

TOYOTA MOTOR CORP

Exchange: Tokyo Stock Exchange

B Outperform
Within Japan
Data as of 07/21/2017

A The Economist
Intelligence Unit®
Country Risk Level

SCHWAB EQUITY RATING INTERNATIONAL

B Outperform
Percentile Ranking: 24
Data as of 07/21/2017

Within the country of
Japan

Last weeks rating:
C Marketperform
Percentile Ranking: 31
Data as of 07/14/2017

A 1-5	Strongly Outperform	BUY
B 6-30	Outperform	BUY
C 31-70	Marketperform	HOLD
D 71-95	Underperform	SELL
F 96-100	Strongly Underperform	SELL

For details about managing an international stock portfolio using Schwab Equity Ratings International, please see the Schwab Center for Financial Research report "Managing a Portfolio Using Schwab Equity Ratings" in the Stocks article library under Market Insight.

See page 4 for further documentation on Schwab Equity Ratings International, Important Disclosures, and Regulation Analyst Certification.

RATIONALE BEHIND OUR **B** RATING ON 7203:XTKS

For details about inputs to Schwab Equity Rating, see "Schwab Equity Ratings Foundations" in the "Stocks" article library under Market Insight.

▲ IMPROVED VS. PREVIOUS WEEK
▼ DECLINED VS. PREVIOUS WEEK

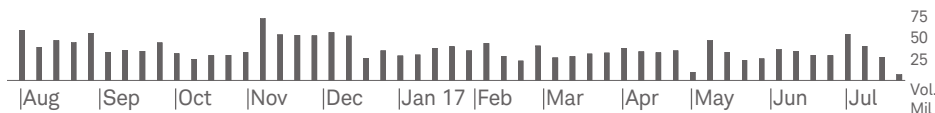
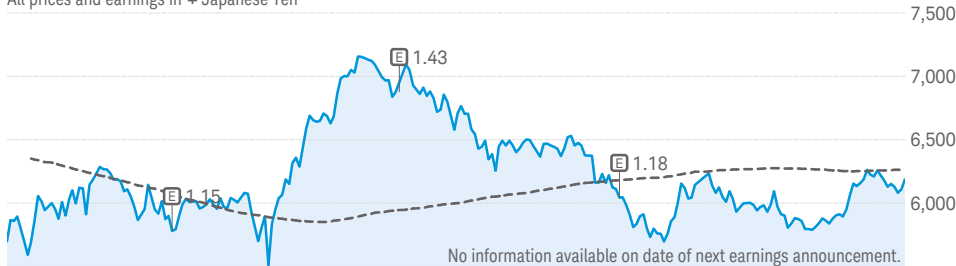
	THIS WEEK	LAST WEEK	IMPORTANCE
FUNDAMENTAL GRADE			
Operating Profitability	Neutral	Neutral	Medium
Earnings Quality	Neutral	Neutral	Medium
Balance Sheet Quality	Neutral	Neutral	High
VALUATION GRADE			
Income Statement Valuation	Positive	Positive	Medium
Balance Sheet Valuation	▲ Positive	Neutral	Low
Shareholder Return	Positive	Positive	Low
MOMENTUM GRADE			
Price Momentum	Negative	Negative	Medium
Analyst Sentiment Change	Negative	Negative	Medium
RISK GRADE			
Market Share	Positive	Positive	Low
Information Availability	Positive	Positive	Low

PRICE & VOLUME HISTORY

7203:XTKS Daily Close Prices
All prices and earnings in ¥ Japanese Yen

Price data source: Reuters

▲▼ QUARTERLY POSITIVE/NEGATIVE
EARNINGS SURPRISE ANNOUNCEMENT
--- 200-DAY
MOVING AVERAGE



TOYOTA MOTOR CORP LISTINGS

Source: Reuters

SEDOL	6900643
ADR Symbol	TM
OTC Symbol	TOYOF
Foreign Market Symbol	7203:XTKS

OVERVIEW

Source: Reuters

1 USD = ¥111.890 JPY

Price as of 7/26/17	\$55.29 / ¥6186.00
Market Capitalization	\$180.4B / ¥20.2T
Float (Shares)	2,840M
Asset Class	Large Cap
Beta	1.15

SECTOR/INDUSTRY

Source: S&P

Sector	Consumer Discretionary
Industry	Automobiles
Sub-Industry	Automobile Manufacturers

METRICS

Source: Reuters

Value Metrics

P/E TTM	10.2
P/E forecast EPS	--
P/Free Cash Flow TTM	--
P/Sales TTM	.72
Price/Book	1.0
Dividend Yield(%)	3.5

Growth Metrics (%)

1 year sales growth	-2.8
3 year sales growth	2.4
1 year EPS growth	-18.5
3 year EPS growth	--
1 year dividend growth	.0
3 year dividend growth	8.4
Long term growth rate 3-5 years	8.5

Momentum Metrics (%)

4 week stock price change	3.9
26 week stock price change	-7.2

Financial Metrics (%)

Gross margin	17.6
Net margin	5.7
Return on assets	3.3
Return on equity	10.6
Return on invested capital	5.1
Long-term debt/capital	.51

TOYOTA MOTOR CORP

Exchange: Tokyo Stock Exchange


Outperform

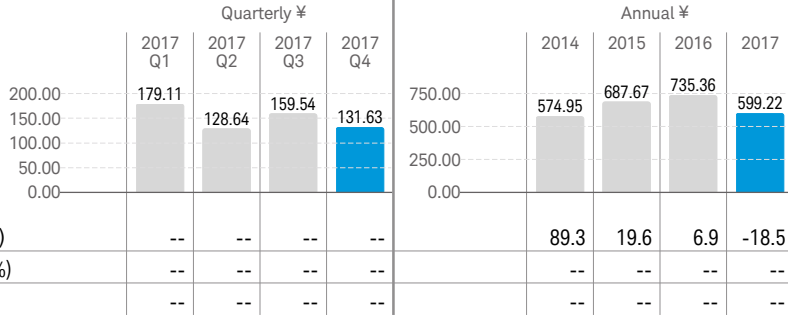
Within Japan

Data as of 07/21/2017


The Economist
Intelligence Unit®
Country Risk Level

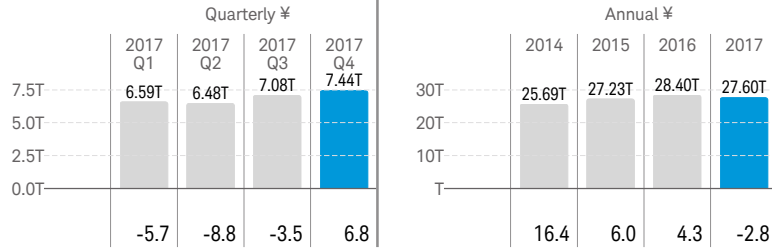
EARNINGS PER SHARE

Earnings data source: Reuters

Fiscal Year ending
in March


REVENUE

Revenue data source: Reuters

Fiscal Year ending
in March


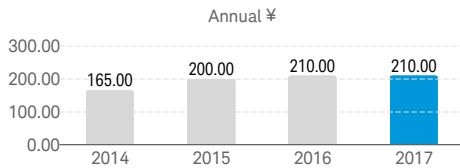
ANNUAL EARNINGS FORECAST

Source: Reuters

	MEAN FORECAST ¥	CONSENSUS CHANGE IN LAST 30 DAYS	FORECAST RANGE ¥	NUMBER OF FORECASTS
Next 5 Yr. Growth Rate	8.5%	0.0%	7.0%-9.9%	2
03/31/2018	593.1	0.22	464.4-687.0	25
03/31/2019	630.0	-4.72	509.3-745.5	24

DIVIDENDS

Dividends data source: Reuters



BUSINESS DESCRIPTION

Source: Reuters

Toyota Motor Corporation (Toyota) conducts business in the automotive industry. The Company also conducts business in finance and other industries. The Company's segments include Automotive, Financial Services and All Other. Toyota sells its vehicles in approximately 190 countries and regions. Toyota's markets for its automobiles are Japan, North America, Europe and Asia. The Company's Automotive segment includes the design, manufacture, assembly and sale of passenger vehicles, minivans and commercial vehicles, such as trucks and related parts and accessories. The Company's Financial Services segment consists of providing financing to dealers and their customers for the purchase or lease of Toyota vehicles. The All Other segment includes the design, manufacturing and sale of housing, telecommunications and other businesses. Its information technology related businesses include a Web portal for automobile information called GAZOO.com.

THE ECONOMIST INTELLIGENCE UNIT COUNTRY RISK LEVEL

Country Risk

RATING SINCE 04/06/2017

D	C	CC	CCC	B	BB	BBB	A	AA	AAA
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Sovereign Risk

D	C	CC	CCC	B	BB	BBB	A	AA	AAA
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The sovereign risk rating band remains unchanged at BBB in The Economist Intelligence Unit's latest assessment. This reflects the prevalence of a high ratio of public debt to GDP. At an anticipated 234.9% in 2017, Japan's ratio of public debt to GDP is among the highest in the world.

Currency Risk

D	C	CC	CCC	B	BB	BBB	A	AA	AAA
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The yen has been volatile in recent months. The yen:US dollar exchange rate averaged ¥114.9:US\$1 in January and ¥112.9:US\$1 in February. This compares with an average of ¥116:US\$1 in December 2016. Despite its recent appreciation, we expect the yen to weaken by an average of 4.9% against the US dollar this year, as monetary policy in Japan and the US continues to diverge.

Banking Risk

D	C	CC	CCC	B	BB	BBB	A	AA	AAA
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Low interest rates will help firms and households to meet debt-servicing obligations in 2017-18. However, the introduction of a negative interest rate in February 2016 by the Bank of Japan (the central bank) helped to push down the yields of low-risk assets to zero or negative for most of that year, forcing banks to search for higher-risk assets.

OTHER OPINIONS

Credit Suisse Rating

RATING SINCE 02/26/2016

UNDERPERFORM	NEUTRAL	OUTPERFORM
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S&P's Recommendation

RATING SINCE 05/11/2016

★	★★	★★★	★★★★	★★★★★
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Reuter's Average Rating

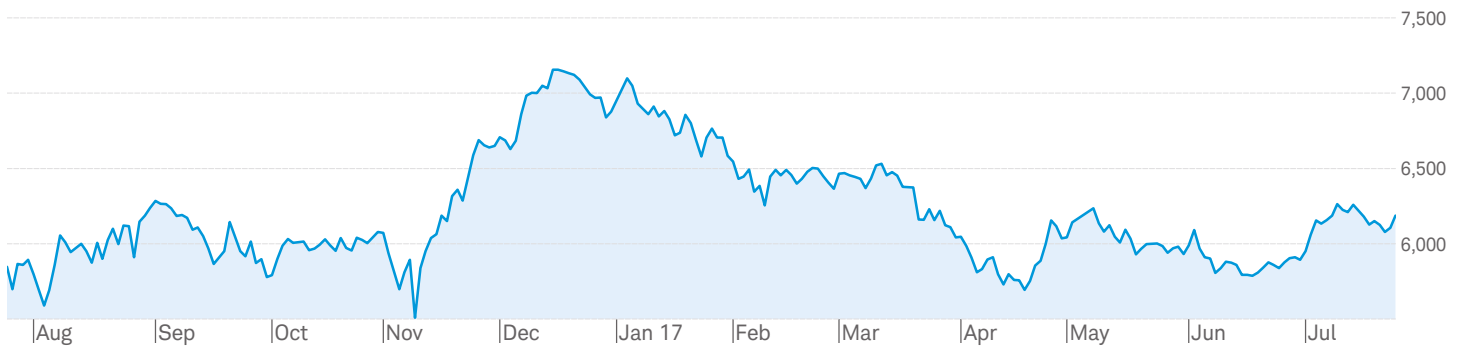
RATING SINCE 07/11/2017

NO OPINION	SELL	UNDER- PERFORM	HOLD	OUT- PERFORM	BUY
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TOYOTA MOTOR CORP

NEWS HEADLINES

All currency in Japanese Yen (¥)



No recent news stories available for TOYOTA MOTOR CORP.

TOYOTA MOTOR CORP

IMPORTANT DISCLOSURES FOR 7203:XTKS

Regulation Analyst Certification: The views expressed in this research report accurately reflect Schwab's quantitative research model, and no part of Schwab's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views disclosed in the research report.

Within the previous 12 months, the percentage of companies that have a Schwab Equity Rating or Schwab Equity Ratings International grade and for which Schwab has provided investment banking services are as follows:

- 2.35% in Buy Category (Schwab Equity Ratings and Schwab Equity Ratings International of A or B)
- 1.68% in Hold Category (Schwab Equity Ratings and Schwab Equity Ratings International of C)
- 2.48% in Sell Category (Schwab Equity Ratings and Schwab Equity Ratings International of D or F)

Price History for Toyota Motor Corp
Tokyo Stock Exchange Closing Prices
Values in ¥ Japanese Yen



SCHWAB EQUITY RATINGS INTERNATIONAL MEANING AND DISTRIBUTION

Schwab Equity Ratings International grades are assigned to approximately 4,000 stocks issued by companies headquartered, incorporated, and traded in certain foreign nations. The model's universe is generally composed of the Standard & Poor's ("S&P") Global Broad Market Index ("BMI"). However, at any time, a stock may be excluded from the SERI universe, included in the universe but not rated, or have a rating that is unpublished. Also, at our discretion, additional universe coverage may be incorporated from time to time without prior notice.

In a limited number of cases, a company may be headquartered and conduct its business operations in one country and trade on a stock market in another country. In such cases, Schwab considers the country where the company's headquarters and primary business operations are located as the relevant country (the "headquarters country") within which a stock is rated (see "Percentile Ranking Explanation" below). Not every foreign equity market will be represented.

Stocks must meet a minimum market capitalization limit (currently US\$350 million) to be included in the Schwab Equity Ratings International universe. The explanation and table below are included to assist you in using Schwab Equity Ratings International as one component of your own research to evaluate stocks and investment opportunities.

Schwab Equity Ratings International rates stocks using a scale of A, B, C, D and F. Schwab's research outlook is that "A" rated stocks, on average, will strongly outperform and "F" rated stocks, on average, will strongly underperform the average stock in the equities market of the headquarters country over the next 12 months.

Schwab Equity Ratings International are based upon a disciplined, systematic approach that evaluates each stock on the basis of a wide variety of investment criteria from four broad categories: Fundamentals, Valuation, Momentum, and Risk. This approach attempts to gauge investor expectations, since stock prices tend to move in the same direction as changes in investor expectations. Stocks with low and potentially improving investor expectations tend to receive the best Schwab Equity Ratings International grades ("A" or "B" ratings), while stocks with high and potentially falling investor expectations tend to receive the worst Schwab Equity Ratings International grades ("D" or "F" ratings). From time to time, The Schwab Center for Financial Research (SCFR) may update the Schwab Equity Ratings International methodology.

Schwab Equity Ratings International Distribution

Schwab Equity Rating	Percentile Ranking Distribution	Distribution of Rating Within Sector	12 Month Return Outlook	General Buy/Hold/Sell Guidance*
A	1 - 5	Top 5%	Strongly Outperform	Buy
B	6 - 30	Next 25%	Outperform	Buy
C	31 - 70	Next 40%	Marketperform	Hold
D	71 - 95	Next 25%	Underperform	Sell
F	96 - 100	Bottom 5%	Strongly Underperform	Sell

*The general buy/hold/sell guidance is relative to other rated equities within the headquarters country only. Before considering whether to take any action, an investor should consider whether equities generally are performing well in comparison to other asset classes, whether the risk of investing in a specific country is acceptable, and whether other equities in the same region, country, sector, or market capitalization category with the same or better rating may be more appropriate.

Investment Rating Explanation

A (Strongly Outperform): If an investor is looking to add a stock to his or her portfolio, "A" rated stocks may be the best candidates for consideration.

B (Outperform): An investor looking to add a stock to his or her portfolio might also consider a "B" rated stock, though preference should be given to "A" rated stocks.

C (Marketperform): An investor would not usually consider a "C" rated stock for purchase. An investor that has a "C" rated stock in his or her portfolio should consider continuing to hold the stock, and might monitor the stock's ongoing performance and compare the potential benefits of owning a stock with higher ratings.

D (Underperform): An investor holding a "D" rated stock should consider whether it is appropriate to continue to hold that stock in his or her portfolio. An investor would not usually consider a "D" rated stock for purchase.

F (Strongly Underperform): An investor holding an "F" rated stock should consider whether it is appropriate to eliminate that stock from his or her portfolio. An investor would not usually consider an "F" rated stock for purchase.

Percentile Rankings Explanation

Each of the approximately 4,000 stocks rated in the Schwab Equity Ratings International universe is given a composite score derived from several research factors. The assignment of a final Schwab Equity Rating International grade depends on how well a given stock scores on each of these research factors and then on how that stock's composite score compares to the composite scores of other stocks in the same headquarters country. The result is a stock's within-country, or "country-neutral," percentile ranking. The lowest percentile rankings represent the best scores and correspond to the best letter grades. For example, in a country with 600 rated stocks, the top 6 stocks (1 percent) would receive a percentile ranking of 1 and the bottom 6 stocks would receive a percentile ranking of 100. Stocks ranked in percentile groups 1-5 within a country are rated "A" and those in percentile groups 6-30 are rated "B." The Schwab Equity Ratings International distribution table above illustrates the percentile rankings and approximate Schwab Equity Ratings International distributions.

TOYOTA MOTOR CORP

IMPORTANT DISCLOSURES FOR 7203:XTKS

Model Risks

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Descriptions for Non-Rated Stocks

Category	Definition	Description
NR	Not Rated	Schwab has decided not to publish a rating on this stock due to unusual or extraordinary business circumstances related to this company. Although Schwab generally does not monitor C, D, and F rated stocks for unusual or extraordinary business circumstances, from time to time, a rating of NR may appear on a particular stock.
NA	Not Available	A Schwab Equity Rating International is not available on this stock due to insufficient information about this stock.
NC	Not Covered	This stock is not currently in the Schwab Equity Rating International universe or is prohibited from coverage for regulatory or other reasons.

Important

International investments involve additional risks, which include differences in financial accounting standards, currency fluctuations, political instability, foreign taxes and regulations, and the potential for illiquid markets.

Investing in emerging markets may accentuate these risks.

Additional Information

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