

TMC FY2023 RESULTS – EUROPEAN FOCUS

Data extracted or calculated from the documents & presentations released by TMC on 10 May 2023

Important note: TMC has adopted IFRS (International Financial Reporting Standards) beginning from FY2021 1Q (previously GAAP). Therefore, all figures in this sheet are calculated in accordance with IFRS.

(1) Global Consolidated Financial Results FY2023

Consolidated figures	FY2023 (Apr 2022 - Mar 2023)		FY2022 (Apr 2021 - Mar 2022)		Evolution (in JPY)	FORECASTS FY 2024	
	Mio JPY	Mio EUR	Mio JPY	Mio EUR		Mio JPY	Mio EUR
Exchange rate	141 JPY/EUR		131 JPY/EUR			135 JPY/EUR	
Sales Revenues	37,154,200	263,505	31,379,500	239,538	18.4%	38,000,000	281,481
Operating Income	2,725,000	19,326	2,995,600	22,867	-9.0%	3,000,000	22,222
Net Income (*)	2,451,300	17,385	2,850,100	21,756	-14.0%	2,580,000	19,111
Income Ratio	6.6%		9.1%		-2.5 ppt	6.8%	
Capital expenditure (**)	1,605,800	11,389	1,343,000	10,252	19.6%	1,860,000	13,778
Depreciation exp. (**)	1,185,000	8,404	1,007,200	7,689	17.7%	1,250,000	9,259
R&D Expenses	1,241,600	8,806	1,124,200	8,582	10.4%	1,240,000	9,185
Vehicle Sales	8,822,000		8,230,000		7.2%	9,600,000	

(*) Shows "Net income attributable to Toyota Motor Corporation" – (**) Figures for depreciation expenses and capital expenditures do not include vehicles in operating lease or right of use assets.

Contribution factors to changes in Operating income:			
Negative (Mio JPY)		Positive (Mio JPY)	
Cost reduction efforts	-1,290,000	Effects of changes in exchange rates	1,280,000
Increase or decrease in expenses and expense reduction efforts	-525,000	Marketing efforts	680,000
Other	-415,600		

(2) European Consolidated Financial Results FY2023

European financial results that are disclosed as regional breakdown of TMC's consolidated financial results reflect the financial performance of not only TME and its subsidiaries, but also financial services and other.

Consolidated figures	FY2023 (Apr 2022 - Mar 2023)		FY2022 (Apr 2021 - Mar 2022)		Evolution (in JPY)
	Mio JPY	Mio EUR	Mio JPY	Mio EUR	
Exchange rate	141 JPY/EUR		131 JPY/EUR		
IN VALUE					
Sales Revenues	4,273,700	30,310	3,867,800	29,525	10.5%
Operating Expenses	4,216,276	29,903	3,704,874	28,281	13.8%
Depreciation Expenses	85,900	609	76,200	582	12.7%
Capital Expenditures	61,700	438	81,800	624	-24.6%
Operating income (incl. Valuation Gains/Losses from Interest Rate Swaps, etc.)	57,400	407	162,900	1,244	-64.8%
Operating income (excl. Valuation Gains/Losses from Interest Rate Swaps, etc.)	56,600	401	171,700	1,311	-67.0%

Production and Sales Results for Europe

In Units	FY2023 (Apr 2022 - Mar 2023)	FY2022 (Apr 2021 - Mar 2022)	Evolution
Production (consolidated) (*)	771,000	707,000	9.1%
Sales in Europe (consolidated) (**)	1,030,000	1,017,000	1.3%

(*) TMC Production figures (consolidated) only include production from wholly owned factories in Europe (TMMF, TMUK, TMMT, TMR-SP and TMMCZ). They do NOT include LC70 production at Caetano.

(**) TMC Sales figures (consolidated) include Toyota/Lexus, and also Daihatsu and Hino sales.

(3) Main extracts from the FY2023 Financial Results presentation

Overall evaluation of FY2023 consolidated business results

- **Consolidated vehicle sales** for the period was at 8 million 822 thousand units, which was 107.2% of such sales of the previous fiscal year. **Toyota and Lexus brand vehicle sales** was at 9 million 610 thousand units, which was 101.0% of such sales of the previous fiscal year. As for the **vehicle sales by region**, we saw an increase in all regions compared to the previous fiscal year. The **ratio of electrified vehicles** was 29.6%.
- **Operating income** was 2,725 billion yen. Excluding the overall impact of foreign exchange rates, swap valuation gains and losses and other factors, operating income decreased by 1 trillion 135 billion yen year on year. The factors which impacted operating income year on year were the following.
 - o The **effects of foreign exchange rates** increased operating income by 1 trillion 280 billion yen.
 - o **Cost reduction efforts** decreased operating income by 1 trillion 290 billion yen. The 1 trillion 545 billion yen impact of **soaring materials prices** includes 500 billion yen for activities aimed at **strengthening the structure of the entire supply chain**, in addition to fluctuations in market conditions for materials.
 - o **Marketing efforts** increased operating income by 680 billion yen.
 - o **Increase in expenses** decreased operating income by 525 billion yen.
 - o We also incurred a negative impact of 415.6 billion yen largely due to **swap valuation losses and the cost to terminate our production in Russia**.

FY2024 forecast

- The **production volume forecast for the Toyota and Lexus brands** is 10.1 million units, which is 110.6% of the previous fiscal year.
 - o Together with our suppliers, we have been working on, with respects to semiconductors, negotiations and examination of **alternatives in light of supply risks in the future**, as well as on promoting improvements aimed at **improving operating rates at factories**.
 - o **Since March, we have been able to continue high-level production** while prioritizing safety and quality.
 - o At sales sites in each region, the production volume still cannot keep up with customer demand, so we will **continue to promote improvements together with our suppliers** in order to further increase.
- We expect **consolidated vehicle sales** of 9 million 600 thousand units, which is 108.8% compared to the previous fiscal year. As for **Toyota and Lexus brand vehicle sales**, we expect 10 million 400 thousand units, which is 108.2% compared to the previous fiscal year.
 - o As the **semiconductor supply and demand has improved**, we expect growth in all regions.
 - o We expect **electrified vehicles sales** of 3 million 843 thousand units, which is 134.9% compared to the previous fiscal year, and the electrified vehicles ratio is expected to be 37.0%

(4) Excerpts - Q&A

<Global Economy and Markets>

2023 results (January to March)

?: change from previous year

	Toyota		Daihatsu		Hino		Total	
		%		%		%		%
Global sales	2,399,000	+2.0	234,000	+19.0	35,000	-13.0	2,669,000	+3.0
Sales inside Japan	494,000	+31.0	177,000	+18.0	11,000	-32.0	681,000	+26.0
Sales outside Japan	1,905,000	-4.0	58,000	+22.0	25,000	-2.0	1,988,000	-3.0
Global production	2,345,000	+5.0	379,000	+3.0	46,000	+9.0	2,770,000	+4.0
Production inside Japan	808,000	+19.0	235,000	+1.0	34,000	+7.0	1,078,000	+14.0
Production outside Japan	1,536,000	-2.0	144,000	+7.0	12,000	+15.0	1,692,000	-1.0
Exports from Japan	383,000	-8.0	0	—	16,000	-2.0	398,000	-8.0

Previous sales, production, and export results (upper figures: Toyota Group; lower figures: Toyota) %: change from previous year

	2017		2018		2019		2020		2021		2022	
		%		%		%		%		%		%
Global sales	10,386,000	+2.0	10,594,000	+2.0	10,742,000	+1.0	9,528,000	-11.0	10,496,000	+10.0	10,483,000	-0.1
	9,384,000	+2.0	9,542,000	+2.0	9,714,000	+2.0	8,692,000	-11.0	9,615,000	+11.0	9,567,000	-1.0
Japan	2,332,000	+5.0	2,282,000	-2.0	2,339,000	+2.0	2,157,000	-8.0	2,109,000	-2.0	1,906,000	-10.0
	1,633,000	+3.0	1,564,000	-4.0	1,610,000	+3.0	1,504,000	-7.0	1,476,000	-2.0	1,289,000	-13.0
Outside Japan	8,054,000	+1.0	8,312,000	+3.0	8,403,000	+1.0	7,372,000	-12.0	8,387,000	+14.0	8,577,000	+2.0
	7,751,000	+1.0	7,977,000	+3.0	8,104,000	+2.0	7,188,000	-11.0	8,139,000	+13.0	8,278,000	+2.0
Global production	10,466,000	+2.0	10,569,000	+1.0	10,725,000	+1.0	9,213,000	-14.0	10,076,000	+9.0	10,611,000	+5.0
	9,008,000	±0.0	8,886,000	-1.0	9,054,000	+2.0	7,909,000	-13.0	8,584,000	+9.0	9,027,000	+5.0
Japan	4,265,000	+6.0	4,232,000	-1.0	4,525,000	+7.0	3,944,000	-13.0	3,891,000	-1.0	3,653,000	-6.0
	3,190,000	+1.0	3,139,000	-2.0	3,416,000	+9.0	2,923,000	-14.0	2,878,000	-2.0	2,656,000	-8.0
Outside Japan	6,201,000	±0.0	6,337,000	+2.0	6,200,000	-2.0	5,269,000	-15.0	6,185,000	+17.0	6,958,000	+12.0
	5,818,000	±0.0	5,747,000	-1.0	5,638,000	-2.0	4,987,000	-12.0	5,706,000	+14.0	6,371,000	+12.0
Exports from Japan	1,896,000	+5.0	1,972,000	+4.0	2,186,000	+11.0	1,794,000	-18.0	1,823,000	+2.0	1,738,000	-5.0
	1,817,000	+5.0	1,890,000	+4.0	2,104,000	+11.0	1,748,000	-17.0	1,757,000	+1.0	1,669,000	-5.0

Announcement of baseline production volume for 2023

On January 16, 2023, we announced the baseline production volume for CY2023 to suppliers and all stakeholders so that they correctly understand Toyota's initiatives as well as our approach regarding this value (this is not a production plan announcement).

As the baseline production volume for 2023, a production volume ceiling of approximately 10.6 million units with a downward risk fluctuation range of approximately 10% was shared with related suppliers to prepare for production.

Q. Toyota's forecast for the global economy in 2023 / economic risks in major countries

At the beginning of 2023, positive signs began to appear, such as the easing of resource price-related cost-push inflation and the recovery of the Chinese economy following the lifting of zero-COVID policies. However, financial instability in the U.S. and Europe in March, triggered by the collapse of a regional bank (Silicon Valley Bank) and the bailout acquisition of the major Swiss bank Credit Suisse, has made the economic outlook increasingly uncertain.

Due in part to prompt responses by the financial authorities, it is unlikely that the recent financial instability will immediately turn into a financial crisis comparable to the bankruptcy of Lehman Brothers. However, the global economy is expected to slow down as a result of tighter credit controls mainly in the U.S. and Europe.

Economic risks include the spread of financial instability to the rest of the world and the resurgence of inflation associated with surging oil prices resulting from reduced OPEC production. In particular, we will be fully vigilant against a possible outflow of funds (currency depreciation) from fragile emerging economies.

Q. Toyota's mid-term forecast for the global economy

We project that the slowing trends in the global economy will continue as a result of a slowdown in the Chinese economy, as well as sluggish economies in developed countries due to aging populations.

In response to the Ukraine crisis, major developed countries are expected to strengthen energy and economic security.

We will closely monitor each country's carbon neutrality strategy and supply chain building for electrified vehicles.

Q. Toyota's forecast for the global automobile market in 2023

In the automobile market for the calendar year 2023, pent-up demand is likely to occur following the easing of semiconductor supply restrictions. Nevertheless, we project that the market will recover only moderately due to the economic slowdown and sluggish growth in real demand caused by the financial instability in the U.S. and Europe. In particular, we will pay close attention to a possible downturn in the automobile market due to deterioration of the loan environment and a credit crunch.

Q. Toyota’s mid-term forecast for the global vehicle market

We project that the global market will undergo moderate growth, particularly in China and emerging countries, although the actual figures will likely vary from region to region.

<Europe>

Overall Market

	Units: million vehicles		Change from previous year	Factors behind increase/decrease
2022 results	14.84		-11.4%	Although the prolonged parts supply shortage is easing, market volume was down from the previous year due to stagnation in the supply chain caused by the situation in Russia and Ukraine.
2023 forecast	16.90		+14%	Market volume is expected to exceed the previous year’s level as each manufacturer has an accumulated order backlog and the shortages of parts, including semiconductors, are easing.
2023 results	Jan. to Mar.	4.224	+12.9%	Although market volume, especially the sales volume of passenger vehicles, is still below the pre-COVID level, sales increased year-on-year as the parts supply shortage is gradually easing.

Toyota sales

	Units: million vehicles		Change from previous year	Factors behind increase/decrease
2022 results	1.081		± 0%	Despite the termination of production business in Russia, our sales nearly returned to the pre-COVID level, backed by firm demand for electrified vehicles, especially HEVs. Sales of leading models—the Corolla series, Yaris series, and RAV4—were strong. Our market share reached an all-time high of 7.3%, maintaining our second-place ranking.
2023 plan	—		—	It is difficult to make specific quantitative forecasts, but we project that sales for the first half of 2023 will remain nearly flat or increase slightly from the same period of the previous year. (Number of units has not been disclosed.)
2023 results	Jan. to Mar.	0.292	+2.5%	The results exceeded the levels of the previous year thanks to strong demand for electrified vehicles, particularly HEVs. Sales were driven by leading models—the Yaris series, C-HR, and Corolla series. Toyota has a market share of 6.6% (passenger vehicles), maintaining the second largest share.

<Other regions>

Japan - Overall market

		Units: million vehicles		Change from previous year	Factors behind increase/decrease
2022 results	Excluding minivehicles	2.566	-8%	Due to the effects of COVID-19 and the resulting parts supply shortage caused by increased demand for semiconductors, overall market sales in 2022 were down from the previous year.	
	Including minivehicles	4.204	-6%		
2023 forecast	Excluding minivehicles	2.91	+4%	Although sales continue to be affected by the parts supply shortage, the market is expected to exceed the previous year's level due to improved supply restrictions and the effect of new models.	
	Including minivehicles	4.69	+12%		
2023 results	Jan. to Mar.	Excluding minivehicles	0.879	+17%	Despite the continued impact of the semiconductor shortage on automakers, the market exceeded the previous year's level which was impacted by the spread of COVID-19, in addition to the semiconductor shortage.
		Including minivehicles	1.382	+15%	

Japan - Toyota sales

		Units: million vehicles		Change from previous year	Factors behind increase/decrease
2022 results	Excluding minivehicles	1.259	-13%	Sales were down from the previous year due to production constraints caused by the continuous tight supply of semiconductors, the impact of the lockdown in Shanghai, COVID-19, and the earthquake in Fukushima Prefecture, which led to a parts supply shortage.	
	Including minivehicles	1.289	-13%		
2023 plan	Excluding minivehicles	—	—	We will continue to make every effort to minimize the impact of the parts supply shortage. (Number of units has not been disclosed.)	
	Including minivehicles	—	—		
2023 results	Jan. to Mar.	Excluding minivehicles	0.485	+32%	Although we continued to be affected by the shortages of parts, especially semiconductors, sales increased year-on-year due to the spread of COVID-19 and the semiconductor shortage in the previous year.
		Including minivehicles	0.494	+31%	

US - Overall market

		Units: million vehicles	Change from previous year	Factors behind increase/decrease
2022 results		13.90	-7.8%	The inventory shortage eased in the second half of the year, but sales were down from the previous year, affected by factors such as supply chain disruptions in the first half.
2023 forecast		14.90 level	—	Although demand is currently robust, we will continue to monitor the situation closely in view of various uncertain factors, including the parts supply shortage, inflation, and the surge in gasoline prices.
2023 results	Jan. to Mar.	3.592	+7.6%	The market exceeded the previous year's level as vehicle supply constraints associated with the shortage of semiconductors eased to some degree.

US - Toyota sales

		Units: million vehicles	Change from previous year	Factors behind increase/decrease
2022 results		2.108	-9.6%	Although sales turned up in the second half of the year with the easing of the inventory shortage, overall sales were down from the previous year due to the impact of the parts supply shortage and other factors.
2023 plan		—	—	There are multiple uncertain factors, including the spread of COVID-19 and the parts supply shortage, which makes it difficult to make forecasts. In an effort to increase sales, however, we will launch new models and increase electric vehicle options. (Number of units has not been disclosed.)
2023 results	Jan. to Mar.	0.47	-8.8%	Sales decreased year-on-year due to inventory shortage. On the other hand, the supply shortage is gradually easing, and as electrified vehicles have been selling well, sales are expected to recover going forward.

China – Overall market

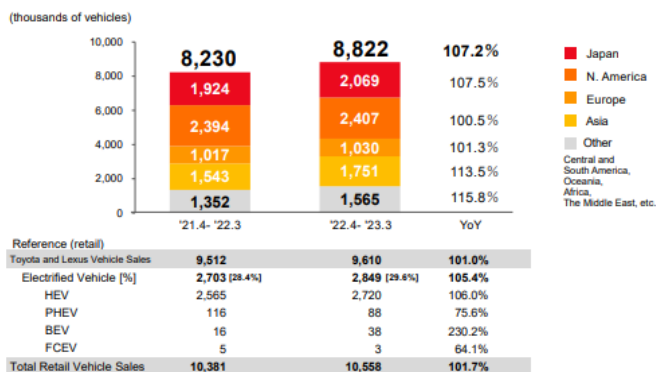
	Units: million vehicles		Change from previous year	Factors behind increase/decrease
2022 results	26.86		+2%	Despite the impact of the spread of COVID-19, sales reached an all-time high in conjunction with increased demand for new energy vehicles, which have a market share of 25.6%.
2023 forecast	27.60		+3%	We expect that the market will remain solid, backed by the government's expansionary demand management policy and the alleviation of semiconductor shortages.
2023 results	Jan. to Mar.	6.076	-6.7%	The market was down year-on-year, affected by the termination of vehicle purchase tax reduction measures at the end of 2022 and the Lunar New Year holidays. On the other hand, sales of NEVs for January to March were up 26.2% year-on-year, accounting for 26.1% of total sales, and the rapid growth is continuing.

China - Toyota sales

	Units: million vehicles		Change from previous year	Factors behind increase/decrease
2022 results	1.94		-0.2%	Despite the effects of supply chain disruptions and parts supply shortage caused by the spread of COVID-19 from the beginning of the year, sales recovered starting in the middle of the year thanks to successful promotional activities. However, sales remained flat from the previous year due to the rapid resurgence of COVID-19 in December.
2023 plan	—		—	Although a specific sales volume cannot be foreseen, we expect a recovery in business trends and consumer confidence in the future. (Number of units has not been disclosed.)
2023 results	Jan. to Mar.	0.38	-14.5%	Sales fell below the level of the previous year, affected by factors such as decrease in sales of vehicles other than NEVs in reaction to the termination of vehicle purchase tax reduction measures and the intensifying competition environment.

(5) Excerpts – Presentation to Investors

Consolidated Vehicle Sales



TOYOTA

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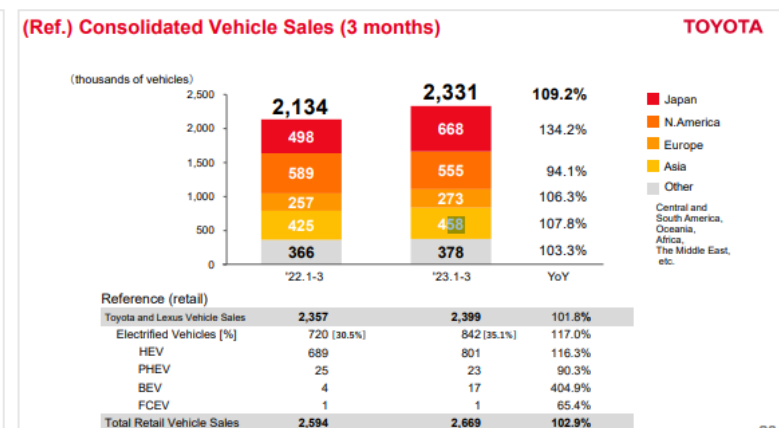
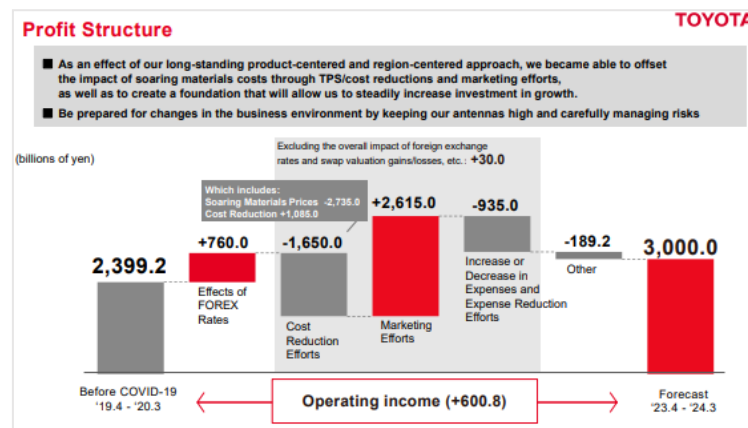
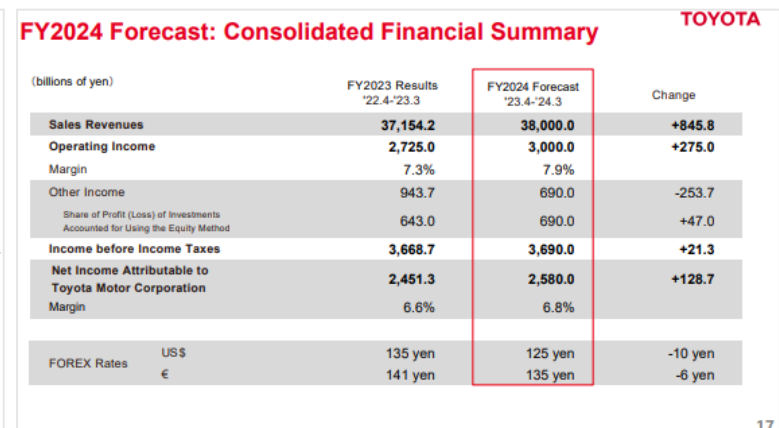
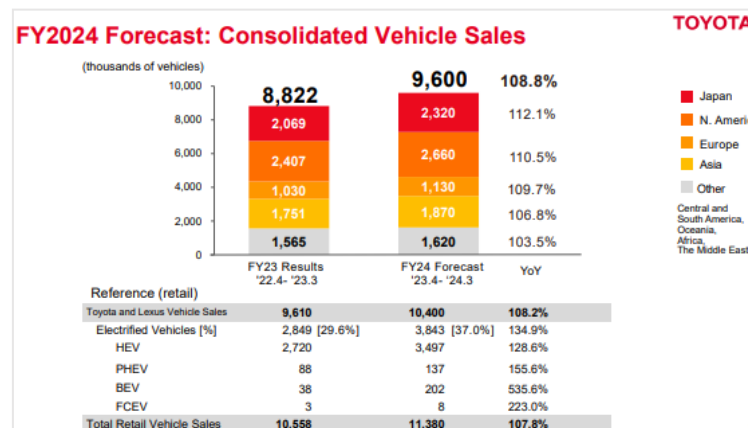
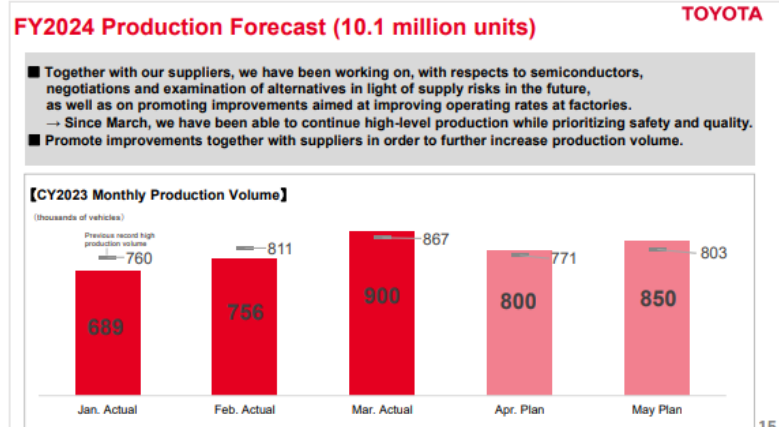
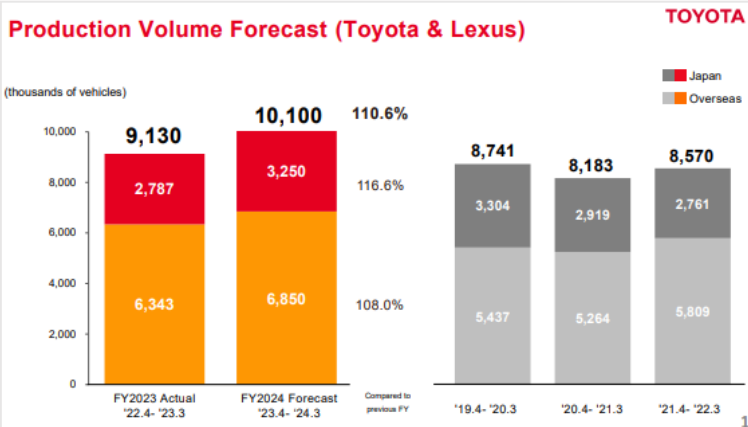
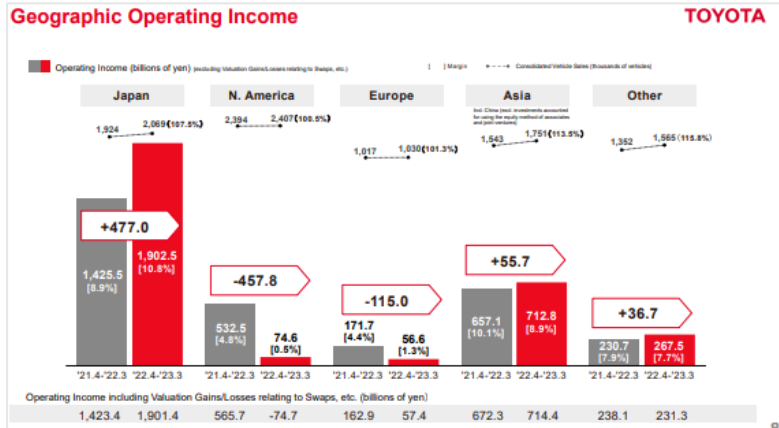
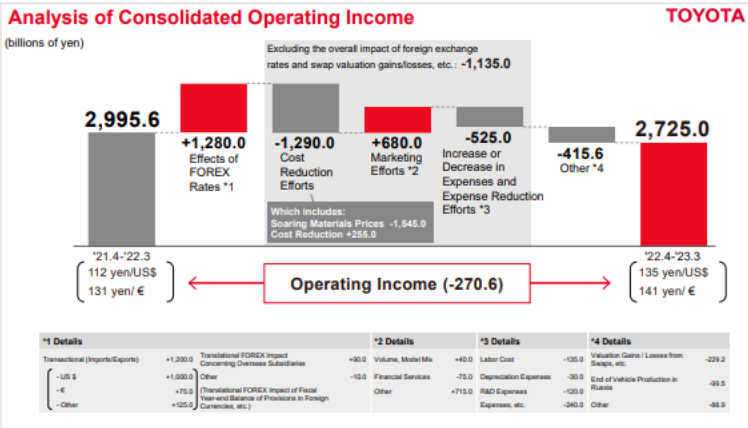
Consolidated Financial Summary

(billions of yen)	'21.4-'22.3	'22.4-'23.3	Change
Sales Revenues	31,379.5	37,154.2	+5,774.7
Operating Income	2,995.6	2,725.0	-270.6
Margin	9.5%	7.3%	
Other Income	994.8	943.7	-51.1
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	560.3	643.0*	+82.7
Income before Income Taxes	3,990.5	3,668.7	-321.7
Net Income Attributable to Toyota Motor Corporation	2,850.1	2,451.3	-398.7
Margin	9.1%	6.6%	
FOREX Rates			
US\$	112 yen	135 yen	+23 yen
€	131 yen	141 yen	+10 yen

* Regarding Japan: 278.6 (-26.7 year on year), China: 305.0 (+70.6 year on year), Other: 59.3 (+38.7 year on year)

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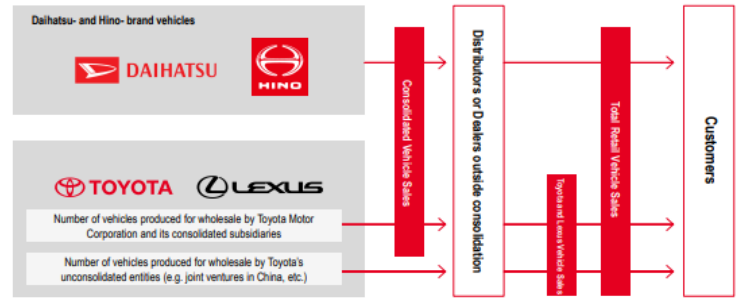
(Ref.) Consolidated Financial Summary (3 months) TOYOTA

(billions of yen)	'22.1-3	'23.1-3	Change
Sales Revenues	8,112.4	9,690.2	+1,577.7
Operating Income	463.8	626.9	+163.0
Margin	5.7%	6.5%	
Other Income	289.1	172.5	-116.5
Share of Profit (Loss) of Investments Accounted for Using the Equity Method	144.8	168.3*	+23.5
Income before Income Taxes	752.9	799.4	+46.4
Net Income Attributable to Toyota Motor Corporation	533.8	552.2	+18.4
Margin	6.6%	5.7%	
FOREX Rates			
US\$	116 yen	132 yen	+16 yen
€	130 yen	142 yen	+12 yen

* Regarding Japan: 67.4 (+16.2 year on year), China: 82.0 (±0 year on year), Other: 18.8 (+7.3 year on year)

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(Ref.) Definitions of Consolidated and Retail Vehicle Sales TOYOTA



*There are a limited number of exceptional cases where sales are made other than in accordance with the flowchart above.

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