “pattern of payment occurrence” represents a ratio that shows the measure of payment occurrence over 10 years based on actual payments with regard to units sold within 10 years.

Factors that may cause a difference between the amount accrued at the time of vehicle sale and actual payment on individual recalls and other safety measures mainly include actual cost of recalls and safety measures during the period being significantly different from the accumulated amount of repair cost paid per unit (generally comprised of parts and labor) and the actual pattern of payment occurrence during the period being significantly different from the pattern of the payment occurrence in the past, which is considered as part of our estimation process for future recalls and other safety measures.

As described above, in estimating the comprehensive provision, the actual cost of individual recalls and other safety measures is included as a component of the calculation such as the accumulated amount of repair cost paid per unit. Thus, an individual recall announcement generally does not directly impact the financial statements when it occurs.

Allowance for Doubtful Accounts and Credit Losses

Natures of estimates and assumptions

Retail receivables and finance lease receivables consist of retail installment sales contracts secured by passenger cars and commercial vehicles. Collectability risks include consumer and dealer insolvencies and insufficient collateral values (less costs to sell) to realize the full carrying values of these receivables. As a matter of policy, Toyota maintains an allowance for doubtful accounts and credit losses representing management’s estimate of the amount of asset impairment in the portfolios.
of finance, trade and other receivables. Toyota determines the allowance for doubtful accounts and credit losses based on a systematic, ongoing review and evaluation performed as part of the credit-risk evaluation process, historical loss experience, the size and composition of the portfolios, current economic events and conditions, the estimated fair value and adequacy of collateral, and other pertinent factors. This evaluation is inherently judgmental and requires material estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to significant change. Although management considers the allowance for doubtful accounts and credit losses to be adequate based on information currently available, additional provisions may be necessary due to (i) changes in management estimates and assumptions about asset impairments, (ii) information that indicates changes in expected future cash flows, or (iii) changes in economic and other events and conditions. To the extent that sales incentives remain an integral part of sales promotion with the effect of reducing new vehicle prices, resale prices of used vehicles and, correspondingly, the collateral value of Toyota’s retail receivables and finance lease receivables could experience further downward pressure. If these factors require a significant increase in Toyota’s allowance for doubtful accounts and credit losses, it could negatively affect future operating results of the financial services operations. The level of credit losses, which has a greater impact on Toyota’s results of operations, is influenced by two factors: frequency of occurrence and expected severity of loss. For evaluation purposes, exposures to credit losses are segmented into the two primary categories of “consumer” and “dealer”. Toyota’s “consumer” category consists of smaller balances that are homogenous retail receivables and finance lease receivables. The “dealer” category consists of wholesale and other dealer loan receivables. The overall allowance for credit losses is evaluated at least quarterly, considering a variety of assumptions and factors to determine whether reserves are considered adequate to cover probable losses.

**Sensitivity analysis**

The level of credit losses, which could significantly impact Toyota’s results of operations, is influenced by two factors: frequency of occurrence and expected severity of loss. The overall allowance for credit losses is evaluated at least quarterly, considering a variety of assumptions and factors to determine whether reserves are considered adequate to cover probable losses. The following table illustrates the effect of an assumed change in frequency of occurrence or expected severity of loss mainly in the United States, assuming all other assumptions are held constant respectively. The table below represents the impact on the allowance for credit losses in Toyota’s financial services operations of the change in frequency of occurrence or expected severity of loss as any change impacts most significantly on the financial services operations.

<table>
<thead>
<tr>
<th>Effect on the allowance for credit losses as of March 31, 2013</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 percent change in frequency of occurrence or expected severity of loss</td>
<td>¥3,950</td>
</tr>
</tbody>
</table>

**Investment in Operating Leases**

**Natures of estimates and assumptions**

Vehicles on operating leases, where Toyota is the lessor, are valued at cost and depreciated over their estimated useful lives using the straight-line method to their estimated residual values. Toyota utilizes industry published information and its own historical experience to determine estimated residual values for these vehicles. Toyota evaluates the recoverability of the carrying values of its leased vehicles for impairment when there are indications of declines in residual values, and if impaired, Toyota recognizes an allowance for losses on its residual values.

Throughout the life of the lease, management performs periodic evaluations of estimated end-of-term fair values to determine whether estimates used in the determination of the contractual residual value are still considered reasonable. Factors affecting the estimated residual value at lease maturity include, but are not limited to, new vehicle incentive programs, new vehicle pricing, used vehicle supply, projected vehicle return rates, and projected loss severity. The vehicle return rate represents the number of leased vehicles actually returned at contract maturity as a percentage of the number of lease contracts originally scheduled to be mature in the same period less lease contracts subject to early terminations. A higher rate of vehicle returns exposes Toyota to higher potential losses incurred at lease termination. Severity of loss is the extent to which the end-of-term fair value of a lease is less than its carrying value at lease end.

To the extent that sales incentives remain an integral part of sales promotion, resale prices of used vehicles and, correspondingly, the fair value of Toyota’s leased vehicles could be subject to downward pressure. The extent of the impact will have on the end of term residual value depends on the significance of the incentive programs and whether they are sustained over a number of periods. This in turn can impact the projection of future used vehicle values, adversely impacting the expected residual value of the current operating lease portfolio and increasing the provision for residual value losses. However, various other factors impact used vehicle values and the projection of future residual values, including the supply of and demand for used vehicles, interest rates, inflation, the actual or perceived quality, safety and reliability of vehicles, the general economic outlook, new vehicle pricing, projected vehicle return rates and projected loss severity, which may offset this effect. Such factors might adversely affect the results of operations for financial services due to significant charges reducing the estimated residual value.
Sensitivity analysis
The following table illustrates the effect of an assumed change in the vehicle return rate and end-of-term market values mainly in the United States, which Toyota believes are the critical estimates, in determining the residual value losses, holding all other assumptions constant. The following table represents the impact on the residual value losses in Toyota’s financial services operations of the change in vehicle return rate and end-of-term market values as those changes have a significant impact on financial services operations.

<table>
<thead>
<tr>
<th>Effect on the residual value losses over the remaining terms of the operating leases on and after April 1, 2013 (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 percent increase in vehicle return rate</td>
</tr>
<tr>
<td>1 percent increase in end-of-term market values</td>
</tr>
</tbody>
</table>

Impairment of Long-Lived Assets
Toyota periodically reviews the carrying value of its long-lived assets held and used and assets to be disposed of, including intangible assets, when events and circumstances warrant such a review. This review is performed using estimates of future cash flows. If the carrying value of a long-lived asset is considered impaired, an impairment charge is recorded for the amount by which the carrying value of the long-lived asset exceeds its fair value. Management believes that the estimates of future cash flows and fair values are reasonable. However, changes in estimates of such cash flows and fair values would affect the evaluations and negatively affect future operating results of the automotive operations.

Pension Costs and Obligations
Nature of estimates and assumptions
Pension costs and obligations are dependent on assumptions used in calculating such amounts. These assumptions include discount rates, benefits earned, interest costs, expected rate of return on plan assets, mortality rates and other factors. Actual results that differ from the assumptions are accumulated and amortized over future periods and, therefore, generally affect recognized expense in future periods. While management believes that the assumptions used are appropriate, differences in actual experience or changes in assumptions may affect Toyota’s pension costs and obligations.

The two most critical assumptions impacting the calculation of pension costs and obligations are the discount rates and the expected rates of returns on plan assets. Toyota determines the discount rates mainly based on the rates of high quality fixed income bonds or fixed income governmental bonds currently available and expected to be available during the period to maturity of the defined benefit pension plans. Toyota determines the expected rates of return for pension assets after considering several applicable factors including, the composition of plan assets held, assumed risks of asset management, historical results of the returns on plan assets, Toyota’s principal policy for plan asset management, and forecasted market conditions. A weighted-average discount rate of 2.0% domestically and 5.0% overseas and a weighted-average expected rate of return on plan assets of 2.5% domestically and 7.0% overseas are the results of assumptions used for the various pension plans in calculating Toyota’s consolidated pension costs for fiscal 2013.

Sensitivity analysis
The following table illustrates the effects of assumed changes in weighted-average discount rates and the weighted-average expected rate of return on plan assets, which Toyota believes are critical estimates in determining pension costs and obligations, assuming all other assumptions are consistent.

<table>
<thead>
<tr>
<th>Effect on pre-tax income for the year ended March 31, 2014 (in millions)</th>
<th>Effect on obligations for the year ended March 31, 2013 (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rates</td>
<td></td>
</tr>
<tr>
<td>0.5% decrease</td>
<td>¥(7,217)</td>
</tr>
<tr>
<td>0.5% increase</td>
<td>6,984</td>
</tr>
<tr>
<td>Expected rate of return on plan assets</td>
<td></td>
</tr>
<tr>
<td>0.5% decrease</td>
<td>¥(5,451)</td>
</tr>
<tr>
<td>0.5% increase</td>
<td>5,451</td>
</tr>
</tbody>
</table>

Derivatives and Other Contracts at Fair Value
Toyota uses derivatives in the normal course of business to manage its exposure to foreign currency exchange rates and interest rates. The accounting for derivatives is complex and continues to evolve. Toyota estimates the fair value of derivative financial instruments using industry-standard valuation models that require observable inputs including interest rates and foreign exchange rates, and the contractual terms. In other certain cases when market data is not available, key inputs to the fair value measurement include quotes from counterparties, and other market data. These estimates are based upon valuation methodologies deemed appropriate under the circumstances. However, the use of different assumptions may have a material effect on the estimated fair value amounts.

 Marketable Securities and Investments in Affiliated Companies
Toyota’s accounting policy is to record a write-down of such investments to net realizable value when a decline in fair value below the carrying value is other-than-temporary. In determining if a decline in value is other-than-temporary, Toyota considers the length of time and the extent to which the fair value has been less than the carrying value, the financial condition and prospects of the company and Toyota’s ability and intent to retain its investment in the company for a period of time sufficient to allow for any anticipated recovery in fair value.
Deferred Tax Assets

The factors used to assess the likelihood of realization of the deferred tax assets are the future reversal of existing taxable temporary differences, the future taxable income and available tax planning strategies that are prudent and feasible. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a valuation allowance is needed for deferred tax assets which are not more-likely-than-not to be realized.

The accounting for deferred tax assets represents Toyota’s current best estimate based on all available evidence. Unanticipated events or changes could result in re-evaluating the realizability of deferred tax assets.

Quantitative and Qualitative Disclosures about Market Risk

Toyota is exposed to market risk from changes in foreign currency exchange rates, interest rates, certain commodity and equity security prices. In order to manage the risk arising from changes in foreign currency exchange rates and interest rates, Toyota enters into a variety of derivative financial instruments.

A description of Toyota’s accounting policies for derivative instruments is included in note 2 to the consolidated financial statements and further disclosure is provided in notes 20 and 26 to the consolidated financial statements.

Toyota monitors and manages these financial exposures as an integral part of its overall risk management program, which recognizes the unpredictability of financial markets and seeks to reduce the potentially adverse effects on Toyota’s operating results.

The financial instruments included in the market risk analysis consist of all of Toyota’s cash and cash equivalents, marketable securities, finance receivables, securities investments, long-term and short-term debt and all derivative financial instruments. Toyota’s portfolio of derivative financial instruments consists of forward foreign currency exchange contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements and interest rate options. Anticipated transactions denominated in foreign currencies that are covered by Toyota’s derivative hedging are not included in the market risk analysis. Although operating leases are not required to be included, Toyota has included these instruments in determining interest rate risk.

Interest Rate Risk

Toyota is subject to market risk from exposures to changes in interest rates based on its financing, investing and cash management activities. Toyota enters into various financial instrument transactions to maintain the desired level of exposure to the risk of interest rate fluctuations and to minimize interest expense. The potential decrease in fair value resulting from a hypothetical 100 basis point upward shift in interest rates would be approximately ¥114.2 billion as of March 31, 2012 and ¥208.5 billion as of March 31, 2013.

There are certain shortcomings inherent to the sensitivity analyses presented. The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. However, in reality, changes are rarely instantaneous. Although certain assets and liabilities may have similar maturities or periods to repricing, they may not react correspondingly to changes in market interest rates. Also, the interest rates on certain types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may lag behind changes in market rates. Finance receivables are less susceptible to prepayments when interest rates change and, as a result, Toyota’s model does not address prepayment risk for automotive related finance receivables. However, in the event of a change in interest rates, actual loan prepayments may deviate significantly from the assumptions used in the model.

Commodity Price Risk

Commodity price risk is the possibility of higher or lower costs due to changes in the prices of commodities, such as non-ferrous alloys (e.g., aluminum), precious metals (e.g., palladium, platinum and rhodium) and ferrous alloys, which Toyota uses in the production of motor vehicles. Toyota does not use derivative instruments to hedge the price risk associated with the purchase of those commodities and controls its commodity price risk by holding minimum stock levels.

Equity Price Risk

Toyota holds investments in various available-for-sale equity securities that are subject to price risk. The fair value of available-for-sale equity securities was ¥1,034.3 billion as of March 31, 2012 and ¥1,401.1 billion as of March 31, 2013. The potential change in the fair value of these investments, assuming a 10% change in prices, would be approximately ¥103.4 billion as of March 31, 2012 and ¥140.1 billion as of March 31, 2013.
## Consolidated Balance Sheets

**Toyota Motor Corporation**

March 31, 2012 and 2013

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012</th>
<th>2013</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>¥1,679,200</td>
<td>¥1,718,297</td>
<td>$18,270</td>
</tr>
<tr>
<td>Time deposits</td>
<td>80,301</td>
<td>106,700</td>
<td>1,135</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>1,181,070</td>
<td>1,445,663</td>
<td>15,371</td>
</tr>
<tr>
<td>Trade accounts and notes receivable, less allowance for doubtful accounts of ¥13,004 million in 2012 and ¥15,875 million ($169 million) in 2013</td>
<td>1,999,827</td>
<td>1,971,659</td>
<td>20,964</td>
</tr>
<tr>
<td>Finance receivables, net</td>
<td>4,114,897</td>
<td>5,117,660</td>
<td>54,414</td>
</tr>
<tr>
<td>Other receivables</td>
<td>408,547</td>
<td>432,693</td>
<td>4,601</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,622,282</td>
<td>1,715,786</td>
<td>18,243</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>14,118,897</td>
<td>15,117,660</td>
<td>154,414</td>
</tr>
<tr>
<td>Other receivables</td>
<td>408,547</td>
<td>432,693</td>
<td>4,601</td>
</tr>
<tr>
<td>Total current assets</td>
<td>12,321,189</td>
<td>13,784,890</td>
<td>146,570</td>
</tr>
</tbody>
</table>

| **Noncurrent assets** | | | |
| Marketable securities and other securities investments | 4,053,572 | 5,177,582 | 55,041 |
| Affiliated companies | 1,920,987 | 2,103,283 | 22,363 |
| Employees receivables | 56,524 | 53,741 | 571 |
| Other | 460,851 | 569,816 | 6,059 |
| Total investments and other assets | 6,491,934 | 7,903,422 | 84,034 |

| **Property, plant and equipment** | | | |
| Land | 1,243,261 | 1,303,611 | 13,861 |
| Buildings | 3,660,912 | 3,874,279 | 41,194 |
| Machinery and equipment | 9,043,399 | 9,716,180 | 103,308 |
| Vehicles and equipment on operating leases | 2,575,353 | 3,036,011 | 32,302 |
| Construction in progress | 275,357 | 291,539 | 3,100 |
| Total property, plant and equipment, at cost | 18,824,282 | 22,233,820 | 193,765 |
| Less—Accumulated depreciation | (10,613,921) | (11,372,381) | (120,918) |
| Total property, plant and equipment, net | 8,210,361 | 10,861,439 | 72,847 |
| **Total assets** | ¥30,650,965 | ¥35,483,317 | $377,281 |

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

## LIABILITIES AND SHAREHOLDERS’ EQUITY

<table>
<thead>
<tr>
<th>2012</th>
<th>2013</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>¥3,450,649</td>
<td>¥4,089,528</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>2,512,620</td>
<td>2,704,428</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>2,242,583</td>
<td>2,113,778</td>
</tr>
<tr>
<td>Other payables</td>
<td>629,093</td>
<td>721,065</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>1,828,523</td>
<td>2,185,539</td>
</tr>
<tr>
<td>Income taxes payable</td>
<td>133,778</td>
<td>156,266</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>984,328</td>
<td>941,918</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>11,781,574</td>
<td>12,912,520</td>
</tr>
</tbody>
</table>

| **Long-term liabilities** | | | |
| Long-term debt | 6,042,277 | 7,337,824 | 78,020 |
| Accrued pension and severance costs | 708,402 | 766,112 | 8,146 |
| Deferred income taxes | 908,883 | 1,385,927 | 14,736 |
| Other long-term liabilities | 143,351 | 308,078 | 3,276 |
| **Total long-term liabilities** | 7,802,913 | 9,797,941 | 104,178 |

| **Shareholders’ equity** | | | |
| Toyota Motor Corporation shareholders’ equity | | | |
| Common stock, no par value, authorized: 10,000,000,000 shares in 2012 and 2013; issued: 3,447,997,492 shares in 2012 and 2013 | 397,050 | 397,050 | 4,222 |
| Additional paid-in capital | 550,650 | 551,040 | 5,859 |
| Retained earnings | 11,917,074 | 12,689,206 | 134,920 |
| Accumulated other comprehensive income (loss) | (356,123) | (356,123) | (3,787) |
| Treasury stock, at cost, 281,187,739 shares in 2012 and 280,568,824 shares in 2013 | (1,135,680) | (1,133,138) | (12,048) |
| **Total Toyota Motor Corporation shareholders’ equity** | 10,550,261 | 12,148,035 | 129,166 |
| Noncontrolling interests | 516,217 | 624,821 | 6,643 |
| **Total shareholders’ equity** | 11,066,478 | 12,772,856 | 135,809 |

| **Commitments and contingencies** | | | |
| **Total liabilities and shareholders’ equity** | ¥30,650,965 | ¥35,483,317 | $377,281 |
### Consolidated Statements of Income

**Toyota Motor Corporation**

**For the years ended March 31, 2011, 2012 and 2013**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales of products</td>
<td>¥17,820,520</td>
<td>¥17,511,916</td>
</tr>
<tr>
<td>Financing operations</td>
<td>1,173,168</td>
<td>1,071,737</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>18,993,688</td>
<td>18,583,653</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of products sold</td>
<td>15,985,783</td>
<td>15,795,918</td>
</tr>
<tr>
<td>Cost of financing operations</td>
<td>629,543</td>
<td>592,646</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1,910,083</td>
<td>1,839,462</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>18,525,409</td>
<td>18,228,026</td>
</tr>
<tr>
<td>Operating income</td>
<td>468,279</td>
<td>355,627</td>
</tr>
<tr>
<td>Other income (expense)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>90,771</td>
<td>99,865</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(29,318)</td>
<td>(22,922)</td>
</tr>
<tr>
<td>Foreign exchange gain, net</td>
<td>14,305</td>
<td>37,105</td>
</tr>
<tr>
<td>Other income (loss), net</td>
<td>19,253</td>
<td>(36,802)</td>
</tr>
<tr>
<td>Total other income (expense)</td>
<td>95,011</td>
<td>77,246</td>
</tr>
<tr>
<td>Income before income taxes and equity in earnings of affiliated companies</td>
<td>563,290</td>
<td>432,873</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>312,821</td>
<td>262,272</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>215,016</td>
<td>197,701</td>
</tr>
<tr>
<td>Net income</td>
<td>465,485</td>
<td>368,302</td>
</tr>
<tr>
<td>Less: Net income attributable to noncontrolling interests</td>
<td>(57,302)</td>
<td>(84,743)</td>
</tr>
<tr>
<td>Net income attributable to Toyota Motor Corporation</td>
<td>¥408,183</td>
<td>¥283,559</td>
</tr>
<tr>
<td>Yen attributable to Toyota Motor Corporation per share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>¥130.17</td>
<td>¥90.21</td>
</tr>
<tr>
<td>Diluted</td>
<td>¥130.16</td>
<td>¥90.20</td>
</tr>
<tr>
<td>Cash dividends per share</td>
<td>¥50.00</td>
<td>¥50.00</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
## Consolidated Statements of Comprehensive Income

Toyota Motor Corporation  
For the years ended March 31, 2011, 2012 and 2013

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013 Yen in millions</th>
<th>2013 U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income</strong></td>
<td>¥465,485</td>
<td>¥368,302</td>
<td>¥1,083,482</td>
<td>$11,520</td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss), net of tax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(299,578)</td>
<td>(93,292)</td>
<td>461,754</td>
<td>4,910</td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities, net of reclassification adjustments</td>
<td>(27,657)</td>
<td>131,794</td>
<td>374,209</td>
<td>3,979</td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>11,454</td>
<td>(65,110)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total other comprehensive income (loss)</td>
<td>(315,781)</td>
<td>(26,608)</td>
<td>850,674</td>
<td>9,045</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td>149,704</td>
<td>341,694</td>
<td>1,934,156</td>
<td>20,565</td>
</tr>
<tr>
<td>Less: Comprehensive income attributable to noncontrolling interests</td>
<td>(39,407)</td>
<td>(85,744)</td>
<td>(149,283)</td>
<td>(1,587)</td>
</tr>
<tr>
<td><strong>Comprehensive income attributable to Toyota Motor Corporation</strong></td>
<td>¥110,297</td>
<td>¥255,950</td>
<td>¥1,784,873</td>
<td>$18,978</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
# Consolidated Statements of Shareholders' Equity

Toyota Motor Corporation
For the years ended March 31, 2011, 2012 and 2013

<table>
<thead>
<tr>
<th></th>
<th>Common stock</th>
<th>Additional paid-in capital</th>
<th>Retained earnings</th>
<th>Accumulated other comprehensive income (loss)</th>
<th>Treasury stock, at cost</th>
<th>Total Toyota Motor Corporation shareholders' equity</th>
<th>Noncontrolling interests</th>
<th>Total shareholders' equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances at March 31, 2010</strong></td>
<td>¥397,050</td>
<td>¥501,331</td>
<td>¥11,568,602</td>
<td>¥(846,835)</td>
<td>¥(1,260,425)</td>
<td>¥10,359,723</td>
<td>¥570,720</td>
<td>¥10,930,443</td>
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<tr>
<td>Equity transaction with noncontrolling interests and other</td>
<td>2,310</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,183</td>
<td></td>
<td>7,493</td>
</tr>
<tr>
<td>Issuance during the year</td>
<td>2,119</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,119</td>
<td></td>
<td>2,119</td>
</tr>
<tr>
<td><strong>Comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>408,183</td>
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<td></td>
<td></td>
<td></td>
<td>408,183</td>
<td></td>
<td>465,485</td>
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<tr>
<td>Other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(287,613)</td>
<td>(287,613)</td>
<td></td>
<td>(1,965)</td>
<td></td>
<td>(299,578)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities, net of reclassification adjustments</td>
<td>(26,058)</td>
<td>(26,058)</td>
<td></td>
<td>(1,599)</td>
<td></td>
<td>(27,657)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>15,785</td>
<td>15,785</td>
<td></td>
<td></td>
<td></td>
<td>31,564</td>
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<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>110,297</td>
<td></td>
<td>149,704</td>
</tr>
<tr>
<td>Dividends paid to Toyota Motor Corporation shareholders</td>
<td>(141,120)</td>
<td>(141,120)</td>
<td></td>
<td></td>
<td></td>
<td>(141,120)</td>
<td></td>
<td>(141,120)</td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(27,657)</td>
<td></td>
<td>(27,657)</td>
</tr>
<tr>
<td>Purchase and reissuance of common stock</td>
<td>(958)</td>
<td>(958)</td>
<td></td>
<td></td>
<td></td>
<td>(958)</td>
<td></td>
<td>(958)</td>
</tr>
<tr>
<td><strong>Balances at March 31, 2011</strong></td>
<td>¥397,050</td>
<td>¥505,760</td>
<td>¥11,835,665</td>
<td>¥(1,144,721)</td>
<td>¥(1,261,383)</td>
<td>¥10,332,971</td>
<td>¥587,653</td>
<td>¥10,920,624</td>
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<td>Equity transaction with noncontrolling interests and other</td>
<td>42,311</td>
<td>(45,365)</td>
<td>(6,503)</td>
<td>125,819</td>
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<td>117,262</td>
<td>(119,824)</td>
<td>2,562</td>
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<td>Issuance during the year</td>
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<td></td>
<td></td>
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<td>1,483</td>
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<td>1,483</td>
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<tr>
<td><strong>Comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Net income</td>
<td>283,559</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>283,559</td>
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<td>368,302</td>
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<td>Other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
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<td>(87,729)</td>
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<td>(5,563)</td>
<td></td>
<td>(93,292)</td>
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<td></td>
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<tr>
<td>Unrealized gains (losses) on securities, net of reclassification adjustments</td>
<td>128,328</td>
<td>128,328</td>
<td></td>
<td>2,466</td>
<td></td>
<td>130,794</td>
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<td>Pension liability adjustments</td>
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<td>(69,206)</td>
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<td>4,098</td>
<td></td>
<td>(65,110)</td>
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<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>255,950</td>
<td></td>
<td>341,694</td>
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<tr>
<td>Dividends paid to Toyota Motor Corporation shareholders</td>
<td>(156,785)</td>
<td>(156,785)</td>
<td></td>
<td></td>
<td></td>
<td>(156,785)</td>
<td></td>
<td>(156,785)</td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(37,356)</td>
<td></td>
<td>(37,356)</td>
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<tr>
<td>Purchase and reissuance of common stock</td>
<td>96</td>
<td>(116)</td>
<td>(20)</td>
<td></td>
<td></td>
<td>(20)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balances at March 31, 2012</strong></td>
<td>¥397,050</td>
<td>¥550,650</td>
<td>¥11,917,074</td>
<td>¥(1,178,833)</td>
<td>¥(1,135,680)</td>
<td>¥10,500,261</td>
<td>¥516,217</td>
<td>¥11,016,478</td>
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<td>Equity transaction with noncontrolling interests and other</td>
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<td></td>
<td></td>
<td></td>
<td>675</td>
<td></td>
<td>5,636</td>
</tr>
<tr>
<td><strong>Comprehensive Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>962,163</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>962,163</td>
<td></td>
<td>1,083,482</td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>434,638</td>
<td>434,638</td>
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<td>27,116</td>
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<td>461,754</td>
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<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities, net of reclassification adjustments</td>
<td>368,507</td>
<td>368,507</td>
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<td>5,702</td>
<td></td>
<td>374,209</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>19,565</td>
<td>19,565</td>
<td></td>
<td>(4,854)</td>
<td></td>
<td>(14,711)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,784,973</td>
<td></td>
<td>1,934,156</td>
</tr>
<tr>
<td>Dividends paid to Toyota Motor Corporation shareholders</td>
<td>(190,008)</td>
<td>(190,008)</td>
<td></td>
<td></td>
<td></td>
<td>(190,008)</td>
<td></td>
<td>(190,008)</td>
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<tr>
<td>Dividends paid to noncontrolling interests</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>(45,640)</td>
<td></td>
<td>(45,640)</td>
</tr>
<tr>
<td>Purchase and reissuance of common stock</td>
<td>(285)</td>
<td>(23)</td>
<td>2,542</td>
<td></td>
<td></td>
<td>2,234</td>
<td></td>
<td>2,234</td>
</tr>
<tr>
<td><strong>Balances at March 31, 2013</strong></td>
<td>¥397,050</td>
<td>¥551,040</td>
<td>¥12,689,206</td>
<td>¥(356,123)</td>
<td>¥(1,133,138)</td>
<td>¥12,148,035</td>
<td>¥624,821</td>
<td>¥12,772,856</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
## Consolidated Statements of Shareholders’ Equity (Continued)

**Toyota Motor Corporation**  
*For the years ended March 31, 2011, 2012 and 2013*  

<table>
<thead>
<tr>
<th></th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common stock</td>
</tr>
<tr>
<td>Balances at March 31, 2012</td>
<td>$4,222</td>
</tr>
<tr>
<td>Equity transaction with noncontrolling interests and other</td>
<td>7</td>
</tr>
<tr>
<td>Issuance during the year</td>
<td></td>
</tr>
<tr>
<td>Comprehensive income</td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>4,622</td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities, net of reclassification adjustments</td>
<td>3,918</td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td></td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td></td>
</tr>
<tr>
<td>Dividends paid to Toyota Motor Corporation shareholders</td>
<td>(2,020)</td>
</tr>
<tr>
<td>Dividends paid to noncontrolling interests</td>
<td></td>
</tr>
<tr>
<td>Purchase and reissuance of common stock</td>
<td>27</td>
</tr>
<tr>
<td>Balances at March 31, 2013</td>
<td>$4,222</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
Consolidated Statements of Cash Flows

Toyota Motor Corporation
For the years ended March 31, 2011, 2012 and 2013

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>¥465,485</td>
<td>¥368,302</td>
<td>¥1,083,482</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,175,573</td>
<td>1,067,830</td>
<td>1,105,109</td>
</tr>
<tr>
<td>Provision for doubtful accounts and credit losses</td>
<td>4,140</td>
<td>9,623</td>
<td>27,367</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>23,414</td>
<td>16,711</td>
<td>(20,429)</td>
</tr>
<tr>
<td>Losses on disposal of fixed assets</td>
<td>36,214</td>
<td>33,528</td>
<td>50,483</td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale securities, net</td>
<td>7,915</td>
<td>53,831</td>
<td>32,221</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>(23,414)</td>
<td>(16,711)</td>
<td>(20,429)</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>85,710</td>
<td>6,396</td>
<td>1,701</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>(215,016)</td>
<td>(197,701)</td>
<td>(231,519)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, and other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in accounts and notes receivable</td>
<td>421,423</td>
<td>(585,464)</td>
<td>(168,260)</td>
</tr>
<tr>
<td>(Increase) decrease in inventories</td>
<td>51,808</td>
<td>(344,923)</td>
<td>50,483</td>
</tr>
<tr>
<td>(Increase) decrease in other current assets</td>
<td>38,307</td>
<td>(180,529)</td>
<td>(47,033)</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable</td>
<td>(406,210)</td>
<td>756,363</td>
<td>(209,284)</td>
</tr>
<tr>
<td>Increase (decrease) in accrued income taxes</td>
<td>(40,629)</td>
<td>20,943</td>
<td>22,127</td>
</tr>
<tr>
<td>Increase in other current liabilities</td>
<td>239,319</td>
<td>316,366</td>
<td>280,083</td>
</tr>
<tr>
<td>Other</td>
<td>183,384</td>
<td>111,160</td>
<td>364,857</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>¥2,024,009</td>
<td>¥1,452,435</td>
<td>¥2,451,316</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash flows from investing activities</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to finance receivables</td>
<td>¥(8,438,785)</td>
<td>¥(8,333,249)</td>
<td>¥(10,004,928)</td>
</tr>
<tr>
<td>Proceeds from sales of finance receivables</td>
<td>69,576</td>
<td>53,990</td>
<td>39,845</td>
</tr>
<tr>
<td>Additions to fixed assets excluding equipment leased to others</td>
<td>(629,326)</td>
<td>(723,537)</td>
<td>(854,561)</td>
</tr>
<tr>
<td>Additions to equipment leased to others</td>
<td>(1,061,865)</td>
<td>(908,545)</td>
<td>(1,119,591)</td>
</tr>
<tr>
<td>Proceeds from sales of fixed assets excluding equipment leased to others</td>
<td>51,342</td>
<td>36,633</td>
<td>39,191</td>
</tr>
<tr>
<td>Proceeds from sales of equipment leased to others</td>
<td>486,695</td>
<td>431,313</td>
<td>533,441</td>
</tr>
<tr>
<td>Purchases of marketable securities and security investments</td>
<td>(4,421,807)</td>
<td>(3,173,634)</td>
<td>(3,412,423)</td>
</tr>
<tr>
<td>Proceeds from sales of marketable securities and security investments</td>
<td>189,037</td>
<td>162,160</td>
<td>35,178</td>
</tr>
<tr>
<td>Proceeds upon maturity of marketable securities and security investments</td>
<td>3,577,119</td>
<td>2,694,665</td>
<td>2,633,913</td>
</tr>
<tr>
<td>Payment for additional investments in affiliated companies, net of cash acquired</td>
<td>(299)</td>
<td>(147)</td>
<td>16,216</td>
</tr>
<tr>
<td>Changes in investments and other assets, and other</td>
<td>177,605</td>
<td>209,972</td>
<td>3,396</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(2,116,344)</td>
<td>(1,442,658)</td>
<td>(3,027,312)</td>
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</table>

<table>
<thead>
<tr>
<th>Cash flows from financing activities</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of long-term debt</td>
<td>2,931,436</td>
<td>2,394,807</td>
<td>3,191,223</td>
</tr>
<tr>
<td>Payments of long-term debt</td>
<td>(2,489,632)</td>
<td>(2,867,572)</td>
<td>(2,682,136)</td>
</tr>
<tr>
<td>Increase in short-term borrowings</td>
<td>162,260</td>
<td>311,651</td>
<td>201,261</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(141,120)</td>
<td>(156,785)</td>
<td>(190,008)</td>
</tr>
<tr>
<td>Purchase of common stock, and other</td>
<td>(28,617)</td>
<td>(37,448)</td>
<td>(43,098)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>434,327</td>
<td>(355,347)</td>
<td>477,242</td>
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<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>(127,029)</td>
<td>(55,939)</td>
<td>137,851</td>
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<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>214,063</td>
<td>(401,509)</td>
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</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
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<td>¥1,679,200</td>
<td>¥1,718,297</td>
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<tr>
<td>Cash and cash equivalents at end of year</td>
<td>¥2,080,709</td>
<td>¥1,679,200</td>
<td>¥1,718,297</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
Notes to Consolidated Financial Statements

1. Nature of operations

Toyota is primarily engaged in the design, manufacture, and sale of sedans, minivans, compact cars, sport-utility vehicles, trucks and related parts and accessories throughout the world. In addition, Toyota provides financing, vehicle and equipment leasing and certain other financial services primarily to its dealers and their customers to support the sales of vehicles and other products manufactured by Toyota.

2. Summary of significant accounting policies

The parent company and its subsidiaries in Japan and its foreign subsidiaries maintain their records and prepare their financial statements in accordance with accounting principles generally accepted in Japan and those of their countries of domicile. Certain adjustments and reclassifications have been incorporated in the accompanying consolidated financial statements to conform to U.S. GAAP. Significant accounting policies after reflecting adjustments for the above are as follows:

- **Basis of consolidation and accounting for investments in affiliated companies**
  The consolidated financial statements include the accounts of the parent company and those of its majority-owned subsidiary companies. All significant intercompany transactions and accounts have been eliminated. Investments in affiliated companies in which Toyota exercises significant influence, but which it does not control, are stated at cost plus equity in undistributed earnings. Consolidated net income includes Toyota’s equity in current earnings of such companies, after elimination of unrealized intercompany profits. Investments in such companies are reduced to net realizable value if a decline in market value is determined other-than-temporary. Investments in non-public companies in which Toyota does not exercise significant influence (generally less than a 20% ownership interest) are stated at cost. The accounts of variable interest entities as defined by U.S. GAAP are included in the consolidated financial statements, if applicable.

- **Estimates**
  The preparation of Toyota’s consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The more significant estimates include: product warranties, liabilities accrued for recalls and other safety measures, allowance for doubtful accounts and credit losses, residual values for leased assets, impairment of long-lived assets, pension costs and obligations, fair value of derivative financial instruments, other-than-temporary losses on marketable securities, litigation liabilities and valuation allowance for deferred tax assets.

- **Translation of foreign currencies**
  All asset and liability accounts of foreign subsidiaries and affiliated companies are translated into Japanese yen at appropriate year-end current exchange rates and all income and expense accounts of those subsidiaries are translated at the average exchange rates for each period. The foreign currency translation adjustments are included as a component of accumulated other comprehensive income.
  Foreign currency receivables and payables are translated at appropriate year-end current exchange rates and the resulting transaction gains or losses are recorded in operations currently.

- **Revenue recognition**
  Revenues from sales of vehicles and parts are generally recognized upon delivery which is considered to have occurred when the dealer has taken title to the product and the risk and reward of ownership have been transferred. Revenues from vehicle and equipment lease transactions are recognized as earned in equal amounts over the lease term. Revenues from vehicle financing contracts are recognized when the related receivables are realized.
  Revenues from service contracts are recognized when the services are performed. Revenues from maintenance agreements are recognized as earned in equal monthly installments over the contract period.
  Revenues from the sale of extended warranties are recognized as earned in equal installments over the period of the contract. Revenues from the sale of insurance are recognized when the related insurance premium is earned.
  Service contract and insurance revenues include amounts related to the sale of extended warranties and related operating costs.

- **Other costs**
  Advertising and sales promotion costs are expensed as incurred. Advertising costs were ¥308,903 million, ¥304,713 million and ¥330,870 million ($3,518 million) for the years ended March 31, 2011, 2012 and 2013, respectively.
  Toyota generally warrants its products against certain manufacturing and other defects. Provisions for product warranties are provided for specific periods of time and/or usage of the product and vary depending upon the nature of the product, the geographic location of the sale and other factors.
  Toyota records a provision for estimated product warranty costs at the time the related sale is recognized based on estimates that Toyota will incur to repair or replace product parts that fail while under warranty. The amount of accrued estimated warranty costs is primarily based on historical experience as to product failures as well as current information on repair costs. The amount of warranty costs recorded as assets and are depreciated in accordance with Toyota’s depreciation policy.
  Revenues from retail financing contracts and finance leases are recognized using the effective yield method. Revenues from operating leases are recognized on a straight-line basis over the lease term.
  The sales of certain vehicles includes a determinable amount for the contract, which includes customers to free vehicle maintenance. Such revenues from free maintenance contracts are deferred and recognized as revenue over the period of the contract, which approximates the pattern of the related costs.
accrued also contains an estimate of warranty claim recoveries to be received from suppliers.

In addition to product warranties above, Toyota accrues for costs of recalls and other safety measures based on management’s estimates when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. Toyota employs an estimation model, to accrue at the time of vehicle sale, an amount that represents management’s best estimate of expenses related to future recalls and other safety measures. The estimation model for recalls and other safety measures takes into account Toyota’s historical experience of recalls and other safety measures.

Litigation liabilities are established to cover probable losses on various lawsuits based on the information currently available. Attorneys’ fees are expensed as incurred.

Research and development costs are expensed as incurred. Research and development costs were ¥7,303,340 million, ¥7,779,806 million and ¥8,074,454 million ($8,585 million) for the years ended March 31, 2011, 2012 and 2013, respectively.

**Cash and cash equivalents**
Cash and cash equivalents include all highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of changes in value because of changes in interest rates.

**Marketable securities**
 Marketable securities consist of debt and equity securities. Debt and equity securities designated as available-for-sale are carried at fair value with unrealized gains or losses included as a component of accumulated other comprehensive income in shareholders’ equity, net of applicable taxes. Individual securities classified as available-for-sale are reduced to net realizable value for other-than-temporary declines in market value. In determining if a decline in value is other-than-temporary, Toyota considers the length of time and the extent to which the fair value has been less than the carrying value, the financial condition and prospects of the company and Toyota’s ability and intent to retain its investment in the company for a period of time sufficient to allow for any anticipated recovery in market value. Realized gains and losses, which are determined on the average-cost method, are reflected in the consolidated statements of income when realized.

**Finance receivables**
Finance receivables recorded on Toyota’s consolidated balance sheets are comprised of the unpaid principal balance, plus accrued interest, less charge-offs, net of any unearned income and deferred origination costs and the allowance for credit losses. Deferred origination costs are amortized so as to approximate a level rate of return over the term of the related contracts.

The determination of portfolio segments is based primarily on the qualitative consideration of the nature of Toyota’s business operations and finance receivables. The three portfolio segments within finance receivables are as follows:

**Retail receivables portfolio segment**
The retail receivables portfolio segment consists of retail installment sales contracts acquired mainly from dealers (“auto loans”) including credit card loans. These contracts acquired must first meet specified credit standards. Thereafter, Toyota retains responsibility for contract collection and administration.

The contract periods of auto loans primarily range from 2 to 7 years. Toyota acquires security interests in the vehicles financed and has the right to repossess vehicles if customers fail to meet their contractual obligations. Almost all auto loans are non-recourse, which relieves the dealers from financial responsibility in the event of repossession.

Toyota classifies retail receivables portfolio segment into one class based on common risk characteristics associated with the underlying finance receivables and the similarity of the credit risks.

**Wholesale and other dealer loan receivables portfolio segment**
Toyota provides wholesale financing to qualified dealers to finance inventories. Toyota acquires security interests in vehicles financed at wholesale. In cases where additional security interests would be required, Toyota takes dealership assets or personal assets, or both, as additional security. If a dealer defaults, Toyota has the right to liquidate any assets acquired and seek legal remedies.

Toyota also makes term loans to dealers for business acquisitions, facilities refurbishment, real estate purchases and working capital requirements. These loans are typically secured with liens on real estate, other dealership assets and/or personal assets of the dealers.

Finance lease receivables portfolio segment
Toyota acquires new vehicle lease contracts originated primarily through dealers. The contract periods of these primarily range from 2 to 5 years. Lease contracts acquired must first meet specified credit standards after which Toyota assumes ownership of the leased vehicle. Toyota is responsible for contract collection and administration during the lease period.

Toyota is generally permitted to take possession of the vehicle upon a default by the lessee. The residual value is estimated at the time the vehicle is first leased. Vehicles returned to Toyota at the end of their leases are sold by auction.

Toyota classifies finance lease receivables portfolio segment into one class based on common risk characteristics associated with the underlying finance receivables and the similarity of the credit risks.
Notes to Consolidated Financial Statements

Toyota classifies wholesale and other dealer loan receivables portfolio segment into three classes of wholesale, real estate and working capital, based on the risk characteristics associated with the underlying finance receivables.

A receivable account balance is considered impaired when, based on current information and events, it is probable that Toyota will be unable to collect all amounts due according to the terms of the contract. Factors such as payment history, compliance with terms and conditions of the underlying loan agreement and other subjective factors related to the financial stability of the borrower are considered when determining whether a loan is impaired. Impaired finance receivables include certain nonaccrual receivables for which a specific reserve has been assessed. An account modified as a troubled debt restructuring is considered to be impaired. A troubled debt restructuring occurs when an account is modified through a concession to a borrower experiencing financial difficulty.

All classes of wholesale and other dealer loan receivables portfolio segment are placed on nonaccrual status when full payment of principal or interest is in doubt, or when principal or interest is 90 days or more contractually past due, whichever occurs first. Collateral dependent loans are placed on nonaccrual status if collateral is insufficient to cover principal and interest. Interest accrued but not collected at the date a receivable is placed on nonaccrual status is reversed against interest income. In addition, the amortization of net deferred fees is suspended.

Interest income on nonaccrual receivables is recognized only to the extent it is received in cash. Accounts are restored to accrual status only when interest and principal payments are brought current and future payments are reasonably assured.

As of March 31, 2012 and 2013, finance receivables on nonaccrual status were as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>March 31, 2012 (Yen in millions)</th>
<th>March 31, 2013 (U.S. dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>¥2,822</td>
<td>¥4,443</td>
</tr>
<tr>
<td>Finance leases</td>
<td>958</td>
<td>1,135</td>
</tr>
<tr>
<td>Wholesale</td>
<td>5,485</td>
<td>1,985</td>
</tr>
<tr>
<td>Real estate</td>
<td>11,736</td>
<td>4,354</td>
</tr>
<tr>
<td>Working capital</td>
<td>37</td>
<td>70</td>
</tr>
<tr>
<td>Total</td>
<td>¥21,038</td>
<td>¥11,987</td>
</tr>
</tbody>
</table>

As of March 31, 2012 and 2013, finance receivables past due over 90 days and still accruing were as follows:

<table>
<thead>
<tr>
<th>Segment</th>
<th>March 31, 2012 (Yen in millions)</th>
<th>March 31, 2013 (U.S. dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>¥24,263</td>
<td>¥18,442</td>
</tr>
<tr>
<td>Finance leases</td>
<td>7,674</td>
<td>3,464</td>
</tr>
<tr>
<td>Working capital</td>
<td>31,937</td>
<td>21,906</td>
</tr>
<tr>
<td>Total</td>
<td>¥31,937</td>
<td>¥21,906</td>
</tr>
</tbody>
</table>

Allowance for credit losses

Allowance for credit losses is established to cover probable losses on finance receivables and vehicles and equipment on operating leases, resulting from the inability of customers to make required payments. Provision for credit losses is included in selling, general and administrative expenses.

The allowance for credit losses is based on a systematic, ongoing review and evaluation performed as part of the credit-risk evaluation process, historical loss experience, the size and composition of the portfolios, current economic events and conditions, the estimated fair value and adequacy of collateral and other pertinent factors. Vehicles and equipment on operating leases are not within the scope of accounting guidance governing the disclosure of portfolio segments.

Retail receivables portfolio segment

Toyota calculates allowance for credit losses to cover probable losses on retail receivables by applying reserve rates to such receivables. Reserve rates are calculated mainly by historical loss experience, current economic events and conditions and other pertinent factors.

Finance lease receivables portfolio segment

Toyota calculates allowance for credit losses to cover probable losses on finance lease receivables by applying reserve rates to such receivables.
Reserve rates are calculated mainly by historical loss experience, current economic events and conditions and other pertinent factors such as used car markets.

### Wholesale and other dealer loan receivables portfolio segment

Toyota calculates allowance for credit losses to cover probable losses on wholesale and other dealer loan receivables by applying reserve rates to such receivables. Reserve rates are calculated mainly by financial conditions of the dealers, terms of collateral setting, current economic events and conditions and other pertinent factors.

Toyota establishes specific reserves to cover the estimated losses on individually impaired receivables within the wholesale and other dealer loan receivables portfolio segment. Specific reserves on impaired receivables are determined by the present value of expected future cash flows or the fair value of collateral when it is probable that such receivables will be unable to be fully collected. The fair value of the underlying collateral is used if the receivable is collateral-dependent. The receivable is determined collateral-dependent if the repayment of the loan is expected to be provided by the underlying collateral. For the receivables in which the fair value of the underlying collateral was in excess of the outstanding balance, no allowance was provided.

Troubled debt restructurings in the retail receivables and finance lease receivables portfolio segments are specifically identified as impaired and aggregated with their respective portfolio segments when determining the allowance for credit losses. Impaired loans in the retail receivables and finance lease receivables portfolio segments are insignificant for individual evaluation and Toyota has determined that allowance for credit losses for each of the retail receivables and finance lease receivables portfolio segments would not be materially different if they had been individually evaluated for impairment.

Specific reserves on impaired receivables within the wholesale and other dealer loan receivables portfolio segment are recorded by an increase to the allowance for credit losses based on the related measurement of impairment. Related collateral, if recoverable, is repossessed and sold and the account balance is written off.

Any shortfall between proceeds received and the carrying cost of repossessed collateral is charged to the allowance. Recoveries are reversed from the allowance for credit losses.

### Allowance for residual value losses

Toyota is exposed to risk of loss on the disposition of off-lease vehicles to the extent that sales proceeds are not sufficient to cover the carrying value of the leased asset at lease termination. Toyota maintains an allowance to cover probable estimated losses related to unguaranteed residual values on its owned portfolio. The allowance is evaluated considering projected vehicle return rates and projected loss severity. Factors considered in the determination of projected return rates and loss severity include historical and market information on used vehicle sales, trends in lease returns and new car markets, and general economic conditions. Management evaluates the foregoing factors, develops several potential loss scenarios, and reviews allowance levels to determine whether reserves are considered adequate to cover the probable range of losses.

The allowance for residual value losses is maintained in amounts considered by Toyota to be appropriate in relation to the estimated losses on its own portfolio. Upon disposal of the assets, the allowance for residual losses is adjusted for the difference between the net book value and the proceeds from sale.

### Inventories

Inventories are valued at cost, not in excess of market, cost being determined on the “average-cost” basis, except for the cost of finished products carried by certain subsidiary companies which is determined on the “specific identification” basis or “last-in, first-out” (“LIFO”) basis. Inventories valued on the LIFO basis totaled ¥220,582 million and ¥220,082 million ($2,340 million) at March 31, 2012 and 2013, respectively. Had the “first-in, first-out” basis been used for those companies using the LIFO basis, inventories would have been ¥66,799 million and ¥66,979 million ($712 million) higher than reported at March 31, 2012 and 2013, respectively.

### Property, plant and equipment

Property, plant and equipment are stated at cost. Major renewals and improvements are capitalized; minor replacements, maintenance and repairs are charged to current operations. Depreciation of property, plant and equipment is mainly computed on the declining-balance method for the parent company and Japanese subsidiaries and on the straight-line method for foreign subsidiary companies at rates based on estimated useful lives of the respective assets according to general class, type of construction and use. The estimated useful lives range from 2 to 65 years for buildings and from 2 to 20 years for machinery and equipment.

Vehicles and equipment on operating leases to third parties are originated by dealers and acquired by certain consolidated subsidiaries. Such subsidiaries are also the lessors of certain property that they acquire directly. Vehicles and equipment on operating leases are depreciated primarily on a straight-line method over the lease term, generally from 2 to 5 years, to the estimated residual value. Incremental direct costs incurred in connection with the acquisition of operating lease contracts are capitalized and amortized on a straight-line method over the lease term.

### Long-lived assets

Toyota reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset group exceeds the estimated undiscounted cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss to be recorded is calculated by the excess of the carrying value of the asset group over its fair value. Fair value is determined mainly using a discounted cash flow valuation method.
Notes to Consolidated Financial Statements

**Goodwill and intangible assets**

Goodwill is not material to Toyota's consolidated balance sheets. Intangible assets consist mainly of software. Intangible assets with a definite life are amortized on a straight-line basis with estimated useful lives mainly of 5 years. Intangible assets with an indefinite life are tested for impairment whenever events or circumstances indicate that a carrying amount of an asset (asset group) may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset exceeds the estimated undiscounted cash flows used in determining the fair value of the asset. The amount of the impairment loss to be recorded is generally determined by the difference between the fair value of the asset using a discounted cash flow valuation method and the current book value.

**Employee benefit obligations**

Toyota has both defined benefit and defined contribution plans for employees’ retirement benefits. Retirement benefit obligations are measured by actuarial calculations in accordance with U.S. GAAP. The funded status of the defined benefit postretirement plans is recognized on the consolidated balance sheets as prepaid pension and severance costs or accrued pension and severance costs, and the funded status change is recognized in the year in which it occurs through other comprehensive income.

**Environmental matters**

Environmental expenditures relating to current operations are expensed or capitalized as appropriate.

Expenditures relating to existing conditions caused by past operations, which do not contribute to current or future revenues, are expensed. Liabilities for remediation costs are recorded when they are probable and reasonably estimable, generally no later than the completion of feasibility studies or Toyota's commitment to a plan of action. The cost of each environmental liability is estimated by using current technology available and various engineering, financial and legal specialists within Toyota based on current law. Such liabilities do not reflect any offset for possible recoveries from insurance companies and are not discounted. There were no material changes in these liabilities for all periods presented.

**Income taxes**

The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized.

**Derivative financial instruments**

Toyota employs derivative financial instruments, including forward foreign currency exchange contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements and interest rate options to manage its exposure to fluctuations in interest rates and foreign currency exchange rates. All derivative financial instruments are recorded on the consolidated balance sheets at fair value, taking into consideration the effects of legally enforceable master netting agreements that allow us to net settle positive and negative positions and offset cash collateral held with the same counterparty on a net basis. Toyota does not use derivatives for speculation or trading purposes. Changes in the fair value of derivatives are recorded each period in current earnings or through other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and the type of hedge transaction. The ineffective portion of all hedges is recognized currently in operations.

**Net income attributable to Toyota Motor Corporation per share**

Basic net income attributable to Toyota Motor Corporation per common share is calculated by dividing net income attributable to Toyota Motor Corporation by the weighted-average number of shares outstanding during the reported period. The calculation of diluted net income attributable to Toyota Motor Corporation per common share is similar to the calculation of basic net income attributable to Toyota Motor Corporation per share, except that the weighted-average number of shares outstanding includes the additional dilution from the assumed exercise of dilutive stock options.

**Other comprehensive income**

Other comprehensive income refers to revenues, expenses, gains and losses that, under U.S. GAAP are included in comprehensive income, but are excluded from net income as these amounts are recorded directly as an adjustment to shareholders’ equity. Toyota's other comprehensive income is primarily comprised of unrealized gains/losses on marketable securities designated as available-for-sale, foreign currency translation adjustments and adjustments attributed to pension liabilities associated with Toyota's defined benefit pension plans.

**Accounting changes**

In June 2011, FASB issued updated guidance on the presentation of comprehensive income. This guidance requires to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statements of comprehensive income or in two separate but consecutive statements. Toyota adopted this guidance from the interim period within the fiscal year, begun after December 15, 2011. The adoption of this guidance did not have a material impact on Toyota's consolidated financial statements.

**Recent pronouncements to be adopted in future periods**

In December 2011, FASB issued updated guidance of disclosures about of offsetting assets and liabilities. This guidance requires additional disclosures about gross and net information for assets and liabilities including financial instruments eligible for offset in
the balance sheets. This guidance is effective for fiscal year beginning on or after January 1, 2013, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota's consolidated financial statements.

In February 2013, FASB issued updated guidance on the presentation of items reclassified out of accumulated other comprehensive income. This guidance requires present, either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified out of each component of accumulated other comprehensive income. This guidance requires to present, either in a single note or parenthetically on the face of the financial statements, the effect of significant amounts reclassified out of each component of accumulated other comprehensive income based on its source. This guidance is effective for fiscal year beginning on or after December 15, 2012, and for interim period within the fiscal year. Management does not expect this guidance to have a material impact on Toyota’s consolidated financial statements.

### Reclassifications

Certain prior year amounts have been reclassified to conform to the presentations as of and for the year ended March 31, 2013.

### 3. U.S. dollar amounts

U.S. dollar amounts presented in the consolidated financial statements and related notes are included solely for the convenience of the reader and are unaudited. These translations should not be construed as representations that the yen amounts actually represent, or have been or could be converted into, U.S. dollars. For this purpose, the rate of ¥94.05 = U.S. $1, the approximate current exchange rate at March 31, 2013, was used for the translation of the accompanying consolidated financial amounts of Toyota as of and for the year ended March 31, 2013.

### 4. Suplemental cash flow information

Cash payments for income taxes were ¥211,487 million, ¥282,440 million and ¥331,007 million (¥3,519 million) for the years ended March 31, 2011, 2012 and 2013, respectively. Interest payments during the years ended March 31, 2011, 2012 and 2013 were ¥382,903 million, ¥365,109 million and ¥325,575 million (¥3.462 million), respectively.

### 5. Acquisitions and dispositions

During the years ended March 31, 2011, 2012 and 2013, Toyota made several acquisitions and disposions, however the assets and liabilities acquired or transferred were not material.

### 6. Marketable securities and other securities investments

 Marketable securities and other securities investments include public and corporate bonds and common stocks for which the aggregate cost, gross unrealized gains and losses and fair value are as follows:

<table>
<thead>
<tr>
<th>Available-for-sale:</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
</tr>
<tr>
<td>Public and corporate bonds</td>
<td>¥3,606,290</td>
</tr>
<tr>
<td>Common stocks</td>
<td>605,889</td>
</tr>
<tr>
<td>Other</td>
<td>449,393</td>
</tr>
<tr>
<td>Total</td>
<td>¥4,661,572</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities not practicable to determine fair value:</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public and corporate bonds</td>
<td>¥22,047</td>
</tr>
<tr>
<td>Common stocks</td>
<td>79,420</td>
</tr>
<tr>
<td>Total</td>
<td>¥101,467</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available-for-sale:</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
</tr>
<tr>
<td>Public and corporate bonds</td>
<td>¥4,350,942</td>
</tr>
<tr>
<td>Common stocks</td>
<td>605,889</td>
</tr>
<tr>
<td>Other</td>
<td>449,393</td>
</tr>
<tr>
<td>Total</td>
<td>¥5,487,585</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Securities not practicable to determine fair value:</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public and corporate bonds</td>
<td>¥20,148</td>
</tr>
<tr>
<td>Common stocks</td>
<td>79,082</td>
</tr>
<tr>
<td>Total</td>
<td>¥99,230</td>
</tr>
</tbody>
</table>
Notes to Consolidated Financial Statements

### Available-for-sale:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
<th>Gross unrealized gains</th>
<th>Gross unrealized losses</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public and corporate bonds</td>
<td>$46,262</td>
<td>$2,244</td>
<td>$94</td>
<td>$48,412</td>
</tr>
<tr>
<td>Common stocks</td>
<td>6,373</td>
<td>8,553</td>
<td>28</td>
<td>14,898</td>
</tr>
<tr>
<td>Other</td>
<td>5,713</td>
<td>334</td>
<td>0</td>
<td>6,047</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$58,348</strong></td>
<td><strong>$11,131</strong></td>
<td><strong>$122</strong></td>
<td><strong>$69,357</strong></td>
</tr>
</tbody>
</table>

**Securities not practicable to determine fair value:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public and corporate bonds</td>
<td>$214</td>
</tr>
<tr>
<td>Common stocks</td>
<td>841</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,055</strong></td>
</tr>
</tbody>
</table>

Public and corporate bonds included in available-for-sale represent 60% of Japanese bonds, and 40% of U.S., European and other bonds as of March 31, 2012, and 49% of Japanese bonds, and 51% of U.S., European and other bonds as of March 31, 2013. Listed stocks on the Japanese stock markets represent 83% and 86% of common stocks which are included in available-for-sale as of March 31, 2012 and 2013, respectively. Public and corporate bonds include primarily government bonds, and “Other” includes primarily investment trusts.

Unrealized losses continuing over a 12 month period or more in the aggregate were not material at March 31, 2012 and 2013.

As of March 31, 2012 and 2013, maturities of public and corporate bonds and other included in available-for-sale are mainly from 1 to 10 years.

Proceeds from sales of available-for-sale securities were ¥189,037 million, ¥162,160 million and ¥35,178 million ($374 million) for the years ended March 31, 2011, 2012 and 2013, respectively. On those sales, gross realized gains were ¥8,974 million, ¥4,822 million and ¥1,048 million ($11 million) and gross realized losses were ¥87 million, ¥15 million and ¥31 million ($0 million), respectively.

During the years ended March 31, 2011, 2012 and 2013, Toyota recognized impairment losses on available-for-sale securities of ¥7,915 million, ¥53,831 million and ¥2,104 million ($22 million), respectively, which are included in “Other income (loss), net” in the accompanying consolidated statements of income.

In the ordinary course of business, Toyota maintains long-term investment securities, included in “Marketable securities and other securities investments” and issued by a number of non-public companies which are recorded at cost, as their fair values were not readily determinable. Management employs a systematic methodology to assess the recoverability of such investments by reviewing the financial viability of the underlying companies and the prevailing market conditions in which these companies operate to determine if Toyota’s investment in each individual company is impaired and whether the impairment is other-than-temporary. Toyota periodically performs this impairment test for significant investments recorded at cost. If the impairment is determined to be other-than-temporary, the carrying value of the investment is written-down by the impaired amount and the losses are recognized currently in operations.

### Finance receivables

Finance receivables consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2012</th>
<th>March 31, 2013</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>¥7,248,793</td>
<td>¥9,047,782</td>
<td>$96,202</td>
</tr>
<tr>
<td>Finance leases</td>
<td>955,430</td>
<td>1,029,887</td>
<td>10,950</td>
</tr>
<tr>
<td>Wholesale and other dealer loans</td>
<td>2,033,954</td>
<td>2,615,728</td>
<td>27,812</td>
</tr>
<tr>
<td>Deferred origination costs</td>
<td>105,633</td>
<td>135,398</td>
<td>1,439</td>
</tr>
<tr>
<td>Unearned income</td>
<td>(494,123)</td>
<td>(628,340)</td>
<td>(6,681)</td>
</tr>
<tr>
<td>Allowance for credit losses</td>
<td>(77,353)</td>
<td>(83,858)</td>
<td>(892)</td>
</tr>
<tr>
<td>Retail</td>
<td>(30,637)</td>
<td>(28,928)</td>
<td>(307)</td>
</tr>
<tr>
<td>Wholesale and other dealer loans</td>
<td>(24,238)</td>
<td>(26,243)</td>
<td>(279)</td>
</tr>
<tr>
<td>Total allowance for credit losses</td>
<td>(132,228)</td>
<td>(139,029)</td>
<td>(1,478)</td>
</tr>
<tr>
<td>Total finance receivables, net</td>
<td>9,717,359</td>
<td>12,061,426</td>
<td>128,244</td>
</tr>
<tr>
<td>Less—Current portion</td>
<td>(4,114,897)</td>
<td>(5,117,660)</td>
<td>(54,414)</td>
</tr>
<tr>
<td>Noncurrent finance receivables, net</td>
<td>¥5,602,462</td>
<td>¥6,943,766</td>
<td>$73,830</td>
</tr>
</tbody>
</table>

Finance receivables were geographically distributed as follows: in North America 58.1%, in Japan 49%, in Europe 10.3%, in Asia 7.1% and in Other 12.5% as of March 31, 2012, and in North America 57.6%, in Europe 10.0%, in Japan 9.9%, in Asia 12.0%, in Europe 10.3%, in Asia 7.1% and in Other 9.5% as of March 31, 2013.
Notes to Consolidated Financial Statements

The contractual maturities of retail receivables, the future minimum lease payments on finance leases and the contractual maturities of wholesale and other dealer loans at March 31, 2013 are summarized as follows:

<table>
<thead>
<tr>
<th>Years ending March 31</th>
<th>Retail Finance leases</th>
<th>Wholesale and other dealer loans</th>
<th>U.S. dollars in millions</th>
<th>Wholesale and other dealer loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>¥3,032,542</td>
<td>¥2,040,442</td>
<td>$32,244</td>
<td>$21,695</td>
</tr>
<tr>
<td>2015</td>
<td>2,218,871</td>
<td>149,091</td>
<td>2,052</td>
<td>1,585</td>
</tr>
<tr>
<td>2016</td>
<td>1,721,430</td>
<td>16,303</td>
<td>1,279</td>
<td>1,230</td>
</tr>
<tr>
<td>2017</td>
<td>1,127,558</td>
<td>11,989</td>
<td>698</td>
<td>1,331</td>
</tr>
<tr>
<td>2018</td>
<td>609,255</td>
<td>6,478</td>
<td>316</td>
<td>1,271</td>
</tr>
<tr>
<td>Thereafter</td>
<td>336,126</td>
<td>6,447</td>
<td>69</td>
<td>700</td>
</tr>
<tr>
<td></td>
<td>¥9,047,782</td>
<td>¥2,615,728</td>
<td>$96,202</td>
<td>$27,812</td>
</tr>
</tbody>
</table>

Finance leases consist of the following:

<table>
<thead>
<tr>
<th>Years ending March 31</th>
<th>Retail Finance leases</th>
<th>Wholesale and other dealer loans</th>
<th>U.S. dollars in millions</th>
<th>Wholesale and other dealer loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>¥688,642</td>
<td>¥742,871</td>
<td>$7,899</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>955,430</td>
<td>1,029,887</td>
<td>10,950</td>
<td></td>
</tr>
<tr>
<td>Minimum lease payments</td>
<td>¥688,642</td>
<td>¥742,871</td>
<td>$7,899</td>
<td></td>
</tr>
<tr>
<td>Estimated unguaranteed residual values</td>
<td>266,788</td>
<td>287,016</td>
<td>3,051</td>
<td></td>
</tr>
<tr>
<td>Deferred origination costs</td>
<td>3,722</td>
<td>3,577</td>
<td>38</td>
<td></td>
</tr>
<tr>
<td>Loss—Unearned income (90,887)</td>
<td>(87,537)</td>
<td>(931)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less—Allowance for credit losses (30,637)</td>
<td>(28,928)</td>
<td>(307)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance leases, net ¥837,628</td>
<td>¥916,999</td>
<td>$9,750</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Toyota is exposed to credit risk on Toyota’s finance receivables. Credit risk is the risk of loss arising from the failure of customers or dealers to meet the terms of their contracts with Toyota or otherwise fail to perform as agreed. Toyota estimates allowance for credit losses by variety of credit-risk evaluation process to cover probable and estimable losses above.

The table below shows the amount of the finance receivables segregated into aging categories based on the number of days outstanding as of March 31, 2012 and 2013:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>March 31, 2012</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Finance leases</td>
<td>¥7,146,365</td>
<td>¥9,029,345</td>
</tr>
<tr>
<td>Wholesale and other dealer loans</td>
<td>¥293,642</td>
<td>¥355,296</td>
</tr>
<tr>
<td>Real estate</td>
<td>¥535,296</td>
<td>¥574,671</td>
</tr>
<tr>
<td>Working capital</td>
<td>¥70</td>
<td>70</td>
</tr>
<tr>
<td>61-90 days past due</td>
<td>13,851</td>
<td>2,645</td>
</tr>
<tr>
<td>Over 90 days past due</td>
<td>24,263</td>
<td>7,674</td>
</tr>
<tr>
<td>Total</td>
<td>¥7,248,793</td>
<td>¥9,047,782</td>
</tr>
<tr>
<td>Yen in millions</td>
<td>March 31, 2013</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Retail Finance leases</td>
<td>¥8,923,588</td>
<td>¥1,021,074</td>
</tr>
<tr>
<td>Wholesale and other dealer loans</td>
<td>¥2,698,530</td>
<td>¥3,055,998</td>
</tr>
<tr>
<td>Real estate</td>
<td>¥658,114</td>
<td>¥651,553</td>
</tr>
<tr>
<td>Working capital</td>
<td>¥651,553</td>
<td>¥651,553</td>
</tr>
<tr>
<td>61-90 days past due</td>
<td>17,312</td>
<td>1,661</td>
</tr>
<tr>
<td>Over 90 days past due</td>
<td>22,528</td>
<td>4,046</td>
</tr>
<tr>
<td>Total</td>
<td>¥9,047,782</td>
<td>¥1,029,887</td>
</tr>
<tr>
<td>U.S. dollars in millions</td>
<td>March 31, 2013</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Retail Finance leases</td>
<td>$94,881</td>
<td>$10,857</td>
</tr>
<tr>
<td>Wholesale and other dealer loans</td>
<td>$13,886</td>
<td>$6,997</td>
</tr>
<tr>
<td>Real estate</td>
<td>$6,928</td>
<td>$6,928</td>
</tr>
<tr>
<td>Working capital</td>
<td>$6,928</td>
<td>$6,928</td>
</tr>
</tbody>
</table>
The tables below show the recorded investment for each credit quality of the finance receivable within the wholesale and other dealer loan receivables portfolio segment in the United States and other regions as of March 31, 2012 and 2013:

**United States**

The wholesale and other dealer loan receivables portfolio segment is primarily segregated into credit qualities below based on internal risk assessments by dealers.

- **Performing**: Account not classified as either Credit Watch, At Risk or Default
- **Credit Watch**: Account designated for elevated attention
- **At Risk**: Account where there is an increased likelihood that default may exist based on qualitative and quantitative factors
- **Default**: Account is not currently meeting contractual obligations or we have temporarily waived certain contractual requirements

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>March 31, 2012 (Yen in millions)</th>
<th>March 31, 2013 (Yen in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wholesale</td>
<td>Real estate</td>
</tr>
<tr>
<td>Performing</td>
<td>¥513,632</td>
<td>¥307,867</td>
</tr>
<tr>
<td>Credit Watch</td>
<td>55,513</td>
<td>38,382</td>
</tr>
<tr>
<td>At Risk</td>
<td>6,394</td>
<td>12,157</td>
</tr>
<tr>
<td>Default</td>
<td>466</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>¥576,005</td>
<td>¥358,436</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>March 31, 2012 (Yen in millions)</th>
<th>March 31, 2013 (Yen in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wholesale</td>
<td>Real estate</td>
</tr>
<tr>
<td>Performing</td>
<td>¥330,264</td>
<td>¥170,886</td>
</tr>
<tr>
<td>Default</td>
<td>17,429</td>
<td>6,072</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>¥347,693</td>
<td>¥176,958</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>March 31, 2013 (Yen in millions)</th>
<th>March 31, 2013 (U.S. dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wholesale</td>
<td>Real estate</td>
</tr>
<tr>
<td>Performing</td>
<td>¥12,245,532</td>
<td>$7,659</td>
</tr>
<tr>
<td>Credit Watch</td>
<td>996</td>
<td>583</td>
</tr>
<tr>
<td>At Risk</td>
<td>33</td>
<td>28</td>
</tr>
<tr>
<td>Default</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$13,243</td>
<td>$4,580</td>
</tr>
</tbody>
</table>

**Other regions**

Credit qualities of the wholesale and other dealer loan receivables portfolio segment in other regions are also monitored based on internal risk assessments by dealers on a consistent basis as in the United States. These accounts classified as “Credit Watch” or “At Risk” were not significant in other regions, and consequently the tables below summarize information for two categories, “Performing” and “Default”.

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>March 31, 2012 (Yen in millions)</th>
<th>March 31, 2013 (Yen in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wholesale</td>
<td>Real estate</td>
</tr>
<tr>
<td>Performing</td>
<td>¥1,245,532</td>
<td>¥7,659</td>
</tr>
<tr>
<td>Credit Watch</td>
<td>996</td>
<td>583</td>
</tr>
<tr>
<td>At Risk</td>
<td>33</td>
<td>28</td>
</tr>
<tr>
<td>Default</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$13,243</td>
<td>$4,580</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit Quality</th>
<th>March 31, 2013 (Yen in millions)</th>
<th>March 31, 2013 (U.S. dollars in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wholesale</td>
<td>Real estate</td>
</tr>
<tr>
<td>Performing</td>
<td>$5,197</td>
<td>$2,418</td>
</tr>
<tr>
<td>Default</td>
<td>36</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$5,197</td>
<td>$2,418</td>
</tr>
</tbody>
</table>
The tables below summarize information about impaired finance receivables:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recorded investment</td>
<td>$8,105</td>
<td>$11,967</td>
<td>$8,105</td>
<td>$11,967</td>
</tr>
<tr>
<td>Unpaid principal balance</td>
<td>6,726</td>
<td>6,726</td>
<td>5,246</td>
<td>5,246</td>
</tr>
<tr>
<td>Individually evaluated allowance</td>
<td>2,716</td>
<td>1,721</td>
<td>573</td>
<td>3,691</td>
</tr>
<tr>
<td>Total</td>
<td>$25,529</td>
<td>$23,939</td>
<td>$25,529</td>
<td>$23,939</td>
</tr>
</tbody>
</table>

| Impaired account balances individually evaluated for impairment with an allowance: |
|-----------------|----------------|----------------|----------------|----------------|
| Wholesale | $127 | $127 | $16 |
| Real estate | 72 | 72 | 18 |
| Working capital | 56 | 56 | 39 |
| Total | $255 | $255 | $73 |

| Impaired account balances individually evaluated for impairment without an allowance: |
|-----------------|----------------|----------------|----------------|----------------|
| Wholesale | $ 67 | $ 67 |
| Real estate | 97 | 97 |
| Working capital | 5 | 5 |
| Total | $169 | $169 |

| Impaired account balances aggregated and evaluated for impairment: |
|-----------------|----------------|----------------|----------------|----------------|
| Retail | $42,438 | $40,487 | $39,797 |
| Finance leases | 325 | 403 | 85 |
| Total | $42,763 | $40,900 | $39,882 |

| Total impaired account balances: |
|-----------------|----------------|----------------|----------------|----------------|
| Retail | $42,438 | $40,487 | $39,797 |
| Finance leases | 325 | 403 | 85 |
| Wholesale | 22,120 | 22,120 | 15,981 |
| Real estate | 1,033 | 5,742 | 5,742 |
| Total | $62,360 | $60,269 | $59,781 |

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>Average impaired finance receivables</th>
<th>Interest income recognized</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the years ended March 31, 2012</td>
<td>$44,362</td>
<td>$39,616</td>
</tr>
<tr>
<td>For the years ended March 31, 2013</td>
<td>$29,340</td>
<td>$20,618</td>
</tr>
<tr>
<td>Total impaired account balances:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Retail</td>
<td>$44,362</td>
<td>$39,616</td>
</tr>
<tr>
<td>Finance leases</td>
<td>279</td>
<td>161</td>
</tr>
<tr>
<td>Wholesale</td>
<td>18,734</td>
<td>20,618</td>
</tr>
<tr>
<td>Real estate</td>
<td>16,137</td>
<td>15,574</td>
</tr>
<tr>
<td>Working capital</td>
<td>2,592</td>
<td>820</td>
</tr>
<tr>
<td>Total</td>
<td>$82,104</td>
<td>$79,789</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>U.S. dollars in millions</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recorded investment</td>
<td>$8,105</td>
</tr>
<tr>
<td>Unpaid principal balance</td>
<td>$11,967</td>
</tr>
<tr>
<td>Individually evaluated allowance</td>
<td>$2,716</td>
</tr>
<tr>
<td>Total</td>
<td>$25,529</td>
</tr>
</tbody>
</table>

| Impaired account balances individually evaluated for impairment with an allowance: |
|-----------------|----------------|----------------|----------------|----------------|
| Wholesale | $127 | $127 | $16 |
| Real estate | 72 | 72 | 18 |
| Working capital | 56 | 56 | 39 |
| Total | $255 | $255 | $73 |

| Impaired account balances individually evaluated for impairment without an allowance: |
|-----------------|----------------|----------------|----------------|----------------|
| Wholesale | $ 67 | $ 67 |
| Real estate | 97 | 97 |
| Working capital | 5 | 5 |
| Total | $169 | $169 |

| Impaired account balances aggregated and evaluated for impairment: |
|-----------------|----------------|----------------|----------------|----------------|
| Retail | $430 | $423 |
| Finance leases | 1 | 1 |
| Total | $431 | $424 |

| Total impaired account balances: |
|-----------------|----------------|----------------|----------------|----------------|
| Retail | $430 | $423 |
| Finance leases | 1 | 1 |
| Wholesale | 194 | 194 |
| Real estate | 169 | 169 |
| Working capital | 61 | 61 |
| Total | $855 | $848 |

<table>
<thead>
<tr>
<th>U.S. dollars in millions</th>
<th>For the year ended March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average impaired finance receivables</td>
<td>$421</td>
</tr>
<tr>
<td>Interest income recognized</td>
<td>$33</td>
</tr>
</tbody>
</table>

| Total impaired account balances: |
|-----------------|----------------|----------------|----------------|----------------|
| Retail | $421 | 2 |
| Finance leases | 194 | 166 |
| Wholesale | 219 | 415 |
| Real estate | 219 | 415 |
| Working capital | 219 | 415 |
| Total | $848 | $40 |

The amount of finance receivables modified as a troubled debt restructuring for the year ended March 31, 2013 was not significant for all classes of finance receivables. Finance receivables modified as troubled debt restructurings for the year ended March 31, 2013 and for which there was a payment default were not significant for all classes of such receivables.
8. Other receivables

Other receivables relate to arrangements with certain component manufacturers whereby Toyota procures inventory for these component manufacturers and is reimbursed for the related purchases.

9. Inventories

Inventories consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Finished goods</td>
<td>¥ 981,612</td>
<td>¥1,007,659</td>
</tr>
<tr>
<td>Raw materials</td>
<td>347,878</td>
<td>388,780</td>
</tr>
<tr>
<td>Work in process</td>
<td>221,036</td>
<td>235,476</td>
</tr>
<tr>
<td>Supplies and other</td>
<td>71,756</td>
<td>83,871</td>
</tr>
<tr>
<td>Total</td>
<td>¥1,622,282</td>
<td>¥1,715,786</td>
</tr>
</tbody>
</table>

The other amount includes the impact of consolidation and deconsolidation of certain entities due to changes in ownership interest and currency translation adjustments for the years ended March 31, 2011, 2012, and 2013.

10. Vehicles and equipment on operating leases

Vehicles and equipment on operating leases consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Vehicles</td>
<td>¥2,536,596</td>
<td>¥2,999,294</td>
</tr>
<tr>
<td>Equipment</td>
<td>87,848</td>
<td>104,351</td>
</tr>
<tr>
<td>Less—Deferred income and other</td>
<td>49,090</td>
<td>(65,634)</td>
</tr>
<tr>
<td>Less—Accumulated depreciation</td>
<td>(667,406)</td>
<td>(749,238)</td>
</tr>
<tr>
<td>Less—Allowance for credit losses</td>
<td>(8,135)</td>
<td>(8,020)</td>
</tr>
<tr>
<td>Total</td>
<td>¥1,899,812</td>
<td>¥2,280,753</td>
</tr>
</tbody>
</table>

11. Allowance for doubtful accounts and credit losses

An analysis of activity within the allowance for doubtful accounts relating to trade accounts and notes receivable for the years ended March 31, 2011, 2012, and 2013 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for doubtful accounts at beginning of year</td>
<td>¥46,706</td>
<td>$4,898</td>
</tr>
<tr>
<td>Provision for doubtful accounts, net of reversal</td>
<td>1,806</td>
<td>5,843</td>
</tr>
<tr>
<td>Write-offs</td>
<td>(2,690)</td>
<td>(699)</td>
</tr>
<tr>
<td>Other</td>
<td>(1,775)</td>
<td>(5,094)</td>
</tr>
<tr>
<td>Allowance for doubtful accounts at end of year</td>
<td>¥44,047</td>
<td>$4,024</td>
</tr>
</tbody>
</table>

The future minimum rentals as shown above should not be considered indicative of future cash collections.

A portion of the allowance for doubtful accounts balance at March 31, 2012 and 2013 totaling ¥31,093 million and ¥30,269 million ($322 million, respectively, is attributed to certain non-current receivable balances which are reported as other assets in the consolidated balance sheets.
### Notes to Consolidated Financial Statements

An analysis of the allowance for credit losses relating to finance receivables and vehicles and equipment on operating leases for the years ended March 31, 2011, 2012 and 2013 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the years ended March 31,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2011  2012  2013</td>
<td>2013</td>
</tr>
<tr>
<td>Allowance for credit losses at beginning of year</td>
<td>¥232,479  ¥167,615  ¥140,363</td>
<td>$1,493</td>
</tr>
<tr>
<td>Provision for credit losses, net of reversal</td>
<td>2,334 3,780 25,622</td>
<td>272</td>
</tr>
<tr>
<td>Charge-offs</td>
<td>(86,115) (51,578) (56,701)</td>
<td>(603)</td>
</tr>
<tr>
<td>Recoveries</td>
<td>18,268 16,415 14,690</td>
<td>156</td>
</tr>
<tr>
<td>Other</td>
<td>649 4,131 23,075</td>
<td>246</td>
</tr>
<tr>
<td>Allowance for credit losses at end of year</td>
<td>¥167,615  ¥140,363  ¥147,049</td>
<td>$1,564</td>
</tr>
</tbody>
</table>

The other amount primarily includes the impact of currency translation adjustments for the years ended March 31, 2011, 2012 and 2013.

An analysis of the allowance for credit losses above relating to retail receivables portfolio segment, finance lease receivables portfolio segment and wholesale and other dealer loan receivables portfolio segment for the years ended March 31, 2012 and 2013 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the year ended March 31,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Retail  Finance leases  Wholesale and Other dealer loans</td>
<td>Retail  Finance leases  Wholesale and Other dealer loans</td>
</tr>
<tr>
<td>Allowance for credit losses at beginning of year</td>
<td>¥92,199  ¥36,024  ¥28,580</td>
<td>$2,586  $1,262  $257</td>
</tr>
<tr>
<td>Provision for credit losses, net of reversal</td>
<td>13,569 (4,508) (4,767)</td>
<td>1,598 (43) (21)</td>
</tr>
<tr>
<td>Charge-offs</td>
<td>(44,742) (2,499) (305)</td>
<td>(2,851) (21) (1)</td>
</tr>
<tr>
<td>Recoveries</td>
<td>14,051 718 16</td>
<td>1,598 6 0</td>
</tr>
<tr>
<td>Other</td>
<td>2,276 902 714</td>
<td>256 6 0</td>
</tr>
<tr>
<td>Allowance for credit losses at end of year</td>
<td>¥77,353  ¥30,637  ¥24,238</td>
<td>$2,586  $1,262  $257</td>
</tr>
</tbody>
</table>

### 12. Affiliated companies and variable interest entities

#### Investments in and transactions with affiliated companies

Summarized financial information for affiliated companies accounted for by the equity method is shown below:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Current assets</td>
<td>¥ 9,112,895</td>
<td>¥ 9,634,769</td>
</tr>
<tr>
<td>Noncurrent assets</td>
<td>6,914,208</td>
<td>8,495,078</td>
</tr>
<tr>
<td>Total assets</td>
<td>¥16,027,103</td>
<td>¥18,129,847</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>¥ 5,847,495</td>
<td>¥ 6,366,002</td>
</tr>
<tr>
<td>Long-term liabilities and noncontrolling interests</td>
<td>4,032,045</td>
<td>4,541,328</td>
</tr>
<tr>
<td>Affiliated companies accounted for by the equity method shareholders’ equity</td>
<td>6,147,563</td>
<td>7,222,517</td>
</tr>
<tr>
<td>Total liabilities and shareholders’ equity</td>
<td>¥16,027,103</td>
<td>¥18,129,847</td>
</tr>
<tr>
<td>Toyota’s share of affiliated companies accounted for by the equity method shareholders’ equity</td>
<td>¥ 1,911,129</td>
<td>¥ 2,102,584</td>
</tr>
<tr>
<td>Number of affiliated companies accounted for by the equity method at end of period</td>
<td>57</td>
<td>56</td>
</tr>
</tbody>
</table>
### Notes to Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the years ended March 31,</strong></td>
<td><strong>For the year ended March 31,</strong></td>
</tr>
<tr>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Net revenues</td>
<td>¥21,874,143</td>
</tr>
<tr>
<td>Gross profit</td>
<td>¥2,342,706</td>
</tr>
<tr>
<td>Net income attributable to affiliated companies accounted for by the equity method</td>
<td>¥641,771</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies attributable to Toyota Motor Corporation</td>
<td>¥215,016</td>
</tr>
</tbody>
</table>

Entities comprising a significant portion of Toyota’s investment in affiliated companies and percentage of ownership are presented below:

<table>
<thead>
<tr>
<th>Percentage of ownership</th>
<th>March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of affiliated companies</td>
<td>2012</td>
</tr>
<tr>
<td>Denso Corporation</td>
<td>24.9%</td>
</tr>
<tr>
<td>Toyota Industries Corporation</td>
<td>24.8%</td>
</tr>
<tr>
<td>Aisin Seiki Co., Ltd.</td>
<td>23.4%</td>
</tr>
<tr>
<td>Toyota Tsusho Corporation</td>
<td>22.1%</td>
</tr>
<tr>
<td>Toyota Gosei Co., Ltd.</td>
<td>43.1%</td>
</tr>
</tbody>
</table>

Certain affiliated companies accounted for by the equity method with carrying amounts of ¥1,467,575 million and ¥1,582,988 million ($16,831 million) at March 31, 2012 and 2013, respectively, were quoted on various established markets at an aggregate value of ¥1,477,413 million and ¥1,954,347 million ($20,780 million), respectively. Toyota evaluated its investments in affiliated companies, considering the length of time and the extent to which the quoted market prices have been less than the carrying amounts, the financial condition and near-term prospects of the affiliated companies and Toyota’s ability and intent to retain those investments in the companies for a period of time. Toyota did not recognize any impairment loss for the years ended March 31, 2011, 2012 and 2013.

Dividends from affiliated companies accounted for by the equity method for the years ended March 31, 2011, 2012 and 2013 were ¥103,169 million, ¥122,950 million and ¥126,977 million ($1,350 million), respectively.

Toyota does not have any significant related party transactions other than transactions with affiliated companies in the ordinary course of business.

#### Variable interest entities

Toyota enters into securitization transactions using special-purpose entities, that are considered variable interest entities ("VIEs"). Although the finance receivables and vehicles on operating leases related to securitization transactions have been legally sold to the VIEs, Toyota has both the power to direct the activities of the VIEs that most significantly impact the VIEs’ economic performance and the obligation to absorb losses of the VIEs or the right to receive benefits from the VIEs that could potentially be significant to the VIEs. As a result, Toyota is considered the primary beneficiary of the VIEs and therefore consolidates the VIEs.

The consolidated securitization VIEs have ¥1,208,136 million in retail finance receivables, ¥65,541 million in restricted cash and ¥1,040,816 million in secured debt as of March 31, 2012 and have ¥1,135,513 million ($12,074 million) in retail finance receivables, ¥41,664 million ($443 million) in vehicles on operating leases, ¥58,770 million ($625 million) in restricted cash and ¥978,096 million ($10,400 million) in secured debt as of March 31, 2013. Risks to which Toyota is exposed including credit, interest rate, and/or prepayment risks are not incremental compared with the situation before Toyota enters into securitization transactions.

As for VIEs other than those specified above, neither the aggregate size of these VIEs nor Toyota’s involvements in these VIEs are material to Toyota’s consolidated financial statements.
13. Short-term borrowings and long-term debt

Short-term borrowings at March 31, 2012 and 2013 consist of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans, principally from banks, with a weighted-average interest at March 31, 2012 and March 31, 2013 of 1.93% and of 2.31% per annum, respectively</td>
<td>¥1,158,556</td>
<td>$11,294</td>
</tr>
<tr>
<td>Commercial paper with a weighted-average interest at March 31, 2012 and March 31, 2013 of 0.72% and of 0.52% per annum, respectively</td>
<td>2,292,093</td>
<td>32,188</td>
</tr>
<tr>
<td></td>
<td>¥3,450,649</td>
<td>$43,482</td>
</tr>
</tbody>
</table>

As of March 31, 2013, Toyota has unused short-term lines of credit amounting to ¥2,063,263 million ($21,938 million) of which ¥455,180 million ($4,840 million) related to commercial paper programs.

Under these programs, Toyota is authorized to obtain short-term financing at prevailing interest rates for periods not in excess of 360 days.

Long-term debt at March 31, 2012 and 2013 comprises the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured loans, representing obligations principally to banks, due 2012 to 2029 in 2012 and due 2013 to 2029 in 2013 with interest ranging from 0.00% to 32.00% per annum in 2012 and from 0.00% to 27.30% per annum in 2013</td>
<td>¥3,064,785</td>
<td>$33,412</td>
</tr>
<tr>
<td>Secured loans, representing obligations principally to finance receivables securitization due 2012 to 2050 in 2012 and due 2013 to 2050 in 2013 with interest ranging from 0.37% to 11.23% per annum in 2012 and from 0.10% to 11.75% per annum in 2013</td>
<td>855,015</td>
<td>10,558</td>
</tr>
<tr>
<td>Medium-term notes of consolidated subsidiaries, due 2012 to 2047 in 2012 and due 2013 to 2047 in 2013 with interest ranging from 0.13% to 9.40% per annum in 2012 and from 0.13% to 9.40% per annum in 2013</td>
<td>3,137,289</td>
<td>47,876</td>
</tr>
<tr>
<td>Unsecured notes of parent company, due 2012 to 2019 in 2012 and due 2013 to 2019 in 2013 with interest ranging from 1.07% to 24.90% per annum in 2012 and from 0.13% to 23.00% per annum in 2013</td>
<td>530,000</td>
<td>4,891</td>
</tr>
<tr>
<td>Unsecured notes of consolidated subsidiaries, due 2012 to 2031 in 2012 and due 2013 to 2031 in 2013 with interest ranging from 0.17% to 13.30% per annum in 2012 and from 0.13% to 12.00% per annum in 2013</td>
<td>946,460</td>
<td>9,810</td>
</tr>
<tr>
<td>Long-term capital lease obligations, due 2012 to 2030 in 2012 and due 2013 to 2030 in 2013 with interest ranging from 0.38% to 14.40% per annum in 2012 and from 0.40% to 14.73% per annum in 2013</td>
<td>21,348</td>
<td>228</td>
</tr>
<tr>
<td></td>
<td>¥6,042,277</td>
<td>$7,337,824</td>
</tr>
</tbody>
</table>

As of March 31, 2013, approximately 40%, 17%, 13% and 30% of long-term debt are denominated in U.S. dollars, Japanese yen, Australian dollars and other currencies, respectively.

As of March 31, 2013, property, plant and equipment with a book value of ¥191,834 million ($976 million) and in addition, other assets aggregating ¥1,141,199 million ($12,134 million) were pledged as collateral mainly for certain debt obligations of subsidiaries. These other assets principally consist of securitized finance receivables.
Notes to Consolidated Financial Statements

The aggregate amounts of annual maturities of long-term debt during the next five years are as follows:

<table>
<thead>
<tr>
<th>Years ending March 31</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,704,428</td>
<td>28,755</td>
</tr>
<tr>
<td>2015</td>
<td>1,703,219</td>
<td>18,110</td>
</tr>
<tr>
<td>2016</td>
<td>2,090,251</td>
<td>22,225</td>
</tr>
<tr>
<td>2017</td>
<td>1,207,091</td>
<td>12,835</td>
</tr>
<tr>
<td>2018</td>
<td>1,341,901</td>
<td>14,268</td>
</tr>
</tbody>
</table>

Standard agreements with certain banks in Japan include provisions that collateral (including sums on deposit with such banks) or guarantees will be furnished upon the banks’ request and that any collateral furnished, pursuant to such agreements or otherwise, will be applicable to all present or future indebtedness to such banks. During the year ended March 31, 2013, Toyota has not received any significant such requests from these banks. As of March 31, 2013, Toyota has unused long-term lines of credit amounting to Y7,252,081 million ($77,109 million).

14. Product warranties and recalls and other safety measures

Toyota provides product warranties for certain defects mainly resulting from manufacturing based on warranty contracts with its customers at the time of sale of products. Toyota accrues estimated warranty costs to be incurred in the future in accordance with the warranty contracts. In addition to product warranties, Toyota initiates recalls and other safety measures to repair or to replace parts which might be expected to fail from products safety perspectives or customer satisfaction standpoints. Toyota accrues for costs of recalls and other safety measures at the time of vehicle sale based on the amount estimated from historical experience.

Liabilities for product warranties and liabilities for recalls and other safety measures have been combined into a single table showing an aggregate liability for quality assurances due to the fact that both are liabilities for costs to repair or replace defects of vehicles and the amounts incurred for recalls and other safety measures may affect the amounts incurred for product warranties and vice versa.

Liabilities for quality assurances are included in “Accrued expenses” in the consolidated balance sheets.

The net changes in liabilities for quality assurances above for the years ended March 31, 2011, 2012 and 2013 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities for quality assurances at beginning of year</td>
<td>680,408</td>
<td>8,930</td>
</tr>
<tr>
<td>Payments made during year</td>
<td>(476,771)</td>
<td>(3,661)</td>
</tr>
<tr>
<td>Provision for quality assurances</td>
<td>588,224</td>
<td>491,542</td>
</tr>
<tr>
<td>Changes relating to pre-existing quality assurances</td>
<td>(1,701)</td>
<td>(89)</td>
</tr>
<tr>
<td>Other</td>
<td>(25,791)</td>
<td>259</td>
</tr>
<tr>
<td>Liabilities for quality assurances at end of year</td>
<td>389,499</td>
<td>24,309</td>
</tr>
</tbody>
</table>

The other amount primarily includes the impact of currency translation adjustments and the impact of consolidation and deconsolidation of certain entities due to changes in ownership interest.

The table below shows the net changes in liabilities for recalls and other safety measures which are comprised in liabilities for quality assurances above for the years ended March 31, 2011, 2012 and 2013.

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities for recalls and other safety measures at beginning of year</td>
<td>301,422</td>
<td>4,984</td>
</tr>
<tr>
<td>Payments made during year</td>
<td>(263,096)</td>
<td>(1,924)</td>
</tr>
<tr>
<td>Provision for recalls and other safety measures</td>
<td>356,749</td>
<td>270,883</td>
</tr>
<tr>
<td>Other</td>
<td>(5,576)</td>
<td>7,751</td>
</tr>
<tr>
<td>Liabilities for recalls and other safety measures at end of year</td>
<td>389,499</td>
<td>566,406</td>
</tr>
</tbody>
</table>
Notes to Consolidated Financial Statements

15. Other payables

Other payables are mainly related to purchases of property, plant and equipment and non-manufacturing purchases.

16. Income taxes

The components of income (loss) before income taxes comprise the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the years ended March 31,</td>
<td>For the year ended March 31,</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Income (loss) before income taxes:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parent company and domestic subsidiaries</td>
<td>¥(278,229)</td>
<td>¥(177,852)</td>
</tr>
<tr>
<td>Foreign subsidiaries</td>
<td>841,519</td>
<td>610,725</td>
</tr>
<tr>
<td></td>
<td>¥563,290</td>
<td>¥432,873</td>
</tr>
</tbody>
</table>

The provision for income taxes consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the years ended March 31,</td>
<td>For the year ended March 31,</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Current income tax expense:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parent company and domestic subsidiaries</td>
<td>¥85,290</td>
<td>¥111,363</td>
</tr>
<tr>
<td>Foreign subsidiaries</td>
<td>141,821</td>
<td>144,514</td>
</tr>
<tr>
<td>Total current</td>
<td>227,111</td>
<td>255,877</td>
</tr>
<tr>
<td>Deferred income tax expense (benefit):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parent company and domestic subsidiaries</td>
<td>(44,268)</td>
<td>(57,940)</td>
</tr>
<tr>
<td>Foreign subsidiaries</td>
<td>129,978</td>
<td>64,335</td>
</tr>
<tr>
<td>Total deferred</td>
<td>85,710</td>
<td>6,395</td>
</tr>
<tr>
<td>Total provision</td>
<td>¥312,821</td>
<td>¥262,272</td>
</tr>
</tbody>
</table>

Toyota is subject to a number of different income taxes which, in the aggregate, indicate a statutory rate in Japan of approximately 40.2%, 40.2% and 37.6% for the years ended March 31, 2011, 2012 and 2013, respectively. The statutory tax rates in effect for the year in which the temporary differences are expected to reverse are used to calculate the tax effects of temporary differences which are expected to reverse in the future years. Reconciliation of the differences between the statutory tax rate and the effective income tax rate is as follows:

<table>
<thead>
<tr>
<th></th>
<th>For the years ended March 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Statutory tax rate</td>
<td>40.2%</td>
</tr>
<tr>
<td>Increase (reduction) in taxes resulting from:</td>
<td></td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>2.2</td>
</tr>
<tr>
<td>Deferred tax liabilities on undistributed earnings of foreign subsidiaries</td>
<td>4.8</td>
</tr>
<tr>
<td>Deferred tax liabilities on undistributed earnings of affiliated companies accounted for by the equity method</td>
<td>12.6</td>
</tr>
<tr>
<td>Valuation allowance</td>
<td>8.1</td>
</tr>
<tr>
<td>Tax credits</td>
<td>(2.6)</td>
</tr>
<tr>
<td>The difference between the statutory tax rate in Japan and that of foreign subsidiaries</td>
<td>(9.3)</td>
</tr>
<tr>
<td>Unrecognized tax benefits adjustments</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Other</td>
<td>0.1</td>
</tr>
<tr>
<td>Effective income tax rate</td>
<td>55.5%</td>
</tr>
</tbody>
</table>
## Significant components of deferred tax assets and liabilities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td><strong>Deferred tax assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued pension and severance costs</td>
<td>¥236,978</td>
<td>¥230,021</td>
</tr>
<tr>
<td>Accrued expenses and liabilities for quality assurances</td>
<td>¥369,985</td>
<td>¥480,428</td>
</tr>
<tr>
<td>Other accrued employees’ compensation</td>
<td>¥106,265</td>
<td>¥108,599</td>
</tr>
<tr>
<td>Operating loss carryforwards for tax purposes</td>
<td>¥337,992</td>
<td>¥160,936</td>
</tr>
<tr>
<td>Tax credit carryforwards</td>
<td>¥108,426</td>
<td>¥101,251</td>
</tr>
<tr>
<td>Property, plant and equipment and other assets</td>
<td>¥147,906</td>
<td>¥151,043</td>
</tr>
<tr>
<td>Other</td>
<td>¥266,934</td>
<td>¥227,596</td>
</tr>
<tr>
<td><strong>Gross deferred tax assets</strong></td>
<td>¥1,604,486</td>
<td>¥1,459,874</td>
</tr>
<tr>
<td><strong>Less—Valuation allowance</strong></td>
<td>(¥309,268)</td>
<td>(¥284,835)</td>
</tr>
<tr>
<td><strong>Total deferred tax assets</strong></td>
<td>¥1,295,218</td>
<td>¥1,175,039</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td><strong>Deferred tax liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized gains on securities</td>
<td>¥210,475</td>
<td>(¥388,901)</td>
</tr>
<tr>
<td>Undistributed earnings of foreign subsidiaries</td>
<td>(¥57,581)</td>
<td>(¥567,054)</td>
</tr>
<tr>
<td>Undistributed earnings of affiliated companies accounted for by the equity method</td>
<td>(¥50,120)</td>
<td>(¥35,647)</td>
</tr>
<tr>
<td>Basis difference of acquired assets</td>
<td>(¥17,934)</td>
<td>(¥60,389)</td>
</tr>
<tr>
<td>Lease transactions</td>
<td>(¥54,749)</td>
<td>(¥66,923)</td>
</tr>
<tr>
<td><strong>Gross deferred tax liabilities</strong></td>
<td>(¥1,408,510)</td>
<td>(¥1,734,627)</td>
</tr>
<tr>
<td><strong>Net deferred tax liability</strong></td>
<td>(¥113,292)</td>
<td>(¥559,588)</td>
</tr>
</tbody>
</table>

The other amount includes the impact of consolidation and deconsolidation of certain entities due to changes in ownership interest and currency translation adjustments during the years ended March 31, 2011, 2012 and 2013.

The factors used to assess the likelihood of realization of the deferred tax assets are the future reversal of existing taxable temporary differences, the future taxable income and available tax planning strategies that are prudent and feasible. All available evidence, both positive and negative, is considered to determine whether, based on the weight of that evidence, a valuation allowance is needed for deferred tax assets which are not more-likely-than-not to be realized.

The accounting for deferred tax assets represents Toyota’s current best estimate based on all available evidence. Unanticipated events or changes could result in re-evaluating the realizability of deferred tax assets.

The valuation allowance mainly relates to deferred tax assets of operating loss and foreign tax credit carryforwards for tax purposes that are not expected to be realized. The net changes in the total valuation allowance for deferred tax assets for the years ended March 31, 2011, 2012 and 2013 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the years ended March 31, 2011</td>
<td>For the year ended March 31, 2012</td>
</tr>
<tr>
<td><strong>Valuation allowance at beginning of year</strong></td>
<td>¥239,269</td>
<td>¥280,685</td>
</tr>
<tr>
<td><strong>Additions</strong></td>
<td>55,791</td>
<td>96,754</td>
</tr>
<tr>
<td><strong>Deductions</strong></td>
<td>(10,077)</td>
<td>(65,566)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>(4,298)</td>
<td>(2,605)</td>
</tr>
<tr>
<td><strong>Valuation allowance at end of year</strong></td>
<td>¥280,885</td>
<td>¥309,268</td>
</tr>
</tbody>
</table>
A summary of the gross unrecognized tax benefits changes for the years ended March 31, 2011, 2012 and 2013 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the years ended March 31,</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>23,965</td>
<td>15,453</td>
</tr>
<tr>
<td>Additions based on tax positions related to the current year</td>
<td>213</td>
<td>4,187</td>
</tr>
<tr>
<td>Additions for tax positions of prior years</td>
<td>12,564</td>
<td>10,801</td>
</tr>
<tr>
<td>Reductions for tax positions of prior years</td>
<td>(16,133)</td>
<td>(363)</td>
</tr>
<tr>
<td>Reductions for tax positions related to lapse of statute of limitations</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Reductions for settlements</td>
<td>(2,794)</td>
<td>(12,820)</td>
</tr>
<tr>
<td>Other</td>
<td>(2,362)</td>
<td>(357)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>15,453</td>
<td>16,901</td>
</tr>
</tbody>
</table>

The amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was not material at March 31, 2011, 2012 and 2013, respectively. Toyota does not believe it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within the next twelve months.

Interest and penalties related to income tax liabilities are included in “Other income (loss), net.” The amounts of interest and penalties accrued as of and recognized for the years ended March 31, 2011, 2012 and 2013, respectively, were not material.

The Companies Act provides that an amount equal to 10% of distributions from surplus paid by the parent company and its Japanese subsidiaries be appropriated as a capital reserve or a retained earnings reserve. No further appropriations are required when the total amount of the capital reserve and the retained earnings reserve reaches 25% of stated capital.

The retained earnings reserve included in retained earnings as of March 31, 2012 and 2013 was ¥173,711 million and ¥175,735 million ($1,869 million), respectively. The Companies Act provides that the retained earnings reserve of the parent company and its Japanese subsidiaries is restricted and unable to be used for dividend payments, and is excluded from the calculation of the profit available for dividend.

The amounts of statutory retained earnings of the parent company available for dividend payments to shareholders were ¥5,348,279 million and ¥5,858,551 million ($62,292 million) as of March 31, 2012 and 2013, respectively. In accordance with customary practice in Japan, the distributions from surplus are not accrued in the financial statements for the corresponding period, but are recorded in the subsequent accounting period after shareholders’ approval has been obtained. Retained earnings at March 31, 2013 include amounts representing year-end cash dividends of ¥190,046 million ($2,020 million), ¥60 ($0.64) per share, which were approved at the Ordinary General Shareholders’ Meeting, held on June 14, 2013.

Retained earnings at March 31, 2013 include ¥1,576,055 million ($16,758 million) relating to equity in undistributed earnings of affiliated companies accounted for by the equity method.

On January 1, 2012, the parent company implemented share exchanges as a result of which the parent company became a wholly-owned parent company and each of Toyota Auto Body Co., Ltd. and Kanto Auto Works, Ltd. became a wholly-owned subsidiary, and the parent company acquired additional shares of each subsidiary. As a result of these share exchanges, the parent
company issued 31,151,148 shares of treasury stock, and treasury stock decreased by ¥125,819 million and losses on disposal of treasury stock occurred in the amount of ¥45,916 million. As a result, additional paid-in capital decreased by ¥551 million and retained earnings decreased by ¥45,365 million, respectively. As a result of acquiring additional shares of each subsidiary, noncontrolling interests decreased by ¥117,881 million, accumulated other comprehensive income (loss) decreased by ¥6,503 million and additional paid-in capital increased by ¥44,481 million.

Detailed components of accumulated other comprehensive income (loss) in Toyota Motor Corporation shareholders’ equity at March 31, 2011, 2012 and 2013 and the related changes, net of taxes for the years ended March 31, 2011, 2012 and 2013 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances at March 31, 2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>¥ (872,776)</td>
<td>¥194,285</td>
<td>¥(168,344)</td>
<td>¥ (846,835)</td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss)</strong></td>
<td>(287,613)</td>
<td>15,785</td>
<td>297,866</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances at March 31, 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(1,160,389)</td>
<td>168,227</td>
<td>(152,559)</td>
<td>(1,144,721)</td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Equity transaction with noncontrolling interests and other</strong></td>
<td>751</td>
<td>(7,254)</td>
<td>6,503</td>
<td></td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss)</strong></td>
<td>87,729</td>
<td>129,308</td>
<td>(27,609)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances at March 31, 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(1,248,118)</td>
<td>298,306</td>
<td>(229,021)</td>
<td>(1,178,833)</td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other comprehensive income (loss)</strong></td>
<td>434,638</td>
<td>365,507</td>
<td>69,208</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances at March 31, 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>¥ (813,480)</td>
<td>¥666,813</td>
<td>(209,456)</td>
<td>¥ (356,123)</td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive income (loss)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Tax effects allocated to each component of other comprehensive income (loss) for the years ended March 31, 2011, 2012 and 2013 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended March 31, 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>¥ (294,279)</td>
<td>¥6,666</td>
<td>¥(287,613)</td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized net holding gains (losses) arising for the year</td>
<td>(31,899)</td>
<td>9,643</td>
<td>(22,256)</td>
<td></td>
</tr>
<tr>
<td>Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation</td>
<td>6,358</td>
<td>2,556</td>
<td>3,802</td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>26,681</td>
<td>(10,896)</td>
<td>15,785</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>(305,855)</td>
<td>7,969</td>
<td>(297,886)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended March 31, 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity transaction with noncontrolling interests and other</td>
<td>(10,874)</td>
<td>4,371</td>
<td>(6,503)</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>(95,677)</td>
<td>7,948</td>
<td>(87,729)</td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized net holding gains (losses) arising for the year</td>
<td>164,872</td>
<td>(65,642)</td>
<td>99,230</td>
<td></td>
</tr>
<tr>
<td>Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation</td>
<td>50,332</td>
<td>(20,234)</td>
<td>30,098</td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>(111,722)</td>
<td>42,514</td>
<td>(69,208)</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>3,969</td>
<td>(31,043)</td>
<td>(34,112)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>U.S. dollars in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended March 31, 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>¥ 447,302</td>
<td>¥ (12,664)</td>
<td>¥ 434,638</td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized net holding gains (losses) arising for the year</td>
<td>517,169</td>
<td>(1,870)</td>
<td>505,299</td>
<td></td>
</tr>
<tr>
<td>Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation</td>
<td>45,253</td>
<td>(18,076)</td>
<td>27,177</td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>321</td>
<td>(113)</td>
<td>208</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>¥ 1,039,956</td>
<td>¥ (2,309)</td>
<td>¥ 822,710</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>U.S. dollars in millions</th>
<th>Pre-tax amount</th>
<th>Tax amount</th>
<th>Net-of-tax amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended March 31, 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>$ 4,756</td>
<td>$ (134)</td>
<td>$4,622</td>
<td></td>
</tr>
<tr>
<td>Unrealized gains (losses) on securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized net holding gains (losses) arising for the year</td>
<td>5,499</td>
<td>(1,870)</td>
<td>3,629</td>
<td></td>
</tr>
<tr>
<td>Less: reclassification adjustments for (gains) losses included in net income attributable to Toyota Motor Corporation</td>
<td>481</td>
<td>(192)</td>
<td>289</td>
<td></td>
</tr>
<tr>
<td>Pension liability adjustments</td>
<td>321</td>
<td>(113)</td>
<td>208</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income (loss)</td>
<td>$11,057</td>
<td>$ (2,309)</td>
<td>$8,748</td>
<td></td>
</tr>
</tbody>
</table>
In June 1997, the parent company’s shareholders approved a stock option plan for board members. In June 2001, the shareholders approved an amendment of the plan to include both board members and key employees. Each year until June 2010, since the plans’ inception, the shareholders have approved the authorization for the grant of options for the purchase of Toyota’s common stock. Authorized shares for each year that remain ungranted are unavailable for grant in future years. Stock options granted in and after August 2006 have terms of 8 years and an exercise price equal to 1,025 times the closing price of Toyota’s common stock on the date of grant. These options generally vest 2 years from the date of grant.

For the years ended March 31, 2011, 2012 and 2013, Toyota recognized stock-based compensation expenses for stock options of ¥2,522 million, ¥1,539 million and ¥325 million ($3 million) as selling, general and administrative expenses.

The weighted-average grant-date fair value of options granted during the year ended March 31, 2011 was ¥724 per share. The fair value of options granted is amortized over the option vesting period in determining net income attributable to Toyota Motor Corporation in the consolidated statements of income. The grant-date fair value of options granted is estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend rate</th>
<th>Risk-free interest rate</th>
<th>Expected volatility</th>
<th>Expected holding period (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>1.5%</td>
<td>0.3%</td>
<td>32%</td>
<td>5.0</td>
</tr>
</tbody>
</table>

The following table summarizes Toyota’s stock option activity:

<table>
<thead>
<tr>
<th>Options outstanding at March 31, 2010</th>
<th>Options outstanding at March 31, 2011</th>
<th>Options outstanding at March 31, 2012</th>
<th>Options exercisable at March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td>Weighted-average exercise price</td>
<td>Weighted-average remaining contractual life in years</td>
<td>Aggregate intrinsic value</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
<td>------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Granted</td>
<td>13,716,700</td>
<td>¥5,363</td>
<td>5.23</td>
</tr>
<tr>
<td>Exercised</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Canceled</td>
<td>(3,435,000)</td>
<td>3,183</td>
<td>—</td>
</tr>
<tr>
<td>Options outstanding at March 31, 2011</td>
<td>15,786,800</td>
<td>4,941</td>
<td>5.04</td>
</tr>
<tr>
<td>Granted</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Exercised</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Canceled</td>
<td>(3,256,800)</td>
<td>4,759</td>
<td>—</td>
</tr>
<tr>
<td>Options outstanding at March 31, 2012</td>
<td>12,530,000</td>
<td>4,910</td>
<td>4.55</td>
</tr>
<tr>
<td>Granted</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Exercised</td>
<td>(645,000)</td>
<td>3,328</td>
<td>—</td>
</tr>
<tr>
<td>Canceled</td>
<td>(1,036,000)</td>
<td>5,059</td>
<td>—</td>
</tr>
<tr>
<td>Options exercisable at March 31, 2013</td>
<td>10,849,000</td>
<td>¥4,909</td>
<td>3.56</td>
</tr>
<tr>
<td>Options exercisable at March 31, 2011</td>
<td>9,347,800</td>
<td>¥5,821</td>
<td>3.79</td>
</tr>
<tr>
<td>Options exercisable at March 31, 2012</td>
<td>9,778,000</td>
<td>¥5,396</td>
<td>4.05</td>
</tr>
<tr>
<td>Options exercisable at March 31, 2013</td>
<td>10,849,000</td>
<td>¥4,909</td>
<td>3.56</td>
</tr>
</tbody>
</table>

No options were exercised for the years ended March 31, 2011 and 2012. The total intrinsic value of options exercised for the year ended March 31, 2013 was ¥364 million ($4 million).

No cash was received from the exercise of stock options for the years ended March 31, 2011 and 2012. Cash received from the exercise of stock options for the year ended March 31, 2013 was ¥2,147 million ($23 million).

The following table summarizes information for options outstanding and options exercisable at March 31, 2013:

<table>
<thead>
<tr>
<th>Exercise price range</th>
<th>Outstanding</th>
<th>Exercisable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares</td>
<td>Number of shares</td>
<td>Weighted-average exercise price</td>
</tr>
<tr>
<td>U.S. dollars</td>
<td>Yen</td>
<td>U.S. dollars</td>
</tr>
<tr>
<td>------------------</td>
<td>------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>¥3,183 – 5,000</td>
<td>7,480,000</td>
<td>¥4,068</td>
</tr>
<tr>
<td>5,001 – 7,278</td>
<td>3,369,000</td>
<td>6,774</td>
</tr>
<tr>
<td>3,183 – 7,278</td>
<td>10,849,000</td>
<td>4,909</td>
</tr>
</tbody>
</table>
19. Employee benefit plans

Pension and severance plans

Upon terminations of employment, employees of the parent company and subsidiaries in Japan are entitled, under the retirement plans of each company, to lump-sum indemnities or pension payments, based on current rates of pay and length of service or the number of “points” mainly determined by those. Under normal circumstances, the minimum payment prior to retirement age is an amount based on voluntary retirement. Employees receive additional benefits on involuntary retirement, including retirement at the age limit.

Effective October 1, 2004, the parent company amended its retirement plan to introduce a “point” based retirement benefit plan. Under the new plan, employees are entitled to lump-sum or pension payments determined based on accumulated “points” vested in each year of service.

There are three types of “points” that vest in each year of service consisting of “service period points” which are attributed to the length of service, “job title points” which are attributed to the job title of each employee, and “performance points” which are attributed to the annual performance evaluation of each employee. Under normal circumstances, the minimum payment prior to retirement age is an amount reflecting an adjustment rate applied to represent voluntary retirement. Employees receive additional benefits upon involuntary retirement, including retirement at the age limit.

Effective October 1, 2005, the parent company partly amended its retirement plan and introduced the quasi-cash-balance plan under which benefits are determined based on the variable-interest crediting rate rather than the fixed-interest crediting rate as was in the pre-amended plan.

The parent company and most subsidiaries in Japan have contributory funded defined benefit pension plans, which are pursuant to the Corporate Defined Benefit Pension Plan Law (CDBPPL). The contributions to the plans are funded with several financial institutions in accordance with applicable laws and regulations. These pension plan assets consist principally of common stocks, government bonds and insurance contracts.

Most foreign subsidiaries have pension plans or severance indemnity plans covering substantially all of their employees under which the cost of benefits are currently invested or accrued. The benefits for these plans are based primarily on lengths of service and current rates of pay.

Toyota uses a March 31 measurement date for its benefit plans.

Information regarding Toyota’s defined benefit plans is as follows:

### Japanese plans

<table>
<thead>
<tr>
<th>Change in benefit obligation:</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit obligation at beginning of year</td>
<td>¥1,362,053</td>
<td>$15,740</td>
</tr>
<tr>
<td>Service cost</td>
<td>57,241</td>
<td>641</td>
</tr>
<tr>
<td>Interest cost</td>
<td>30,660</td>
<td>296</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>834</td>
<td>10</td>
</tr>
<tr>
<td>Plan amendments</td>
<td>632</td>
<td>(37)</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>67,098</td>
<td>964</td>
</tr>
<tr>
<td>Acquisition and other</td>
<td>27,435</td>
<td>(8)</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(65,566)</td>
<td>(653)</td>
</tr>
</tbody>
</table>

| Benefit obligation at end of year     | ¥1,480,387    | 16,953                   |

<table>
<thead>
<tr>
<th>Change in plan assets:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair value of plan assets at beginning of year</td>
<td>885,741</td>
<td>927,545</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>1,493</td>
<td>1,543</td>
</tr>
<tr>
<td>Acquisition and other</td>
<td>27,947</td>
<td>264</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>50,423</td>
<td>53,906</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>834</td>
<td>10</td>
</tr>
<tr>
<td>Benefits paid</td>
<td>(28,903)</td>
<td>(393)</td>
</tr>
</tbody>
</table>

| Fair value of plan assets at end of year | ¥927,545 | 11,592 |
| Funded status                         | ¥552,842 | $5,361 |

Amounts recognized in the consolidated balance sheets as of March 31, 2012 and 2013 are comprised of the following:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Accrued expenses (Accrued pension and severance costs)</td>
<td>¥19,553</td>
</tr>
<tr>
<td>Accrued pension and severance costs</td>
<td>553,096</td>
</tr>
<tr>
<td>Investments and other assets—Other (Prepaid pension and severance costs)</td>
<td>(19,807)</td>
</tr>
<tr>
<td>Net amount recognized</td>
<td>¥552,842</td>
</tr>
</tbody>
</table>
### Notes to Consolidated Financial Statements

Amounts recognized in accumulated other comprehensive income (loss) as of March 31, 2012 and 2013 are comprised of the following:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>¥(381,770)</td>
<td>$(3,543)</td>
</tr>
<tr>
<td>Prior service costs</td>
<td>57,930</td>
<td>53,360</td>
</tr>
<tr>
<td>Net transition obligation</td>
<td></td>
<td>567</td>
</tr>
<tr>
<td>Net amount recognized</td>
<td>¥(323,840)</td>
<td>$(2,976)</td>
</tr>
</tbody>
</table>

The accumulated benefit obligation for all defined benefit pension plans was ¥1,379,373 million and ¥1,494,011 million ($15,885 million) at March 31, 2012 and 2013, respectively.

The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for which the accumulated benefit obligations exceed plan assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Projected benefit obligation</td>
<td>¥728,469</td>
<td>¥749,561</td>
</tr>
<tr>
<td>Accumulated benefit obligation</td>
<td>639,196</td>
<td>685,763</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>153,945</td>
<td>165,262</td>
</tr>
</tbody>
</table>

Components of the net periodic pension cost are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For the years ended March 31,</td>
<td>For the year ended March 31,</td>
</tr>
<tr>
<td>Service cost</td>
<td>¥61,134</td>
<td>¥60,261</td>
</tr>
<tr>
<td>Interest cost</td>
<td>31,782</td>
<td>27,804</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(21,200)</td>
<td>(22,352)</td>
</tr>
<tr>
<td>Amortization of prior service costs</td>
<td>(24,421)</td>
<td>(22,352)</td>
</tr>
<tr>
<td>Recognized net actuarial loss</td>
<td>15,029</td>
<td>16,619</td>
</tr>
<tr>
<td>Amortization of net transition obligation</td>
<td>1,944</td>
<td>1,626</td>
</tr>
<tr>
<td>Net periodic pension cost</td>
<td>¥64,268</td>
<td>¥74,299</td>
</tr>
</tbody>
</table>

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td>Net actuarial gain (loss)</td>
<td>¥15,734</td>
<td>¥32,122</td>
</tr>
<tr>
<td>Recognized net actuarial loss</td>
<td>15,029</td>
<td>16,619</td>
</tr>
<tr>
<td>Prior service costs</td>
<td>1,287</td>
<td>3,462</td>
</tr>
<tr>
<td>Amortization of prior service costs</td>
<td>(24,421)</td>
<td>(22,352)</td>
</tr>
<tr>
<td>Amortization of net transition obligation</td>
<td>1,944</td>
<td>1,626</td>
</tr>
<tr>
<td>Other</td>
<td>10,529</td>
<td>(173)</td>
</tr>
<tr>
<td>Total recognized in other comprehensive income (loss)</td>
<td>¥(11,366)</td>
<td>¥43,997</td>
</tr>
</tbody>
</table>

The estimated prior service costs and net actuarial loss that will be amortized from accumulated other comprehensive income (loss) into net periodic pension cost during the year ending March 31, 2014 are ¥5,000 million ($53 million) and ¥12,200 million ($130 million), respectively.

Weighted-average assumptions used to determine benefit obligations as of March 31, 2012 and 2013 are as follows:

|                        | March 31, 2012 | March 31, 2013 |
| Discount rate          | 2.0%           | 1.7%           |
| Rate of compensation increase | 2.3%           | 2.2%           |

As of March 31, 2012 and 2013, the parent company and certain subsidiaries in Japan employ "point" based retirement benefit plans and do not use the rates of compensation increase to determine benefit obligations.
Notes to Consolidated Financial Statements

Weighted-average assumptions used to determine net periodic pension cost for the years ended March 31, 2011, 2012 and 2013 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discount rate</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>2.3%</td>
<td>2.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Rate of compensation increase</td>
<td>2.3%</td>
<td>2.3%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

During the years ended March 31, 2011, 2012 and 2013, the parent company and certain subsidiaries in Japan employ “point” based retirement benefit plans and do not use the rates of compensation increase to determine net periodic pension cost.

The expected rate of return on plan assets is determined after considering several applicable factors including, the composition of plan assets held, assumed risks of asset management, historical results of the returns on plan assets, Toyota’s principal policy for plan asset management, and forecasted market conditions.

Toyota’s policy and objective for plan asset management is to maximize returns on plan assets to meet future benefit payment requirements under risks which Toyota considers permissible. Asset allocations under the plan asset management are determined based on plan asset management policies of each plan which are established to achieve the optimized asset compositions in terms of the long-term overall plan asset management.

Excepting equity securities contributed by Toyota, approximately 50% of the plan assets is invested in equity securities, approximately 30% is invested in debt securities and the rest of them is invested in insurance contracts and other products. When actual allocations are not in line with target allocations, Toyota rebalances its investments in accordance with the policies. Prior to making individual investments, Toyota performs in-depth assessments of corresponding factors including category of products, industry type, currencies and liquidity of each potential investment under consideration to mitigate concentrations of risks such as market risk and foreign currency exchange rate risk. To assess performance of the investments, Toyota establishes bench mark return rates for each individual investment, combines these individual bench mark rates based on the asset composition ratios within each asset category, and compares the combined rates with the corresponding actual return rates on each asset category.

The following table summarizes the fair value of classes of plan assets as of March 31, 2012 and 2013. See note 26 to the consolidated financial statements for three levels of input which are used to measure fair value.

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yen in millions</td>
<td>Yen in millions</td>
</tr>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stocks</td>
<td>¥353,282</td>
<td>¥440,971</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>184,879</td>
</tr>
<tr>
<td>Total</td>
<td>¥353,282</td>
<td>¥440,971</td>
</tr>
<tr>
<td>Debt securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government bonds</td>
<td>63,327</td>
<td>81,867</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>203,933</td>
</tr>
<tr>
<td>Other</td>
<td>63,327</td>
<td>203,933</td>
</tr>
<tr>
<td>Total</td>
<td>63,327</td>
<td>203,933</td>
</tr>
<tr>
<td>Insurance contracts</td>
<td>—</td>
<td>83,993</td>
</tr>
<tr>
<td>Other</td>
<td>27,006</td>
<td>4,503</td>
</tr>
<tr>
<td>Total</td>
<td>27,006</td>
<td>4,503</td>
</tr>
<tr>
<td>Total</td>
<td>¥443,615</td>
<td>¥440,971</td>
</tr>
</tbody>
</table>

Notes to Consolidated Financial Statements

Selected Financial Summary (U.S. GAAP)
Consolidated Segment Information
Consolidated Quarterly Financial Summary
Management’s Discussion and Analysis of Financial Condition and Results of Operations
Consolidated Financial Statements
Notes to Consolidated Financial Statements
Management’s Annual Report on Internal Control over Financial Reporting
Report of Independent Registered Public Accounting Firm
The following tables summarize the changes in Level 3 plan assets measured at fair value for the years ended March 31, 2011, 2012 and 2013:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
<td>Level 3</td>
<td></td>
</tr>
<tr>
<td>Equity securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stocks</td>
<td>$4,689</td>
<td>$ —</td>
<td>$ —</td>
<td>$4,689</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>1,966</td>
<td>—</td>
<td>1,966</td>
</tr>
<tr>
<td>Debt securities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government bonds</td>
<td>870</td>
<td>—</td>
<td>—</td>
<td>870</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>2,168</td>
<td>—</td>
<td>2,168</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>251</td>
<td>5</td>
<td>256</td>
</tr>
<tr>
<td>Insurance contracts</td>
<td>—</td>
<td>971</td>
<td>—</td>
<td>971</td>
</tr>
<tr>
<td>Other</td>
<td>189</td>
<td>42</td>
<td>441</td>
<td>672</td>
</tr>
<tr>
<td>Total</td>
<td>$5,748</td>
<td>$5,398</td>
<td>$446</td>
<td>$11,592</td>
</tr>
</tbody>
</table>

The following is description of the assets, information about the valuation techniques used to measure fair value, key inputs and significant assumptions:

Quoted market prices for identical securities are used to measure fair value of common stocks. Common stocks include 69% of Japanese stocks and 31% of foreign stocks as of March 31, 2012, and 71% of Japanese stocks and 29% of foreign stocks as of March 31, 2013.

Quoted market prices for identical securities are used to measure fair value of government bonds. Government bonds include 35% of Japanese government bonds and 65% of foreign government bonds as of March 31, 2012, and 44% of Japanese government bonds and 56% of foreign government bonds as of March 31, 2013.

Commingled funds are beneficial interests of collective trust. The fair values of commingled funds are measured using the net asset value ("NAV") provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.

The fair values of insurance contracts are measured using contracted amount with accrued interest.

Other consists of cash equivalents, other private placement investment funds and other assets. The fair values of other private placement investment funds are measured using the NAV provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.

Toyota expects to contribute ¥54,094 million ($575 million) to its pension plans in the year ending March 31, 2014.
The following pension benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

<table>
<thead>
<tr>
<th>Years ending March 31</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>62,508</td>
<td>665</td>
</tr>
<tr>
<td>2015</td>
<td>64,803</td>
<td>689</td>
</tr>
<tr>
<td>2016</td>
<td>66,445</td>
<td>706</td>
</tr>
<tr>
<td>2017</td>
<td>66,497</td>
<td>707</td>
</tr>
<tr>
<td>2018</td>
<td>67,780</td>
<td>721</td>
</tr>
<tr>
<td>from 2019 to 2023</td>
<td>379,369</td>
<td>4,034</td>
</tr>
<tr>
<td>Total</td>
<td>¥707,402</td>
<td>$7,522</td>
</tr>
</tbody>
</table>

### Foreign plans

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>March 31</td>
</tr>
<tr>
<td>Benefit obligation at beginning of year</td>
<td>¥367,125</td>
</tr>
<tr>
<td>Service cost</td>
<td>21,298</td>
</tr>
<tr>
<td>Interest cost</td>
<td>21,739</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>221</td>
</tr>
<tr>
<td>Plan amendments</td>
<td>108</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>50,222</td>
</tr>
<tr>
<td>Acquisition and other</td>
<td>13,061</td>
</tr>
<tr>
<td>Beneﬁts paid</td>
<td>(6,774)</td>
</tr>
<tr>
<td>Benefit obligation at end of year</td>
<td>467,000</td>
</tr>
</tbody>
</table>

### Change in beneﬁt obligation:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>March 31</td>
</tr>
<tr>
<td>Benefit obligation at beginning of year</td>
<td>¥367,125</td>
</tr>
<tr>
<td>Service cost</td>
<td>21,298</td>
</tr>
<tr>
<td>Interest cost</td>
<td>21,739</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>221</td>
</tr>
<tr>
<td>Plan amendments</td>
<td>108</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>50,222</td>
</tr>
<tr>
<td>Acquisition and other</td>
<td>13,061</td>
</tr>
<tr>
<td>Beneﬁts paid</td>
<td>(6,774)</td>
</tr>
<tr>
<td>Benefit obligation at end of year</td>
<td>467,000</td>
</tr>
</tbody>
</table>

### Change in plan assets:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>March 31</td>
</tr>
<tr>
<td>Fair value of plan assets at beginning of year</td>
<td>297,644</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>14,816</td>
</tr>
<tr>
<td>Acquisition and other</td>
<td>19,600</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>16,125</td>
</tr>
<tr>
<td>Plan participants’ contributions</td>
<td>221</td>
</tr>
<tr>
<td>Beneﬁts paid</td>
<td>(5,180)</td>
</tr>
<tr>
<td>Funded status</td>
<td>¥123,774</td>
</tr>
</tbody>
</table>

The accumulated pension beneﬁt obligation for all deﬁned beneﬁt pension plans was ¥385,348 million and ¥533,551 million ($5,673 million) at March 31, 2012 and 2013, respectively.

The projected beneﬁt obligation, accumulated beneﬁt obligation and fair value of plan assets for which the accumulated beneﬁt obligations exceed plan assets are as follows:

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>March 31</td>
</tr>
<tr>
<td>Projected beneﬁt obligation</td>
<td>¥229,015</td>
</tr>
<tr>
<td>Accumulated beneﬁt obligation</td>
<td>190,422</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>52,125</td>
</tr>
</tbody>
</table>
Components of the net periodic pension cost are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Service cost</td>
<td>¥21,288</td>
<td>¥21,298</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest cost</td>
<td>20,720</td>
<td>21,729</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected return on plan assets</td>
<td>(21,164)</td>
<td>(22,864)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of prior service costs</td>
<td>389</td>
<td>351</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recognized net actuarial loss</td>
<td>1,066</td>
<td>1,783</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of net transition obligation</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net periodic pension cost</td>
<td>¥22,299</td>
<td>¥22,307</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss) are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Net actuarial loss</td>
<td>¥ (6,244)</td>
<td>¥(58,270)</td>
</tr>
<tr>
<td></td>
<td>(168)</td>
<td></td>
</tr>
<tr>
<td>Recognized net actuarial loss</td>
<td>1,066</td>
<td>1,783</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior service costs</td>
<td>142</td>
<td>108</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of prior service costs</td>
<td>389</td>
<td>351</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of net transition obligation</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>30,466</td>
<td>5,888</td>
</tr>
<tr>
<td>Total recognized in other comprehensive income (loss)</td>
<td>¥25,819</td>
<td>¥(50,356)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The estimated prior service costs and net actuarial loss that will be amortized from accumulated other comprehensive income (loss) into net periodic pension cost during the year ending March 31, 2014 are ¥300 million ($3 million) and ¥4,400 million ($47 million), respectively.

The estimated rate of return on plan assets is determined after considering several applicable factors including, the composition of plan assets held, assumed risks of asset management, historical results of the returns on plan assets, Toyota's principal policy for plan asset management, and forecasted market conditions.

The expected rate of return on plan assets is determined after considering several applicable factors including, the composition of plan assets held, assumed risks of asset management, historical results of the returns on plan assets, Toyota's principal policy for plan asset management, and forecasted market conditions.

Toyota's policy and objective for plan asset management is to maximize returns on plan assets to meet future benefit payment requirements under risks which Toyota considers permissible. Asset allocations under the plan asset management are determined based on plan asset management policies of each plan which are established to achieve the optimized asset compositions in terms of the long-term overall plan asset management. Excepting equity securities contributed by Toyota, approximately 60% of the plan assets is invested in equity securities, approximately 30% is invested in debt securities, and the rest of them is invested in other products. When actual allocations are not in line with target allocations, Toyota rebalances its investments in accordance with the policies. Prior to making individual investments, Toyota performs in-depth assessments of corresponding factors including category of products, industry type, currencies and liquidity of each potential investment under consideration to mitigate concentrations of risks such as market risk and foreign currency exchange rate risk. To assess performance of the investments, Toyota establishes bench mark return rates for each individual investment, combines these individual bench mark rates based on the asset composition ratios within each asset category, and compares the combined rates with the corresponding actual return rates on each asset category.
The following table summarizes the fair value of classes of plan assets as of March 31, 2012 and 2013. See note 26 to the consolidated financial statements for three levels of input which are used to measure fair value.

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2012</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Equity securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stocks</td>
<td>¥114,955</td>
<td>—</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>74,815</td>
</tr>
<tr>
<td></td>
<td>114,955</td>
<td>74,815</td>
</tr>
<tr>
<td>Debt securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government bonds</td>
<td>25,084</td>
<td>—</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>43,062</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>29,278</td>
</tr>
<tr>
<td></td>
<td>25,084</td>
<td>72,340</td>
</tr>
<tr>
<td>Insurance contracts</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>21,184</td>
<td>3,471</td>
</tr>
<tr>
<td>Total</td>
<td>¥161,223</td>
<td>¥150,626</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2013</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Equity securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common stocks</td>
<td>$1,952</td>
<td>$ —</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>920</td>
</tr>
<tr>
<td></td>
<td>1,952</td>
<td>920</td>
</tr>
<tr>
<td>Debt securities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government bonds</td>
<td>501</td>
<td>—</td>
</tr>
<tr>
<td>Commingled funds</td>
<td>—</td>
<td>455</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>430</td>
</tr>
<tr>
<td></td>
<td>501</td>
<td>885</td>
</tr>
<tr>
<td>Insurance contracts</td>
<td>—</td>
<td>13</td>
</tr>
<tr>
<td>Other</td>
<td>327</td>
<td>66</td>
</tr>
<tr>
<td>Total</td>
<td>$2,780</td>
<td>$1,884</td>
</tr>
</tbody>
</table>

The following is description of the assets, information about the valuation techniques used to measure fair value, key inputs and significant assumptions:

Quoted market prices for identical securities are used to measure fair value of common stocks. Common stocks include mainly foreign stocks as of March 31, 2012 and 2013.

Quoted market prices for identical securities are used to measure fair value of government bonds. Government bonds include mainly foreign government bonds as of March 31, 2012 and 2013.

Commingled funds are beneficial interests of collective trust. The fair values of commingled funds are measured using the NAV provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.

Other consists of cash equivalents, other private placement investment funds and other assets. The fair values of other private placement investment funds are measured using the NAV provided by the administrator of the fund, and are categorized by the ability to redeem investments at the measurement day.
The following tables summarize the changes in Level 3 plan assets measured at fair value for the years ended March 31, 2011, 2012 and 2013:

### Yen in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt securities</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>¥2,663</td>
<td>¥9,097</td>
<td>¥11,760</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>305</td>
<td>974</td>
<td>1,279</td>
</tr>
<tr>
<td>Purchases, sales and settlements</td>
<td>(2,759)</td>
<td>11,471</td>
<td>8,712</td>
</tr>
<tr>
<td>Other</td>
<td>(209)</td>
<td>(1,065)</td>
<td>(1,274)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>¥ —</td>
<td>¥20,477</td>
<td>¥20,477</td>
</tr>
</tbody>
</table>

### Yen in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt securities</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>¥—</td>
<td>¥20,477</td>
<td>¥20,477</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>—</td>
<td>1,243</td>
<td>1,243</td>
</tr>
<tr>
<td>Purchases, sales and settlements</td>
<td>—</td>
<td>9,514</td>
<td>9,514</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>143</td>
<td>143</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>¥—</td>
<td>¥31,377</td>
<td>¥31,377</td>
</tr>
</tbody>
</table>

### Yen in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt securities</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>¥—</td>
<td>¥31,377</td>
<td>¥31,377</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>—</td>
<td>2,472</td>
<td>2,472</td>
</tr>
<tr>
<td>Purchases, sales and settlements</td>
<td>—</td>
<td>2,599</td>
<td>2,599</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>4,159</td>
<td>4,159</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>¥—</td>
<td>¥40,607</td>
<td>¥40,607</td>
</tr>
</tbody>
</table>

### U.S. dollars in millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt securities</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$—</td>
<td>$334</td>
<td>$334</td>
</tr>
<tr>
<td>Actual return on plan assets</td>
<td>—</td>
<td>26</td>
<td>26</td>
</tr>
<tr>
<td>Purchases, sales and settlements</td>
<td>—</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Other</td>
<td>—</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>$—</td>
<td>$432</td>
<td>$432</td>
</tr>
</tbody>
</table>

Toyota expects to contribute ¥8,688 million ($92 million) to its pension plans in the year ending March 31, 2014.
Notes to Consolidated Financial Statements

Undesignated derivative financial instruments

Toyota uses foreign exchange forward contracts, foreign currency options, interest rate swaps, interest rate currency swap agreements, and interest rate options, to manage its exposure to foreign currency exchange rate fluctuations and interest rate fluctuations from an economic perspective, and for which Toyota is unable or has elected not to apply hedge accounting.

Fair value and gains or losses on derivative financial instruments

The following table summarizes the fair values of derivative financial instruments as of March 31, 2012 and 2013:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td><strong>Designated</strong></td>
<td><strong>2012</strong></td>
<td><strong>2013</strong></td>
</tr>
<tr>
<td>Interest rate and currency swap agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>¥7,166</td>
<td>¥10,769</td>
</tr>
<tr>
<td>Investments and other assets—Other</td>
<td>61,174</td>
<td>39,569</td>
</tr>
<tr>
<td>Total</td>
<td>¥68,340</td>
<td>¥50,338</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>¥(2,060)</td>
<td>¥(2,554)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>(303)</td>
<td>(143)</td>
</tr>
<tr>
<td>Total</td>
<td>¥(2,363)</td>
<td>¥(2,697)</td>
</tr>
<tr>
<td><strong>Undesignated</strong></td>
<td><strong>2012</strong></td>
<td><strong>2013</strong></td>
</tr>
<tr>
<td>Interest rate and currency swap agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>¥61,983</td>
<td>¥27,731</td>
</tr>
<tr>
<td>Investments and other assets—Other</td>
<td>157,642</td>
<td>139,419</td>
</tr>
<tr>
<td>Total</td>
<td>¥219,625</td>
<td>¥167,150</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>¥(38,338)</td>
<td>¥(37,133)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>(120,666)</td>
<td>(122,420)</td>
</tr>
<tr>
<td>Total</td>
<td>¥(159,004)</td>
<td>¥(159,553)</td>
</tr>
<tr>
<td>Foreign exchange forward and option contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>¥9,531</td>
<td>¥7,340</td>
</tr>
<tr>
<td>Investments and other assets—Other</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>¥9,531</td>
<td>¥7,340</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>¥(21,736)</td>
<td>¥(36,087)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>(70)</td>
<td>(5)</td>
</tr>
<tr>
<td>Total</td>
<td>¥(21,806)</td>
<td>¥(36,092)</td>
</tr>
</tbody>
</table>

As of March 31, 2012 and 2013, the amounts of counterparty netting and cash collateral received that partially offset derivative liabilities were ¥90,963 million and ¥(86,477) million ($919 million), respectively. These amounts included in the above table were offset in the consolidated balance sheets.

The following table summarizes the notional amounts of derivative financial instruments as of March 31, 2012 and 2013:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td><strong>Designated</strong></td>
<td><strong>2012</strong></td>
<td><strong>2013</strong></td>
</tr>
<tr>
<td>Interest rate and currency swap agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>¥344,623</td>
<td>¥10,607,666</td>
</tr>
<tr>
<td>Investments and other assets—Other</td>
<td>2,199,627</td>
<td>12,807,293</td>
</tr>
<tr>
<td>Total</td>
<td>¥2,544,240</td>
<td>¥13,415,959</td>
</tr>
<tr>
<td><strong>Undesignated</strong></td>
<td><strong>2012</strong></td>
<td><strong>2013</strong></td>
</tr>
<tr>
<td>Interest rate and currency swap agreements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>¥61,983</td>
<td>¥27,731</td>
</tr>
<tr>
<td>Investments and other assets—Other</td>
<td>157,642</td>
<td>139,419</td>
</tr>
<tr>
<td>Total</td>
<td>¥219,625</td>
<td>¥167,150</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>¥(38,338)</td>
<td>¥(37,133)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>(120,666)</td>
<td>(122,420)</td>
</tr>
<tr>
<td>Total</td>
<td>¥(159,004)</td>
<td>¥(159,553)</td>
</tr>
<tr>
<td>Foreign exchange forward and option contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>¥9,531</td>
<td>¥7,340</td>
</tr>
<tr>
<td>Investments and other assets—Other</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>¥9,531</td>
<td>¥7,340</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>¥(21,736)</td>
<td>¥(36,087)</td>
</tr>
<tr>
<td>Other long-term liabilities</td>
<td>(70)</td>
<td>(5)</td>
</tr>
<tr>
<td>Total</td>
<td>¥(21,806)</td>
<td>¥(36,092)</td>
</tr>
</tbody>
</table>
The following table summarizes the gains and losses on derivative financial instruments and hedged items reported in the consolidated statements of income for the years ended March 31, 2011, 2012 and 2013:

<table>
<thead>
<tr>
<th>Derivative financial instruments designated as hedging instruments—Fair value hedge:</th>
<th>For the years ended March 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yen in millions</td>
<td>Yen in millions</td>
<td>U.S. dollars in millions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>2012</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Gains or (losses) on derivative financial instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains or (losses) on hedged items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains or (losses) on derivative financial instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains or (losses) on hedged items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated derivative financial instruments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate and currency swap agreements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of financing operations</td>
<td>¥ 71,491</td>
<td>¥(68,741)</td>
<td>¥ (1,354)</td>
<td>¥2,999</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(166)</td>
<td>166</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange gain (loss), net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange forward and option contracts</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange (loss), net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yen in millions</td>
<td>U.S. dollars in millions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the year ended March 31,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For the year ended March 31,</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2013</td>
<td>2013</td>
<td>2013</td>
<td>2013</td>
</tr>
<tr>
<td>Gains or (losses) on derivative financial instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains or (losses) on hedged items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains or (losses) on derivative financial instruments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains or (losses) on hedged items</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undesignated derivative financial instruments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate and currency swap agreements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of financing operations</td>
<td>¥(23,965)</td>
<td>¥24,738</td>
<td>$(255)</td>
<td>$263</td>
</tr>
<tr>
<td>Interests expense</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange (loss), net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange forward and option contracts</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange (loss), net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Undesignated derivative financial instruments are used to manage risks of fluctuations in interest rates to certain borrowing transactions and in foreign currency exchange rates of certain currency receivables and payables. Toyota accounts for these derivative financial instruments as economic hedges with changes in the fair value recorded directly into current period earnings.

 Unrealized gains or (losses) on undesignated derivative financial instruments reported in the cost of financing operations for the years ended March 31, 2011, 2012 and 2013 were ¥93,370 million, ¥(14,934) million and ¥(60,727) million ($646 million) respectively those reported in foreign exchange gain (loss), net were ¥(240) million, ¥(5,543) million and ¥(7,447) million ($79 million), respectively.

Cash flows from transactions of derivative financial instruments are included in cash flows from operating activities in the consolidated statements of cash flows.

Toyota enters into International Swaps and Derivatives Association Master Agreements with counterparties. These Master Agreements contain a provision requiring either Toyota or the counterparty to settle the contract or to post assets to the other party in the event of a ratings downgrade below a specified threshold.

The aggregate fair value amount of derivative financial instruments that contain credit risk related contingent features that are in a net liability position after being offset by cash collateral as of March 31, 2013 is ¥3,289 million ($35 million). The aggregate fair value amount of assets that are already posted as cash collateral as of March 31, 2013 is ¥17,305 million ($184 million). If the ratings of Toyota decline below specified thresholds, the maximum amount of assets to be posted for which Toyota could be required to settle the contracts is ¥3,289 million ($35 million) as of March 31, 2013.

Credit risk related contingent features

Toyota has certain financial instruments, including financial assets and liabilities which arose in the normal course of business. These financial instruments are executed with creditworthy financial institutions, and virtually all foreign currency contracts are denominated in U.S. dollars, euros and other currencies of major developed countries. Financial instruments involve, to varying degrees, market risk as instruments are subject to price fluctuations, and elements of credit risk in the event a counterparty should default. In the unlikely event the counterparties fail to meet the contractual terms of a foreign currency or an interest rate instrument, Toyota’s risk is limited to the fair value of the instrument. Although Toyota may be exposed to losses in the event of nonperformance by counterparties on financial instruments, it does not anticipate significant losses due to the nature of its counterparties. Counterparties to Toyota’s financial instruments represent, in general, international financial institutions. Additionally, Toyota does not have a significant exposure to any individual counterparty. Toyota believes that the overall credit risk related to its financial instruments is not significant.
The following table summarizes the estimated fair values of Toyota's financial instruments, excluding marketable securities and other securities investments, affiliated companies and derivative financial instruments. See note 26 to the consolidated financial statements for three levels of input which are used to measure fair value.

### Yen in millions

<table>
<thead>
<tr>
<th>Assets (Liabilities):</th>
<th>Carring amount</th>
<th>March 31, 2012</th>
<th>Estimated fair value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>¥1,679,200</td>
<td>¥1,444,276</td>
<td>¥ 234,924</td>
<td>¥ —</td>
<td>¥ 1,679,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time deposits</td>
<td>80,301</td>
<td>—</td>
<td>80,301</td>
<td>—</td>
<td>80,301</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total finance receivables, net</td>
<td>8,879,731</td>
<td>—</td>
<td>—</td>
<td>9,137,936</td>
<td>9,137,936</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>408,547</td>
<td>—</td>
<td>—</td>
<td>408,547</td>
<td>408,547</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>(3,450,649)</td>
<td>—</td>
<td>(3,256,078)</td>
<td>(194,571)</td>
<td>(3,450,649)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt including the current portion</td>
<td>(8,533,549)</td>
<td>(7,835,970)</td>
<td>(687,223)</td>
<td>(8,683,193)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Yen in millions

<table>
<thead>
<tr>
<th>Assets (Liabilities):</th>
<th>Carring amount</th>
<th>March 31, 2013</th>
<th>Estimated fair value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>¥ 1,718,297</td>
<td>¥1,342,356</td>
<td>¥ 375,941</td>
<td>¥ —</td>
<td>¥ 1,718,297</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time deposits</td>
<td>106,700</td>
<td>—</td>
<td>106,700</td>
<td>—</td>
<td>106,700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total finance receivables, net</td>
<td>11,144,427</td>
<td>—</td>
<td>—</td>
<td>11,434,936</td>
<td>11,434,936</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>432,693</td>
<td>—</td>
<td>—</td>
<td>432,693</td>
<td>432,693</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>(4,089,528)</td>
<td>—</td>
<td>(4,089,528)</td>
<td>—</td>
<td>(4,089,528)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt including the current portion</td>
<td>(10,020,853)</td>
<td>(9,735,970)</td>
<td>(284,223)</td>
<td>(10,224,138)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### U.S. dollars in millions

<table>
<thead>
<tr>
<th>Assets (Liabilities):</th>
<th>Carring amount</th>
<th>March 31, 2013</th>
<th>Estimated fair value</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 18,270</td>
<td>$14,273</td>
<td>$ 3,997</td>
<td>$ —</td>
<td>$ 18,270</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time deposits</td>
<td>1,135</td>
<td>—</td>
<td>1,135</td>
<td>—</td>
<td>1,135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total finance receivables, net</td>
<td>118,495</td>
<td>—</td>
<td>—</td>
<td>121,584</td>
<td>121,584</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other receivables</td>
<td>4,601</td>
<td>—</td>
<td>—</td>
<td>4,601</td>
<td>4,601</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>(43,482)</td>
<td>—</td>
<td>(43,482)</td>
<td>—</td>
<td>(43,482)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term debt including the current portion</td>
<td>(106,546)</td>
<td>(96,296)</td>
<td>(10,412)</td>
<td>(106,710)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Toyota leases certain assets under capital lease and operating lease arrangements.

An analysis of leased assets under capital leases is as follows:

<table>
<thead>
<tr>
<th>Class of property</th>
<th>Yen in millions 2012</th>
<th>Yen in millions 2013</th>
<th>U.S. dollars in millions 2012</th>
<th>U.S. dollars in millions 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>¥12,230</td>
<td>¥13,999</td>
<td>$149</td>
<td>$149</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>31,698</td>
<td>32,252</td>
<td>343</td>
<td>343</td>
</tr>
<tr>
<td>Less—Accumulated depreciation</td>
<td>(20,284)</td>
<td>(23,843)</td>
<td>(254)</td>
<td>(254)</td>
</tr>
<tr>
<td></td>
<td>¥23,644</td>
<td>¥22,408</td>
<td>$238</td>
<td>$238</td>
</tr>
</tbody>
</table>

Amortization expenses under capital leases for the years ended March 31, 2011, 2012 and 2013 were ¥5,966 million, ¥5,572 million and ¥5,265 million ($56 million), respectively.

The minimum rental payments required under operating leases relating primarily to land, buildings and equipment having initial or remaining non-cancelable lease terms in excess of one year at March 31, 2013 are as follows:

<table>
<thead>
<tr>
<th>Years ending March 31,</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>¥11,299</td>
<td>$120</td>
</tr>
<tr>
<td>2015</td>
<td>9,398</td>
<td>100</td>
</tr>
<tr>
<td>2016</td>
<td>7,988</td>
<td>85</td>
</tr>
<tr>
<td>2017</td>
<td>6,347</td>
<td>67</td>
</tr>
<tr>
<td>2018</td>
<td>5,354</td>
<td>57</td>
</tr>
<tr>
<td>Thereafter</td>
<td>21,491</td>
<td>229</td>
</tr>
<tr>
<td>Total minimum future rentals</td>
<td>¥61,877</td>
<td>$658</td>
</tr>
</tbody>
</table>

Rental expenses under operating leases for the years ended March 31, 2011, 2012 and 2013 were ¥89,029 million, ¥91,052 million and ¥90,081 million ($968 million), respectively.
certain models of Toyota vehicles related to sticking accelerator pedals. In February 2010, Toyota announced a worldwide recall related to the software program that controls the antilock braking system in certain vehicle models including the Prius. Set forth below is a description of various claims, lawsuits and government investigations involving Toyota in the United States relating to these recalls and other safety measures.

**Class Action and Consolidated Litigation**

Approximately 200 putative class actions and more than 500 individual product liability personal injury cases have been filed since November 2009 alleging that certain Toyota, Lexus and Scion vehicles contain defects that lead to unintended acceleration. In April 2010, the approximately 190 putative class actions in federal court as well as the federal product liability personal injury cases and warranty and lemon law cases were consolidated for pretrial proceedings into a single multi-district litigation in the United States District Court for the Central District of California. Approximately 10 putative class actions and various product liability personal injury cases pending in state courts were subsequently consolidated into the federal action. The remaining class actions lawsuits are pending in a consolidated state action in California.

In December 2012, Toyota and the plaintiffs announced that they had reached an agreement to settle the economic loss claims in the consolidated federal action. The court preliminarily approved the agreement and held the final approval hearing in June 2013. The court took the matter under submission and scheduled a hearing in July 2013 for the presentation of additional information. In fiscal 2013, Toyota recorded a $1.1 billion pre-tax charge against earnings to cover the estimated costs of this resolution and other potential recall-related resolutions, including the resolution of the civil litigation filed by the Orange County District Attorney and the state attorneys general’s investigation discussed below.

The settlement provides a customer support program covering certain vehicle parts, the free installation of a brake override system on the remaining floor mat entrapment safety campaign vehicles and funds for cash payments to customers who do not receive the brake override system, cash payments to individuals who allegedly suffered a loss on the sale, lease or insuring the residual value of Toyota’s vehicles and funds for safety-related research and education programs. The settlement does not cover product liability personal injury claims in the consolidated federal action or pending in various state courts in the United States.

In April 2013, Toyota announced that the court had approved an agreement to resolve the civil action filed by the Orange County District Attorney in California state court seeking, among other things, statutory penalties alleging that Toyota sold and marketed defective vehicles in violation of various California statutes. The amount of the settlement, which was not material to Toyota, was included in the charge taken in fiscal 2013.

Beginning in February 2010, Toyota was sued in approximately 20 putative class actions alleging defects in the antilock braking system in various hybrid vehicles that cause the vehicles to fail to stop in a timely manner when driving in certain road conditions. The plaintiffs seek an order requiring Toyota to repair the vehicles and claim that all owners and lessees of vehicles, including those for which recalls have been implemented, should be compensated for the alleged defects related to the antilock braking system. These cases have been consolidated into two actions, one in the United States District Court for the Central District of California and one in the Los Angeles County Superior Court. In January 2013, the Court in the federal case issued an order denying the plaintiff’s motion for class certification and granting summary judgment in favor of Toyota on the claims of the principal named plaintiff for the cases relating to recalled vehicles. A class certification hearing in connection with the claims related to those vehicles that were not recalled is scheduled in July 2013.

From February through March 2010, Toyota was sued in 6 putative shareholder class actions on behalf of investors in Toyota ADRs and common stock. The cases alleged violations of the Securities Exchange Act of 1934 and Japan’s Financial Instruments and Exchange Act and were consolidated into a single action in the United States District Court for the Central District of California. The judge dismissed with prejudice the claims based on Japan’s Financial Instruments and Exchange Act, and Toyota reached an agreement to resolve the claims asserted on behalf of purchasers of Toyota’s ADRs for an amount not material to Toyota. The court approved the settlement in March 2013.

While Toyota has resolved or is attempting to resolve many of these matters, Toyota believes that it has meritorious defenses to all of them and will vigorously defend those matters not resolved.

**Government Investigations**

In February 2010, Toyota received a subpoena from the U.S. Attorney for the Southern District of New York and a voluntary request and subpoena from the SEC. The subpoenas and the voluntary request primarily seek documents related to unintended acceleration and certain financial records. This is a coordinated investigation and has included interviews of Toyota and non-Toyota witnesses, as well as production of documents. In June 2010, Toyota received a second voluntary request and subpoena from the SEC and a subpoena from the U.S. Attorney for the Southern District of New York seeking production of documents related to the recalls of the steering relay rod. Toyota is cooperating with the U.S. Attorney’s Office and SEC in their investigations, which are on-going.

In June 2012, Toyota announced an amendment to the 2009 floor mat entrapment safety campaign to include model year 2010 RX350 and RX450h. Toyota submitted additional documents related to this amendment pursuant to NHTSA’s request. In October 2012, Toyota filed an additional amendment to include model year 2008 through 2011 Land Cruiser. In December 2012, Toyota announced an agreement with NHTSA to resolve timeliness claims related to the model year 2010 RX350 and RX450h safety campaign under which Toyota agreed to make a $17.4 million payment to the U.S. Treasury.
Toyota also received subpoenas and formal and informal requests from various states’ attorneys general, including the Executive Committee for a group of 30 states’ plus one territory’s attorney general, and certain local governmental agencies regarding various recalls, the facts underlying those recalls and customer handling related to those recalls. In February 2013, Toyota and the attorneys general resolved these investigations for an amount not material to Toyota. Such amount was included in the charge taken in fiscal 2013. In connection with this settlement, Toyota also made commitments to continue to conduct certain activities it is already undertaking.

Beyond the amounts accrued for the recall-related matters, Toyota is unable to estimate a range of reasonably possible loss, if any, for the other recall-related matters because (i) many of the proceedings are in evidence gathering stages, (ii) significant factual issues need to be resolved, (iii) the legal theory or nature of the claims is unclear, (iv) the outcome of future motions or appeals is unknown and/or (v) the outcomes of other matters of these types vary widely and do not appear sufficiently similar to offer meaningful guidance. Although Toyota cannot estimate a reasonable range of loss based on currently available information, the resolution of these matters could have an adverse effect on Toyota’s financial position, results of operations or cash flows.

**Environmental Matters and Others**

In October 2000, the European Union brought into effect a directive that requires member states to promulgate regulations implementing the following: (i) manufacturers shall bear all or a significant part of the costs for taking back end-of-life vehicles put on the market after July 1, 2002 and dismantling and recycling those vehicles. Beginning January 1, 2007, this requirement became applicable to vehicles put on the market before July 1, 2002; (ii) manufacturers may not use certain hazardous materials in vehicles to be sold after July 2003; (iii) vehicles type-approved and put on the market after December 15, 2008, shall be re-usable and/or recyclable to a minimum of 85% by weight per vehicle and shall be re-usable and/or recoverable to a minimum of 95% by weight per vehicle; and (iv) end-of-life vehicles must meet actual re-use of 80% and re-use as material or energy of 85%, respectively, of vehicle weight by 2006, rising respectively to 85% and 95% by 2015. A law to implement the directive came into effect in all member states including Bulgaria, Romania that joined the European Union in January 2007. Currently, there are uncertainties surrounding the implementation of the applicable regulations in different European Union member states, particularly regarding manufacturer responsibilities and resultant expenses that may be incurred.

In addition, under this directive member states must take measures to ensure that car manufacturers, distributors and other auto-related economic operators establish adequate used vehicle collection and treatment facilities and to ensure that hazardous materials and recyclable parts are removed from vehicles prior to shredding. This directive impacts Toyota’s vehicles sold in the European Union and Toyota is introducing vehicles that are in compliance with such measures taken by the member states pursuant to the directive.

Based on the legislation that has been enacted to date, Toyota has provided for its estimated liability related to covered vehicles in existence as of March 31, 2013. Depending on the legislation that will be enacted subject to other circumstances, Toyota may be required to revise the accruals for the expected costs. Although Toyota does not expect its compliance with the directive to result in significant cash expenditures, Toyota is continuing to assess the impact of this future legislation on its financial position, results of operations and cash flows.

Toyota purchases materials that are equivalent to approximately 10% of material costs from a supplier which is an affiliated company.

The parent company has a concentration of labor supply in employees working under collective bargaining agreements and a substantial portion of these employees are working under the agreement that will expire on December 31, 2014.
The following tables present certain information regarding Toyota’s industry segments and operations by geographic areas and overseas revenues by destination as of and for the years ended March 31, 2011, 2012 and 2013.

### Segment operating results and assets

#### As of and for the year ended March 31, 2011:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>¥17,322,753</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>14,567</td>
</tr>
<tr>
<td>Total</td>
<td>17,337,320</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>17,251,347</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥85,973</td>
</tr>
<tr>
<td>Assets</td>
<td>¥11,341,558</td>
</tr>
<tr>
<td>Investment in equity method investees</td>
<td>1,784,539</td>
</tr>
<tr>
<td>Depreciation expenses</td>
<td>819,075</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>691,867</td>
</tr>
</tbody>
</table>

#### As of and for the year ended March 31, 2012:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>¥16,964,378</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>14,567</td>
</tr>
<tr>
<td>Total</td>
<td>16,994,546</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>16,972,863</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥21,483</td>
</tr>
<tr>
<td>Assets</td>
<td>¥13,365,394</td>
</tr>
<tr>
<td>Investment in equity method investees</td>
<td>1,877,720</td>
</tr>
<tr>
<td>Depreciation expenses</td>
<td>819,075</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>691,867</td>
</tr>
</tbody>
</table>

#### As of and for the year ended March 31, 2013:

<table>
<thead>
<tr>
<th>Segment</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>¥20,378,762</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>40,338</td>
</tr>
<tr>
<td>Total</td>
<td>20,419,100</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>19,474,396</td>
</tr>
<tr>
<td>Operating income</td>
<td>¥944,704</td>
</tr>
<tr>
<td>Assets</td>
<td>¥13,179,741</td>
</tr>
<tr>
<td>Investment in equity method investees</td>
<td>2,033,040</td>
</tr>
<tr>
<td>Depreciation expenses</td>
<td>745,880</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>937,695</td>
</tr>
</tbody>
</table>

### Notes to Consolidated Financial Statements

The following tables present certain information regarding Toyota’s industry segments and operations by geographic areas and overseas revenues by destination as of and for the years ended March 31, 2011, 2012 and 2013.

#### Segment operating results and assets

<table>
<thead>
<tr>
<th>Segment</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$216,680</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>429</td>
</tr>
<tr>
<td>Total</td>
<td>217,109</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>207,064</td>
</tr>
<tr>
<td>Operating income</td>
<td>$10,045</td>
</tr>
<tr>
<td>Assets</td>
<td>$140,135</td>
</tr>
<tr>
<td>Investment in equity method investees</td>
<td>21,617</td>
</tr>
<tr>
<td>Depreciation expenses</td>
<td>7,931</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>9,970</td>
</tr>
</tbody>
</table>

### U.S. dollars in millions

<table>
<thead>
<tr>
<th>Segment</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>$216,680</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>429</td>
</tr>
<tr>
<td>Total</td>
<td>217,109</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>207,064</td>
</tr>
<tr>
<td>Operating income</td>
<td>$10,045</td>
</tr>
<tr>
<td>Assets</td>
<td>$140,135</td>
</tr>
<tr>
<td>Investment in equity method investees</td>
<td>21,617</td>
</tr>
<tr>
<td>Depreciation expenses</td>
<td>7,931</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>9,970</td>
</tr>
</tbody>
</table>
### Geographic Information

#### As of and for the year ended March 31, 2011:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Inter-segment Eliminator/ Unallocated Amount</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>¥6,966,929</td>
<td>¥5,327,809</td>
<td>¥3,138,112</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>4,019,317</td>
<td>61,081</td>
<td>236,422</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,986,246</td>
<td>5,429,136</td>
<td>1,981,497</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>11,348,642</td>
<td>5,089,633</td>
<td>1,968,349</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>¥(362,396)</td>
<td>¥339,503</td>
<td>¥13,148</td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>¥3,123,042</td>
<td>¥2,276,332</td>
<td>¥305,627</td>
</tr>
</tbody>
</table>

#### As of and for the year ended March 31, 2012:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Inter-segment Eliminator/ Unallocated Amount</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>¥7,293,804</td>
<td>¥4,644,348</td>
<td>¥1,917,408</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>3,873,515</td>
<td>107,538</td>
<td>76,538</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,167,319</td>
<td>5,751,886</td>
<td>1,993,946</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>11,374,359</td>
<td>4,565,477</td>
<td>1,976,150</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>¥207,040</td>
<td>¥186,409</td>
<td>¥13,796</td>
</tr>
<tr>
<td>Assets</td>
<td>¥12,034,423</td>
<td>¥9,693,232</td>
<td>¥1,960,532</td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>¥2,981,985</td>
<td>2,197,197</td>
<td>263,070</td>
</tr>
</tbody>
</table>

#### As of and for the year ended March 31, 2013:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Inter-segment Eliminator/ Unallocated Amount</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales to external customers</td>
<td>¥7,910,456</td>
<td>¥6,167,821</td>
<td>¥2,003,113</td>
</tr>
<tr>
<td>Inter-segment sales and transfers</td>
<td>4,910,562</td>
<td>116,604</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,821,018</td>
<td>6,284,425</td>
<td>2,083,113</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>12,244,683</td>
<td>6,062,500</td>
<td>2,056,651</td>
</tr>
<tr>
<td><strong>Operating income (loss)</strong></td>
<td>¥576,355</td>
<td>¥221,925</td>
<td>¥26,462</td>
</tr>
<tr>
<td>Assets</td>
<td>¥12,296,731</td>
<td>¥11,841,471</td>
<td>¥2,199,256</td>
</tr>
<tr>
<td>Long-lived assets</td>
<td>¥2,929,346</td>
<td>2,633,067</td>
<td>288,288</td>
</tr>
</tbody>
</table>

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

There are no any individually material countries with respect to revenues, and long-lived assets included in other foreign countries.

Unallocated amounts included in assets represent assets held for corporate purposes, which mainly consist of cash and cash equivalents and marketable securities. Such corporate assets were ¥4,813,672 million, ¥4,749,259 million and ¥5,599,970 million ($59,542 million), as of March 31, 2011, 2012 and 2013, respectively.

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

The following information shows revenues that are attributed to countries based on location of customers, excluding customers in Japan. In addition to the disclosure requirements under U.S. GAAP, Toyota discloses this information in order to provide financial statements users with valuable information.

<table>
<thead>
<tr>
<th>Region</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>¥5,398,278</td>
<td>¥4,715,804</td>
<td>¥6,790,453</td>
<td>$72,200</td>
</tr>
<tr>
<td>Europe</td>
<td>1,793,932</td>
<td>1,817,944</td>
<td>1,901,118</td>
<td>20,214</td>
</tr>
<tr>
<td>Asia</td>
<td>3,280,384</td>
<td>3,284,392</td>
<td>3,940,175</td>
<td>41,894</td>
</tr>
<tr>
<td>Other</td>
<td>3,196,114</td>
<td>3,103,383</td>
<td>3,929,775</td>
<td>41,784</td>
</tr>
</tbody>
</table>

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

**Certain financial statements data on non-financial services and financial services businesses**

The financial data below presents separately Toyota's non-financial services and financial services businesses.

**Balance sheets**

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2012</td>
<td>March 31, 2013</td>
</tr>
<tr>
<td><strong>Non-Financial Services Businesses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>¥1,104,636</td>
<td>¥1,107,409</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>1,015,626</td>
<td>1,204,447</td>
</tr>
<tr>
<td>Trade accounts and notes receivable, less allowance for doubtful accounts</td>
<td>2,031,472</td>
<td>2,033,831</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,622,154</td>
<td>1,715,634</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>1,464,124</td>
<td>1,597,514</td>
</tr>
<tr>
<td>Total current assets</td>
<td>7,238,012</td>
<td>7,658,835</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td>6,218,377</td>
<td>7,462,767</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,510,716</td>
<td>4,741,357</td>
</tr>
<tr>
<td>Total Non-Financial Services Businesses assets</td>
<td>17,967,105</td>
<td>19,862,959</td>
</tr>
<tr>
<td><strong>Financial Services Businesses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>574,564</td>
<td>610,888</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>165,444</td>
<td>241,216</td>
</tr>
<tr>
<td>Finance receivables, net</td>
<td>4,114,897</td>
<td>5,117,660</td>
</tr>
<tr>
<td>Prepaid expenses and other current assets</td>
<td>685,611</td>
<td>693,036</td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,540,516</td>
<td>6,662,800</td>
</tr>
<tr>
<td>Noncurrent finance receivables, net</td>
<td>5,602,462</td>
<td>6,943,766</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td>304,906</td>
<td>515,025</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>1,724,664</td>
<td>2,109,882</td>
</tr>
<tr>
<td>Total Financial Services Businesses assets</td>
<td>13,172,548</td>
<td>16,231,473</td>
</tr>
<tr>
<td>Eliminations</td>
<td>(488,688)</td>
<td>(611,115)</td>
</tr>
<tr>
<td>Total assets</td>
<td>¥30,650,965</td>
<td>¥35,483,317</td>
</tr>
</tbody>
</table>

* Assets in the non-financial services include unallocated corporate assets.
### Non-Financial Services Businesses

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>15,796,635</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1,676,999</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>19,473,634</td>
</tr>
<tr>
<td>Operating income</td>
<td>61,238</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>69,935</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>1,499</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>93,686</td>
</tr>
<tr>
<td>Net income</td>
<td>103,978</td>
</tr>
</tbody>
</table>

### Financial Services Businesses

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>615,563</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>178,323</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>854,850</td>
</tr>
<tr>
<td>Operating income</td>
<td>306,438</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>3,358</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>9,089</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>3,348</td>
</tr>
<tr>
<td>Net income</td>
<td>1,700,258</td>
</tr>
</tbody>
</table>

### Consolidated Financial Statements

<table>
<thead>
<tr>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>8,619,699</td>
</tr>
<tr>
<td>Selling, general and administrative</td>
<td>1,273,823</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>10,893,522</td>
</tr>
<tr>
<td>Operating income</td>
<td>1,100,324</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>2,355</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>9,089</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>3,348</td>
</tr>
<tr>
<td>Net income</td>
<td>10,230</td>
</tr>
</tbody>
</table>

### Notes to Consolidated Financial Statements

- **Selected Financial Summary (U.S. GAAP)**
- **Consolidated Segment Information**
- **Consolidated Quarterly Financial Summary**
- **Management’s Discussion and Analysis of Financial Condition and Results of Operations**
- **Consolidated Financial Statements**
- **Management’s Annual Report on Internal Control over Financial Reporting**
- **Report of Independent Registered Public Accounting Firm**
### Statements of cash flows

<table>
<thead>
<tr>
<th>Year ended March 31</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Net income</td>
<td>Y 241,448</td>
</tr>
<tr>
<td></td>
<td>Y 465,485</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>844,708</td>
</tr>
<tr>
<td></td>
<td>1,175,573</td>
</tr>
<tr>
<td>Provision for doubtful accounts and credit losses</td>
<td>1,806</td>
</tr>
<tr>
<td></td>
<td>4,140</td>
</tr>
<tr>
<td>Losses on disposal of fixed assets</td>
<td>36,076</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>(24,867)</td>
</tr>
<tr>
<td></td>
<td>1,453</td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale securities, net</td>
<td>7,915</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(17,258)</td>
</tr>
<tr>
<td></td>
<td>(82,792)</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>(214,229)</td>
</tr>
<tr>
<td></td>
<td>(215,016)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, and other</td>
<td>591,378</td>
</tr>
<tr>
<td></td>
<td>487,402</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>1,466,977</td>
</tr>
<tr>
<td></td>
<td>2,024,009</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(877,120)</td>
</tr>
<tr>
<td></td>
<td>(2,116,344)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>(551,165)</td>
</tr>
<tr>
<td></td>
<td>434,327</td>
</tr>
<tr>
<td>Proceeds from issuance of long-term debt</td>
<td>15,318</td>
</tr>
<tr>
<td>Payments of long-term debt</td>
<td>(309,862)</td>
</tr>
<tr>
<td>Increase (decrease) in short-term borrowings</td>
<td>(86,884)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(141,120)</td>
</tr>
<tr>
<td>Purchase of common stock, and other</td>
<td>(28,617)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>(551,165)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>(76,960)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>(38,268)</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>1,338,821</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>¥1,300,553</td>
</tr>
</tbody>
</table>

**Consolidated Business**

<table>
<thead>
<tr>
<th>Year ended March 31</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Net income</td>
<td>Y 186,159</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>769,073</td>
</tr>
<tr>
<td>Provision for doubtful accounts and credit losses</td>
<td>5,843</td>
</tr>
<tr>
<td>Losses on disposal of fixed assets</td>
<td>33,448</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>15,410</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>15,410</td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale securities, net</td>
<td>53,831</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(197,701)</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>(214,229)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, and other</td>
<td>182,931</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>1,466,977</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(877,120)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>(551,165)</td>
</tr>
</tbody>
</table>

**Consolidated Financial Statements**

<table>
<thead>
<tr>
<th>Year ended March 31</th>
<th>Yen in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>Net income</td>
<td>Y 186,159</td>
</tr>
<tr>
<td>Depreciation</td>
<td>769,073</td>
</tr>
<tr>
<td>Provision for doubtful accounts and credit losses</td>
<td>5,843</td>
</tr>
<tr>
<td>Losses on disposal of fixed assets</td>
<td>33,448</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>15,410</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>15,410</td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale securities, net</td>
<td>53,831</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(197,701)</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>(214,229)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, and other</td>
<td>182,931</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>1,466,977</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(877,120)</td>
</tr>
<tr>
<td>Net cash provided by (used in) financing activities</td>
<td>(551,165)</td>
</tr>
</tbody>
</table>

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**ANNUAL REPORT 2013**

**Financial Section**

**Consolidated Performance Highlights**

**Statement of Cash Flows**

**Investor Information**

**President's Message**

**Launching a New Structure**

**Review of Operations**

**Toyota Global Vision**

**Consolidated Financial Statements**

**Financial Section**

**Notes to Consolidated Financial Statements**

**Management and Corporate Information**

**Special Feature**

**Toyota Global Vision**

**President's Message**

**Launching a New Structure**

**Review of Operations**

**Management and Corporate Information**

**Investor Information**

**Contents**

**Search**

**Print**
### Cash flows from operating activities

<table>
<thead>
<tr>
<th></th>
<th>Non-Financial Services Businesses</th>
<th>Financial Services Businesses</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>¥ 883,073</td>
<td>¥ 200,258</td>
<td>¥ 1,083,482</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to net cash provided by operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>768,581</td>
<td>336,528</td>
<td>1,105,109</td>
</tr>
<tr>
<td>Provision for doubtful accounts and credit losses</td>
<td>1,745</td>
<td>25,622</td>
<td>27,367</td>
</tr>
<tr>
<td>Pension and severance costs, less payments</td>
<td>(23,514)</td>
<td>3,085</td>
<td>(20,429)</td>
</tr>
<tr>
<td>Losses on disposal of fixed assets</td>
<td>32,005</td>
<td>216</td>
<td>32,221</td>
</tr>
<tr>
<td>Unrealized losses on available-for-sale securities, net</td>
<td>2,104</td>
<td>—</td>
<td>2,104</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>89,834</td>
<td>70,743</td>
<td>160,008</td>
</tr>
<tr>
<td>Equity in earnings of affiliated companies</td>
<td>(230,078)</td>
<td>(1,441)</td>
<td>(231,519)</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, and other</td>
<td>472,514</td>
<td>32,066</td>
<td>292,973</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>1,996,264</td>
<td>667,077</td>
<td>2,451,316</td>
</tr>
</tbody>
</table>

### Cash flows from investing activities

<table>
<thead>
<tr>
<th></th>
<th>Non-Financial Services Businesses</th>
<th>Financial Services Businesses</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions to finance receivables</td>
<td>—</td>
<td>(16,877,678)</td>
<td>(10,004,928)</td>
</tr>
<tr>
<td>Collection of and proceeds from sales of finance receivables</td>
<td>—</td>
<td>15,784,881</td>
<td>9,102,856</td>
</tr>
<tr>
<td>Additions to fixed assets excluding equipment leased to others</td>
<td>(839,756)</td>
<td>(14,805)</td>
<td>(854,561)</td>
</tr>
<tr>
<td>Additions to equipment leased to others</td>
<td>(129,070)</td>
<td>(990,521)</td>
<td>(1,119,591)</td>
</tr>
<tr>
<td>Proceeds from sales of fixed assets excluding equipment leased to others</td>
<td>38,051</td>
<td>1,140</td>
<td>39,191</td>
</tr>
<tr>
<td>Proceeds from sales of equipment leased to others</td>
<td>68,571</td>
<td>464,870</td>
<td>533,441</td>
</tr>
<tr>
<td>Purchases of marketable securities and security investments</td>
<td>(2,980,821)</td>
<td>(431,602)</td>
<td>(3,412,423)</td>
</tr>
<tr>
<td>Proceeds from sales of and maturity of marketable securities and security investments</td>
<td>2,285,566</td>
<td>383,525</td>
<td>2,669,091</td>
</tr>
<tr>
<td>Payment for additional investments in affiliated companies, net of cash acquired</td>
<td>16,216</td>
<td>—</td>
<td>16,216</td>
</tr>
<tr>
<td>Changes in investments and other assets, and other</td>
<td>17,206</td>
<td>(77,848)</td>
<td>3,396</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(1,524,037)</td>
<td>(1,758,238)</td>
<td>(3,027,312)</td>
</tr>
</tbody>
</table>

### Cash flows from financing activities

<table>
<thead>
<tr>
<th></th>
<th>Non-Financial Services Businesses</th>
<th>Financial Services Businesses</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issuance of long-term debt</td>
<td>182,114</td>
<td>3,089,484</td>
<td>3,191,223</td>
</tr>
<tr>
<td>Payments of long-term debt</td>
<td>(328,380)</td>
<td>(2,415,566)</td>
<td>(2,682,136)</td>
</tr>
<tr>
<td>Increase (decrease) in short-term borrowings</td>
<td>(162,782)</td>
<td>388,416</td>
<td>201,261</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(190,008)</td>
<td>—</td>
<td>(190,008)</td>
</tr>
<tr>
<td>Purchase of common stock, and other</td>
<td>(43,098)</td>
<td>(43,098)</td>
<td>(43,098)</td>
</tr>
<tr>
<td>Net cash provided (used in) financing activities</td>
<td>(542,154)</td>
<td>1,062,334</td>
<td>477,242</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>72,700</td>
<td>65,151</td>
<td>137,851</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>2,773</td>
<td>36,324</td>
<td>39,097</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>1,104,636</td>
<td>574,564</td>
<td>1,679,200</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of year</td>
<td>¥1,107,409</td>
<td>¥ 610,888</td>
<td>¥ 1,718,297</td>
</tr>
</tbody>
</table>

### Notes to Consolidated Financial Statements

- **Consolidated Segment Information**
- **Consolidated Quarterly Financial Summary**
- **Management's Discussion and Analysis of Financial Condition and Results of Operations**
- **Consolidated Financial Statements**
- **Notes to Consolidated Financial Statements**
25. Per share amounts

Reconciliations of the differences between basic and diluted net income attributable to Toyota Motor Corporation per share for the years ended March 31, 2011, 2012 and 2013 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>Thousands of shares</th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
<th>U.S. dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the year ended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>March 31, 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic net income</td>
<td>Y408,183</td>
<td>3,135,881</td>
<td>Y130.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per common share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of dilutive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumed exercise of</td>
<td>(0)</td>
<td>34</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dilutive stock options</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted net income</td>
<td>Y408,183</td>
<td>3,135,915</td>
<td>Y130.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per common share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>For the year ended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>March 31, 2012</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic net income</td>
<td>Y283,559</td>
<td>3,143,470</td>
<td>Y 90.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per common share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of dilutive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumed exercise of</td>
<td>(3)</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>dilutive stock options</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted net income</td>
<td>Y283,556</td>
<td>3,143,470</td>
<td>Y 90.20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per common share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>For the year ended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>March 31, 2013</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic net income</td>
<td>Y962,163</td>
<td>3,166,909</td>
<td>$303.82</td>
<td>$10,230</td>
<td>$3.23</td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per common share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of dilutive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>securities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assumed exercise of</td>
<td>(32)</td>
<td>246</td>
<td>(0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>dilutive stock options</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted net income</td>
<td>Y962,131</td>
<td>3,167,155</td>
<td>$303.78</td>
<td>$10,230</td>
<td>$3.23</td>
</tr>
<tr>
<td>attributable to</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per common share</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Stock options that were not included in the computation of diluted net income attributable to Toyota Motor Corporation per share for the years ended March 31, 2011, 2012 and 2013 were 12,403 thousand shares, 12,530 thousand shares and 8,682 thousand shares, respectively, because the options’ exercise prices were greater than the average market price per common share during the period.

In addition to the disclosure requirements under U.S. GAAP, Toyota discloses the information below in order to provide financial statements users with valuable information.

26. Fair value measurements

In accordance with U.S. GAAP, Toyota classifies fair value into three levels of input as follows which are used to measure it.

**Level 1:** Quoted prices in active markets for identical assets or liabilities

**Level 2:** Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the assets or liabilities

**Level 3:** Unobservable inputs for assets or liabilities
The following table summarizes the fair values of the assets and liabilities measured at fair value on a recurring basis at March 31, 2012 and 2013. Transfers between levels of the fair value are recognized at the end of their respective reporting periods:

<table>
<thead>
<tr>
<th>Year in millions</th>
<th>March 31, 2012</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>¥ 485,119</td>
<td>¥ 223,385</td>
</tr>
<tr>
<td>Time deposits</td>
<td>—</td>
<td>¥ 50,000</td>
</tr>
<tr>
<td>Marketable securities and other securities investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public and corporate bonds</td>
<td>3,389,882</td>
<td>237,934</td>
</tr>
<tr>
<td>Common stocks</td>
<td>1,034,319</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>40,619</td>
<td>428,737</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>¥ —</td>
<td>¥ 289,931</td>
</tr>
<tr>
<td>Total</td>
<td>¥ 4,949,939</td>
<td>¥ 1,229,987</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>¥ —</td>
<td>¥ (180,347)</td>
</tr>
<tr>
<td>Total</td>
<td>¥ —</td>
<td>¥ (180,347)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year in millions</th>
<th>March 31, 2013</th>
<th>March 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
<td>Level 2</td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>$2,608</td>
<td>$3,997</td>
</tr>
<tr>
<td>Time deposits</td>
<td>—</td>
<td>¥ 612</td>
</tr>
<tr>
<td>Marketable securities and other securities investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public and corporate bonds</td>
<td>39,909</td>
<td>8,430</td>
</tr>
<tr>
<td>Common stocks</td>
<td>14,898</td>
<td>—</td>
</tr>
<tr>
<td>Other</td>
<td>529</td>
<td>5,518</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>¥ —</td>
<td>¥ 2,315</td>
</tr>
<tr>
<td>Total</td>
<td>¥ 57,944</td>
<td>¥ 20,872</td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>¥ —</td>
<td>¥ (2,088)</td>
</tr>
<tr>
<td>Total</td>
<td>¥ —</td>
<td>¥ (2,088)</td>
</tr>
</tbody>
</table>
The following table summarizes the changes in Level 3 assets and liabilities measured at fair value on a recurring basis for the periods ended March 31, 2011, 2012 and 2013:

<table>
<thead>
<tr>
<th></th>
<th>For the year ended March 31, 2011</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yen in millions</td>
<td>Marketable securities and other securities investments</td>
<td>Derivative financial instruments</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>¥13,134</td>
<td>¥ 5,892</td>
<td>¥19,026</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total gains (losses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Included in earnings</td>
<td>433</td>
<td>31,338</td>
<td>31,771</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Included in other comprehensive income (loss)</td>
<td>779</td>
<td>—</td>
<td>779</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases, issuances and settlements</td>
<td>(810)</td>
<td>(8,381)</td>
<td>(9,191)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(13,536)</td>
<td>(22,055)</td>
<td>(35,591)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>¥1,684</td>
<td>¥4,739</td>
<td>¥6,423</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yen in millions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>For the year ended March 31, 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of year</td>
<td>¥ —</td>
<td>¥6,794</td>
<td>¥6,794</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total gains (losses)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Included in earnings</td>
<td>—</td>
<td>6,476</td>
<td>6,476</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Included in other comprehensive income (loss)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases and issuances</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settlements</td>
<td>(3,832)</td>
<td>(3,832)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,684</td>
<td>(4,699)</td>
<td>(3,015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>¥1,684</td>
<td>¥4,739</td>
<td>¥6,423</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Marketable Securities and Other Securities Investments and Derivative Financial Instruments

<table>
<thead>
<tr>
<th></th>
<th>Yen in millions</th>
<th>U.S. dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at beginning of year</strong></td>
<td>¥1,684 ¥4,739 ¥6,423</td>
<td>$18 $50 $68</td>
</tr>
<tr>
<td><strong>Total gains (losses)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Included in earnings</td>
<td>24</td>
<td>0</td>
</tr>
<tr>
<td>Included in other comprehensive income (loss)</td>
<td>56</td>
<td>—</td>
</tr>
<tr>
<td>Purchases and issuances</td>
<td>3,607</td>
<td>38</td>
</tr>
<tr>
<td>Settlements</td>
<td>(1,563)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Balance at end of year</strong></td>
<td>¥6,889 ¥5,127 ¥12,016</td>
<td>$73 $54 $127</td>
</tr>
</tbody>
</table>

*“Included in earnings” in marketable securities and other securities investments and derivative financial instruments are included in “Other income (loss), net” and “Cost of financing operations” in the accompanying consolidated statements of income, respectively.*

In the reconciliation table above, derivative financial instruments are presented net of assets and liabilities. The other amount includes consolidated retained interests in securitized financial receivables of ¥(13,165) million, certain derivative financial instruments transferred into Level 2 due to be measured at observable inputs of ¥(21,413) million and the impact of currency translation adjustments for the year ended March 31, 2011, and includes the impacts of level transfers and currency translation adjustments for the year ended March 31, 2012, and includes the currency translation adjustments for the year ended March 31, 2013.

As of March 31, 2013, the Level 3 assets and liabilities measured at fair value on a recurring basis are not significant.

Certain assets and liabilities are measured at fair value on a nonrecurring basis. During the years ended March 31, 2012 and 2013, Toyota measured certain finance receivables at fair value of ¥32,056 million and ¥32,974 million ($351 million) based on the collateral value, resulting in gains of ¥1,736 million and ¥978 million ($10 million). This fair value measurement on a nonrecurring basis is classified in Level 3. See note 21 to the consolidated financial statements for the fair value measurement. These Level 3 financial assets are not significant.
Toyota's management is responsible for establishing and maintaining effective internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. Toyota's internal control over financial reporting includes those policies and procedures that:

1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of Toyota's assets;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that Toyota's receipts and expenditures are being made only in accordance with authorizations of Toyota's management and directors; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Toyota's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Toyota's management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in "Internal Control — Integrated Framework (1992)" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on this evaluation, management concluded that Toyota's internal control over financial reporting was effective as of March 31, 2013.

PricewaterhouseCoopers Arata, an independent registered public accounting firm that audited the consolidated financial statements included in this report, has also audited the effectiveness of Toyota's internal control over financial reporting as of March 31, 2013, as stated in its report included herein.
In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, shareholders’ equity and cash flows present fairly, in all material respects, the financial position of Toyota Motor Corporation and its subsidiaries at March 31, 2012 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2013 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company’s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers Avantia
Nagoya, Japan
June 24, 2013