Toyota Motor

¥3,338
As of Sun 8 Nov 2026, 12:00 UTC

TSE:7203	Consumer Disc
Auto Manufacturers	
Country	Japan
Beta (5Y)	0.38
PE (Fwd)	9.481
PE TTM	9.146
TSR 10Y CAGR	13.99%
TSR TTM	9.80%
Div yield	2.85%
Mkt cap	¥39.17T
ROE	11.51%
ROIC	12.23%

SE Grade™	★☆☆
Value	★★★
Quality	★★☆
Moat	★☆☆

Consensus	Reference
¥4,034	¥6,577
20.84%	97.03%

Buy 10|5|4|0|0



3Q26	4Q26	1Q27	2Q27
Earnings per share ¥			
96.48	62.70	120.69	64.28
(42.32%)	23.24%	86.95%	(10.11%)
Revenue ¥B			
13,457	12,597	13,525	13,437
8.60%	1.89%	10.38%	8.56%
Next earnings 5 Nov			

TTM	FYE 31 Mar JPY	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027E	Trend	5Y	10Y	Peers
53,017	Revenue ¥B	27,597	29,380	30,226	29,867	27,215	31,380	37,154	45,095	48,037	50,685	54,217		13.24%	6.99%	97
7.35	*Revenue growth %*	–	6.46	2.88	(1.19)	(8.88)	15.30	18.40	21.37	6.52	5.51	6.97		15.30	6.46	43
16.93	*Gross margin %*	17.62	18.69	18.01	18.02	17.76	19.03	16.98	20.77	19.92	16.71	16.93		19.03	18.01	30
7.46	*Operating margin %*	7.23	8.17	8.13	8.03	8.08	9.55	7.32	11.87	9.96	7.44	7.25		9.55	8.10	63
8.13	*Net margin %*	6.60	8.45	6.18	6.82	8.25	9.08	6.60	10.97	9.92	7.59	7.08		9.08	7.92	77
9.146	P/E ratio (avg) x	10.12	7.995	10.71	9.821	9.150	9.782	11.21	7.429	8.143	10.16	10.67		9.782	9.802	73
7.179	EV/EBIT x	7.729	6.932	6.829	8.239	8.005	8.161	8.741	5.480	6.149	7.766	7.702		7.766	7.747	59
(2.05)	*FCF yield (avg) %*	0.15	3.15	0.14	(5.22)	(3.71)	0.86	(1.46)	(1.38)	(3.11)	1.43	1.16		(1.38)	(0.62)	17
(1.53)	*FCF margin %*	0.10	2.13	0.09	(3.49)	(2.80)	0.76	(1.08)	(1.13)	(2.51)	1.10	0.88		(1.08)	(0.50)	20
(0.188)	FCF / Net income x	0.015	0.252	0.015	(0.512)	(0.340)	0.084	(0.164)	(0.103)	(0.253)	0.145	0.124		(0.103)	(0.044)	15
12.23	*ROIC %*	10.37	13.38	11.65	9.93	8.38	9.98	7.79	15.15	13.39	10.30	11.19		10.30	10.33	33
11.51	*Return on equity %*	10.40	13.69	9.81	10.19	10.20	11.48	8.98	15.81	13.59	10.15	10.08		11.48	10.30	48
4.23	*Return on assets %*	3.74	4.93	3.60	3.77	3.61	4.21	3.30	5.49	5.09	3.65	3.72		4.21	3.75	33
364.95	EPS ¥	119.20	165.74	128.01	143.09	158.05	205.23	179.47	365.94	359.56	295.25	312.74		13.31%	10.60%	–
2.70	*EPS growth %*	–	39.04	(22.76)	11.78	10.46	29.85	(12.55)	103.90	(1.74)	(17.89)	5.92		(1.74)	10.46	45
3,170	Bookvalue per sh ¥	1,146	1,251	1,326	1,449	1,647	1,890	2,075	2,532	2,711	3,063	3,153		13.20%	11.54%	–
(68.45)	FCF per share ¥	1.77	41.70	1.90	(73.30)	(53.66)	17.17	(29.47)	(37.57)	(91.06)	42.84	38.64		25.68%	42.48%	–
95.00	Dividend per sh ¥	42.00	44.00	44.00	44.00	47.00	52.00	60.00	75.00	90.00	95.00	102.06		15.11%	9.49%	–
2.85	*Div yield (avg) %*	3.48	3.32	3.21	3.13	3.25	2.59	2.98	2.76	3.07	3.17	3.06		2.98	3.15	52
–	*Payout ratio %*	35.05	26.42	34.10	30.55	29.57	25.34	33.43	20.49	25.03	32.18	32.63		25.34	30.06	32
11.73	Shares (diluted) B	15.28	14.97	14.59	14.23	◇ 14.21	13.89	13.66	13.51	13.25	13.03	12.28		(1.71%)	(1.75%)	88
9.36	*Buyback yield %*	–	2.00	2.54	2.49	0.17	2.24	1.65	1.07	1.93	1.65	5.78		1.65	1.93	88
0.059	D/E ratio x	0.064	0.051	0.057	0.086	0.150	0.090	0.089	0.090	0.073	0.072	0.057		0.089	0.080	29
28,409	Enterprise value ¥B	15,415	16,635	16,781	19,767	17,592	24,449	23,776	29,332	29,427	29,291	30,284		10.73%	7.39%	97
25,645	LT debt ¥B	578.5	591.1	765.6	1,761	1,629	1,752	1,830	2,474	1,889	2,267	25,645		6.83%	16.39%	97

Peers (US$248.7B)	Cap (US$)	PE
Honda Motor Co., Ltd.	45.26B	–
Bridgestone Corporation	32.44B	12.61x
Suzuki Motor Corporati…	26.91B	8.137x
BYD Company Limited	103.8B	18.27x

Capital	TTM	5Y	10Y
Leverage x	(2.011)	(1.177)	(1.006)
EBIT/Int x	–	62.56	65.25
Own earn %	–	–	–
Sh yield %	12.21	4.82	4.83

Owners		
Insiders/Inst %	0.40	45.07
Short interest %		–
SBC / revenue %		–

Record	10Y
Profitable years	10/10
Revenue growth years	7/9
EPS growth years	5/9
Dividend streak yrs	4
Op margin range %	7–12
$1 test x	1.2
Incr. ROIC %	9

Toyota's fiscal second quarter showed sales strength not reaching the bottom line. Revenue rose 8.6% year on year, helped by foreign exchange effects and higher vehicle sales in Japan, while diluted EPS fell 10.1%. Management credited swift mitigation of Middle East and flood-related disruption, plus cost reductions with suppliers, and said price revisions and a smaller U.S. tariff hit returned North America to profitability. The shares look mispriced on that recovery: SE fair value of ¥6,577 is 97.0% above the price.

Management raised its full-year operating income forecast and kept consolidated vehicle sales unchanged. It lowered the Toyota and Lexus sales outlook and the electrified vehicle ratio, citing slower conditions in China, and held the dividend at ¥100. Analysts asked about adapting to battery EV demand in China and how North America returns to profit. One executive said "10 million units should be covered by the hybrid and other main models." Revenue growth is slowing from the prior quarter even as profit guidance moved up.

Consensus is more cautious than the raised guidance. Analysts expect FY2027 EPS growth of +5.9% on revenue growth of +7.0%, a pace below the company's recent compounding. They then look for EPS to accelerate by +12.6% in FY2028. Our own projection for FY2027 sits above consensus, though its interval is wide. The company has beaten EPS estimates in 8 of the last 8 quarters, so the higher operating income forecast could feed further upward revisions, provided China weakness and tariffs do not erode the margin gains.

Returns have improved: ROIC moved from 7.8% in FY2023 to 10.3% in FY2026, and is better on the three-year trend. Cash conversion is the weak spot. Free cash flow runs at -0.19x net income, and the FCF margin of -1.5% sits below its five-year median of -1.1%. It ranks in the bottom quarter of the 31 companies nearest in size, even though it improved over three years. Net margin holds steady at 8.1%. Share count and cash conversion are what hold Quality back.

The stock trades at 9.1 times trailing earnings, cheaper than its own ten-year median of 9.8 times. SE fair value of ¥6,577 is 97.0% above the price, and the narrow model interval gives it high confidence. The mean analyst target of ¥4,034 is 20.8% above the price, a far smaller gap than SE fair value implies. For the price to close toward fair value, results need to land near the model's base case. Operating income falling short of the raised guidance would show they are not.

The SE Score is 1 of 3. Quality earns two stars because a ROIC of 12% clears a 6.0% cost of capital comfortably and the balance sheet holds net cash, while free cash flow has lagged net income. Moat earns one star, as ROIC topped 15% in only one of ten years and the five-year average sits low among its peers. Value earns three stars, with SE fair value 97.0% above the price, but the price left the overall score where the business tier set it.

Q2 2027

Toyota Motor Corporation makes and sells passenger vehicles, minivans, commercial vehicles, battery and hybrid electric vehicles, and related parts under the Toyota and Lexus brands in Japan, North America, Europe, Asia, Central and South America, Oceania, Africa and the Middle East. It also provides retail and wholesale financing, leasing, insurance and credit cards, and operates the GAZOO.com automobile information portal.

Profit by segment	Profit	Trend	Revenue	Rel margin
Automotive	73.84%		87.47%	0.84×
Financial Services	22.65%		9.35%	2.42×

Revenue by region	Top 3 82%	Trend
Japan	34.55%	
North America	33.00%	
Asia	14.51%	

Reinvestment returns	10Y median	Trend
Retention rate	52.72%	
Return on capital	10.30%	
Spread over hurdle	3.32%	

For informational and entertainment purposes only. This is not financial advice and does not constitute a recommendation to buy, sell, or hold any security. No warranty, expressed or implied, is made regarding accuracy, completeness, or reliability of any data presented. AI may hallucinate, do your own research. Users assume all risk. Consult a qualified financial advisor before making investment decisions.