

Toyota Tsusho Corporation
Financial Highlights for the Three Months Ended June 30, 2023
[IFRS basis] (Consolidated)

July 28, 2023

Listings	Tokyo Stock Exchange (Prime), Nagoya Stock Exchange (Premier)		
Security code	8015		
URL	https://www.toyota-tsusho.com/english/		
Representative	Ichiro Kashitani, President & CEO		
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Scheduled dates:			
Submission of quarterly securities report	August 10, 2023		
Dividend payout	-		
Supplementary materials to the quarterly results	Yes		
Quarterly financial results briefings	Yes (targeted at institutional investors and analysts)		

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Revenue		Operating profit		Profit before income taxes		Profit		Profit attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Three Months ended June 30, 2023	2,540,752	7.0	113,730	11.1	132,787	10.1	97,822	12.5	92,716	23.9	243,331	19.4
June 30, 2022	2,375,630	26.9	102,334	34.7	120,612	36.9	86,936	34.8	74,834	32.0	203,794	173.7

	Basic earnings per share	Diluted earnings per share
Three Months ended June 30, 2023	yen 263.50	yen —
June 30, 2022	212.69	—

Note: “Basic earnings per share” is calculated based on “Profit attributable to owners of the parent.”

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
As of	million yen	million yen	million yen	%
June 30, 2023	6,974,437	2,264,179	2,106,961	30.2
March 31, 2023	6,377,064	2,068,529	1,914,327	30.0

2. Dividends

Record date or period	Dividend per share				
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total
	yen	yen	yen	yen	yen
Year ended March 31, 2023	—	96.00	—	106.00	202.00
Year ending March 31, 2024	—	—	—	—	—
Year ending March 31, 2024 (forecast)	—	107.00	—	107.00	214.00

Note: Dividend forecasts have been revised since the last release.

For more details on the revision to dividend forecasts, please refer to “Notice concerning Revision of Consolidated Earnings Forecast and Revision of Dividend for the fiscal year ending March 31, 2024” released today (July 28, 2023).

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentage figures represent year-on-year changes)

	Profit attributable to owners of the parent		Basic earnings per share
	million yen	%	yen
Full year	300,000	5.6	852.60

Note: Earnings forecasts have been revised since the last release.

For more details on the revision to consolidated earnings forecasts, please refer to “Notice concerning Revision of Consolidated Earnings Forecast and Revision of Dividend for the fiscal year ending March 31, 2024” released today (July 28, 2023).

***Notes**

(1) Changes affecting the consolidation status of significant subsidiaries (changes in specified subsidiary resulting in change in scope of consolidations) during the period: None

(2) Changes in accounting policy and changes in accounting estimates:

1) Changes in accounting policy required by IFRS: Yes

2) Changes other than the above 1): None

3) Changes in accounting estimates: None

Note: For details, please refer to “2. (5) (Changes in Accounting Policy) on page 12.

(3) Number of issued shares (common stock)

1) Number of issued shares at end of period (Treasury shares included):

June 30, 2023: 354,056,516 shares

March 31, 2023: 354,056,516 shares

2) Number of shares held in treasury at end of period:

June 30, 2023: 2,194,350 shares

March 31, 2023: 2,192,845 shares

3) Average number of shares outstanding during the period:

Three Months ended June 30, 2023: 351,862,986 shares

Three Months ended June 30, 2022: 351,846,434 shares

*** Quarterly review status**

This report is exempt from the quarterly review by certified public accountant or audit firm.

*** Appropriate use of earnings forecasts and other important information**

1. The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors.

2. The Company is scheduled to hold a quarterly earnings briefing for institutional investors and analysts on Friday, July 28, 2023. The presentation materials for the earnings briefing will be posted on its website promptly following the earnings announcement.

*This is an abridged translation of the original Japanese document and is provided for informational purposes only. If there are any discrepancies between this and the original, the original Japanese document prevails.

1. Consolidated Results of Operations

(1) Overview of Operating Performance

1) Business Environment

In the first three months of the fiscal year (April 1, 2023 - June 30, 2023), a glimpse into the global economy showed a moderate recovery trend. This recovery was bolstered by factors like increased demand from the resumption of economic activities after the impact of the pandemic and the alleviation of production constraints due to the recovery of semiconductor supply. Amidst indications of a temporary slowdown in global inflation, driven in part by declining prices of crude oil and energy resources, the business climate deteriorated due to prolonged monetary tightening, and the future prospects of financial markets remained uncertain. Additionally, notable developments occurred within the international community concerning relations with China and the Global South.

In the U.S., consumer spending was firm as households started to tap into their excess savings built up during the pandemic. However, the financial markets were unsettled due to domestic political turmoil caused by the issue of raising the government's debt ceiling. Additionally, persistently high interest rates led to deteriorating market conditions for residential and commercial real estate, posing a significant burden on the economy. In Europe, the corporate sector was sluggish due to prolonged inflation and ongoing monetary tightening. Nevertheless, consumer spending remained robust, supported by factors like falling energy prices. As a result, the economy managed to avoid negative growth. In China, the economy was propelled by consumer spending following the lifting of the zero-COVID policy. However, the pace of recovery in terms of exports and production slowed, and concerns persisted regarding the worsening unemployment rate among the young and the weak real estate market. In emerging market economies, economic growth slowed down due to steeply rising interest rates and weak external demand.

In this environment, the Japanese economy showed encouraging signs of improvement. These included the realization of the highest wage increase in 30 years during the spring labor offensive, a pickup in foreign tourist arrivals, and stock price indexes reaching a 33-year highs due to robust corporate earnings. However, there were also concerns stemming from high consumer prices and uncertainties surrounding future monetary easing policies.

2) Business Activities by Segment

Automotive division was renamed Mobility division on April 1, 2023.

(I) Metals

In December 2022, we made the strategic decision to underwrite a third-party allocation of new shares by Sama Aluminium CO, Ltd., a prominent manufacturer of aluminum foil used in current collectors for lithium-ion batteries. This move aims to prepare for the anticipated surge in demand due to the accelerating adoption of electric vehicles. We completed the underwriting at the end of January 2023. Discussions are underway regarding the establishment of a robust global supply chain for aluminum current-collecting foil used in batteries. By supporting the battery manufacturing industry, which is pivotal to the widespread adoption of electric vehicles, we are steadfastly contributing to the achievement of carbon neutrality.

(II) Global Parts & Logistics

In November 2022, we joined forces with WILLPORT Co., Ltd. and Pioneer Corporation to introduce an efficient last-mile delivery planning service. The primary objective is to enhance process efficiency and reduce labor costs in the delivery process. Beyond easing the workload for delivery service providers and fostering e-commerce growth, this service also plays a crucial role in alleviating traffic congestion and lowering the occurrence of traffic accidents.

(III) Mobility

In February 2023, we acquired additional stock of Carpaydiem Co., Ltd. to actively promote partnership with the company and facilitate online export sales of used cars. Focusing on the used car market, particularly in Africa, where future demand is projected to rise significantly, our aim is to deliver safe and reliable car lifestyles to customers worldwide. Through this endeavor, we strive to contribute to the achievement of a mobility society that is both safe and comfortable for all.

(IV) Machinery, Energy & Projects

In order to further expand our renewable energy business, in April 2023 we acquired 85% of the shares of SB Energy Corporation from SoftBank Group Corp. and made it a subsidiary with the change of its name to Terras Energy Corporation. Utilizing this company's state-of-the-art renewable energy technologies, we are committed to fostering carbon neutrality by spearheading new business ventures and accelerating the advancement of renewable energy technologies.

(V) Chemicals & Electronics

In June 2023, Toyota Tsusho and Toyota Motor North America, Inc. jointly revealed an additional investment of US\$210 million in Toyota Battery Manufacturing, North Carolina. This cutting-edge automotive battery production facility is currently under construction. Its primary objective is to manufacture and supply lithium-ion batteries essential for electric vehicles, meeting the surging demand while actively contributing to the pursuit of carbon neutrality.

(VI) Food & Consumer Services

In April 2023, we unveiled PATCHWORKS™, an innovative project dedicated to fostering the circular economy within the textile and fashion industry. Our ultimate vision is to create a future where all discarded clothing can be reborn as new garments by 2050. To achieve this goal, our initial focus lies in establishing “fiber to fiber” recycling, a process that involves collecting and recycling used clothing made of polyester, cotton, nylon, and other materials. Collaborating closely with partner companies, we are committed to advancing the development of easily recyclable fiber materials and products. Together, we will forge ahead in building a robust circular economy system centered on sustainable and easily recyclable textile materials and products.

(VII) Africa

In March 2023, the Company was commissioned by the Nigerian Ministry of Power to undertake a project for expanding the Apapa Road Substation. Construction of the substation which supplies power to Lagos State, is slated for completion in September 2025. The project’s primary objectives are to bolster power stability and lay the groundwork for robust economic growth in Lagos, the economic hub of Nigeria. Our commitment extends further as we strive to create an improved environment for Africa’s upcoming generations by focusing on essential infrastructure development, including energy, ports, and water systems.

3) Operating Results

The Toyota Tsusho Group’s consolidated revenue for the three months ended June 30, 2023 increased 165.1 billion yen (7.0%) year on year to 2,540.7 billion yen, mainly due to growth in automotive sales volume and an increase in trading volume of automobile production-related products, despite a decline in metal market prices and falling electricity prices in Europe.

Consolidated operating profit increased 11.4 billion yen (11.1%) year on year to 113.7 billion yen due to an increase in gross profit, which offset higher selling, general and administrative expenses. Profit for the period (attributable to owners of the parent) increased 17.9 billion yen (23.9%) year on year to 92.7 billion yen, largely due to an increase in operating profit, despite a decrease in the share of profit (loss) of investments accounted for using the equity method due to falling electricity prices in Europe and deterioration in interest expenses.

Segment Information

(I) Metals

Profit for the period (attributable to owners of the parent) decreased 2.4 billion yen (11.0%) year on year to 19.2 billion yen, largely due to falling market prices, despite an increase in trading volume of automobile production-related products.

(II) Global Parts & Logistics

Profit for the period (attributable to owners of the parent) increased 3.7 billion yen (46.5%) year on year to 11.7 billion yen, largely due to an increase in trading volume of automotive parts mainly in Japan and North America.

(III) Mobility

Profit for the period (attributable to owners of the parent) increased 1.8 billion yen (14.9%) year on year to 14.1 billion yen, largely due to an increase in sales volume handled by overseas automotive dealerships mainly in Europe.

(IV) Machinery, Energy & Projects

Profit for the period (attributable to owners of the parent) decreased 2.1 billion yen (20.8%) year on year to 7.9 billion yen, largely due to falling electricity prices in Europe.

(V) Chemicals & Electronics

Profit for the period (attributable to owners of the parent) increased 2.2 billion yen (17.3%) year on year to 14.5 billion yen, largely due to an increase in trading volume of automobile production-related products in the electronics business and automotive materials business.

(VI) Food & Consumer Services

Profit for the period (attributable to owners of the parent) increased 3.4 billion yen year on year to 3.6 billion yen, largely due to the falling transportation costs in the South American food business.

(VII) Africa

Profit for the period (attributable to owners of the parent) increased 9.4 billion yen (118.7%) year on year to 17.2 billion yen, largely due to an increase in sales volume handled by automotive dealerships, especially in the West African region.

(2) Consolidated Financial Condition

As of June 30, 2023, consolidated assets totaled 6,974.4 billion yen, a 597.4 billion yen increase from March 31, 2023. The increase is attributable in part to a 103.4 billion yen increase in other investments and a 100.5 billion yen increase in inventories. Consolidated equity as of June 30, 2023 totaled 2,264.1 billion yen, a 195.6 billion yen increase from March 31, 2023. The increase is attributable in part to increases in exchange differences on translation of foreign operations of 72.7 billion yen and financial assets measured at FVTOCI of 65.6 billion yen, as well as an increase of 54.9 billion yen in retained earnings accruing from consolidated profit for the period (attributable to owners of the parent).

(3) Outlook for Fiscal Year Ending March 31, 2024

The consolidated earnings forecast issued on April 27, 2023 has been revised in light of performance in the first three months of the fiscal year (April 1, 2023 – June 30, 2023) and the future outlook. The forecast figure for profit attributable to owners of the parent (280 billion yen) has been revised upward by 20 billion yen (7.1%) to 300 billion yen.

2. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Unit: Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and cash equivalents	771,613	821,908
Trade and other receivables	1,730,426	1,794,338
Other financial assets	125,913	145,754
Inventories	1,227,393	1,327,845
Other current assets	213,408	244,962
Total current assets	4,068,756	4,334,808
Non-current assets		
Investments accounted for using the equity method	299,378	345,805
Other investments	623,951	727,329
Trade and other receivables	42,598	49,789
Other financial assets	49,625	63,200
Property, plant and equipment	1,004,064	1,073,698
Intangible assets	184,001	265,185
Investment property	17,303	17,177
Deferred tax assets	36,835	45,979
Other non-current assets	50,549	51,462
Total non-current assets	2,308,308	2,639,628
Total assets	6,377,064	6,974,437

(Unit: Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	1,636,877	1,724,878
Bonds and borrowings	746,668	851,296
Other financial liabilities	24,146	46,526
Income taxes payable	49,129	51,151
Provisions	8,080	8,142
Other current liabilities	211,873	236,485
Total current liabilities	2,676,775	2,918,480
Non-current liabilities:		
Bonds and borrowings	1,275,032	1,366,658
Trade and other payables	97,642	113,844
Other financial liabilities	8,214	10,407
Retirement benefits liabilities	46,152	48,232
Provisions	57,586	66,271
Deferred tax liabilities	121,068	159,321
Other non-current liabilities	26,061	27,041
Total non-current liabilities	1,631,759	1,791,776
Total liabilities	4,308,535	4,710,257
Equity		
Share capital	64,936	64,936
Capital surplus	43,812	43,773
Treasury shares	(3,750)	(3,760)
Other components of equity	282,714	420,458
Retained earnings	1,526,615	1,581,553
Total equity attributable to owners of the parent	1,914,327	2,106,961
Non-controlling interests	154,201	157,218
Total equity	2,068,529	2,264,179
Total liabilities and equity	6,377,064	6,974,437

(2) Consolidated Statements of Profit or Loss and Comprehensive Income**Consolidated Statements of Profit or Loss**

(Unit: Millions of yen)

	Three Months ended June 30, 2022	Three Months ended June 30, 2023
Revenue		
Sales of goods	2,329,126	2,487,955
Sales of services and others	46,504	52,797
Total revenue	2,375,630	2,540,752
Cost of sales	(2,136,548)	(2,283,661)
Gross profit	239,081	257,090
Selling, general and administrative expenses	(126,085)	(140,488)
Other income (expenses)		
Gain (loss) on sale and disposals of non-current assets, net	242	508
Other, net	(10,905)	(3,378)
Total other income (expenses)	(10,662)	(2,870)
Operating profit	102,334	113,730
Finance income (costs)		
Interest income	3,521	7,729
Interest expenses	(8,569)	(13,815)
Dividend income	12,186	15,114
Other, net	189	464
Total finance income (costs)	7,328	9,492
Share of profit (loss) of investments accounted for using the equity method	10,949	9,564
Profit before income taxes	120,612	132,787
Income tax expense	(33,675)	(34,965)
Profit for the period	86,936	97,822
Profit for the period attributable to:		
Owners of the parent	74,834	92,716
Non-controlling interests	12,101	5,105
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	212.69	263.50
Diluted earnings per share (yen)	—	—

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Three Months ended June 30, 2022	Three Months ended June 30, 2023
Profit for the period	86,936	97,822
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	116	23
Financial assets measured at fair value through other comprehensive income	15,858	64,788
Share of other comprehensive income of investments accounted for using the equity method	(526)	586
Items that may be reclassified to profit or loss:		
Cash flow hedges	5,510	(197)
Exchange differences on translation of foreign operations	87,175	77,025
Share of other comprehensive income of investments accounted for using the equity method	8,724	3,282
Other comprehensive income for the period, net of tax	116,858	145,509
Total comprehensive income for the period	203,794	243,331
Total comprehensive income for the period attributable to:		
Owners of the parent	176,747	230,376
Non-controlling interests	27,047	12,954

(3) Consolidated Statements of Changes in Equity

Three Months ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(Unit: Millions of yen)

	Total equity attributable to owners of the parent							
	Share capital	Capital surplus	Treasury shares	Other components of equity				Total
				Remeasurements of defined benefit pension plans	Financial assets measured at FVTOCI*	Cash flow hedges	Exchange differences on translation of foreign operations	
Balance at the beginning of the period	64,936	156,047	(3,769)	—	280,549	2,084	(65,190)	217,444
Profit for the period								
Other comprehensive income								
Remeasurements of defined benefit pension plans				70				70
Financial assets measured at FVTOCI*					15,533			15,533
Cash flow hedges						3,943		3,943
Exchange differences on translation of foreign operations							82,365	82,365
Total comprehensive income for the period	—	—	—	70	15,533	3,943	82,365	101,912
Dividends								
Acquisition (disposal) of treasury shares			(2)					
Acquisition (disposal) of non-controlling interests								
Reclassification to retained earnings				(70)	928			858
Other								
Total transactions with owners	—	—	(2)	(70)	928	—	—	858
Balance at the end of the period	64,936	156,047	(3,771)	—	297,011	6,027	17,175	320,214

	Total equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at the beginning of the period	1,300,352	1,735,011	207,848	1,942,860
Profit for the period	74,834	74,834	12,101	86,936
Other comprehensive income				
Remeasurements of defined benefit pension plans		70	(1)	68
Financial assets measured at FVTOCI*		15,533	(153)	15,379
Cash flow hedges		3,943	2,740	6,683
Exchange differences on translation of foreign operations		82,365	12,360	94,726
Total comprehensive income for the period	74,834	176,747	27,047	203,794
Dividends	(31,685)	(31,685)	(9,836)	(41,522)
Acquisition (disposal) of treasury shares		(2)		(2)
Acquisition (disposal) of non-controlling interests			408	408
Reclassification to retained earnings	(858)	—		—
Other			(315)	(315)
Total transactions with owners	(32,543)	(31,687)	(9,743)	(41,431)
Balance at the end of the period	1,342,643	1,880,070	225,151	2,105,222

* "Financial assets measured at FVTOCI" represents "Financial assets measured at fair value through other comprehensive income."

Three Months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Unit: Millions of yen)

	Total equity attributable to owners of the parent							
	Share capital	Capital surplus	Treasury shares	Other components of equity				
				Remeasurements of defined benefit pension plans	Financial assets measured at FVTOCI*	Cash flow hedges	Exchange differences on translation of foreign operations	Total
Balance at the beginning of the period	64,936	43,812	(3,750)	—	276,191	17,135	(10,613)	282,714
Profit for the period								
Other comprehensive income								
Remeasurements of defined benefit pension plans				86				86
Financial assets measured at FVTOCI*					65,391			65,391
Cash flow hedges						(599)		(599)
Exchange differences on translation of foreign operations							72,780	72,780
Total comprehensive income for the period	—	—	—	86	65,391	(599)	72,780	137,659
Dividends								
Acquisition (disposal) of treasury shares			(9)					
Acquisition (disposal) of non-controlling interests		(34)						
Reclassification to retained earnings				(86)	171			84
Other		(4)						
Total transactions with owners	—	(39)	(9)	(86)	171	—	—	84
Balance at the end of the period	64,936	43,773	(3,760)	—	341,754	16,536	62,166	420,458

	Total equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at the beginning of the period	1,526,615	1,914,327	154,201	2,068,529
Profit for the period	92,716	92,716	5,105	97,822
Other comprehensive income				
Remeasurements of defined benefit pension plans		86	0	86
Financial assets measured at FVTOCI*		65,391	(80)	65,311
Cash flow hedges		(599)	(204)	(803)
Exchange differences on translation of foreign operations		72,780	8,133	80,914
Total comprehensive income for the period	92,716	230,376	12,954	243,331
Dividends	(37,320)	(37,320)	(8,639)	(45,960)
Acquisition (disposal) of treasury shares		(9)		(9)
Acquisition (disposal) of non-controlling interests		(34)	438	403
Reclassification to retained earnings	(84)	—		—
Other	(373)	(378)	(1,736)	(2,114)
Total transactions with owners	(37,778)	(37,742)	(9,938)	(47,680)
Balance at the end of the period	1,581,553	2,106,961	157,218	2,264,179

* "Financial assets measured at FVTOCI" represents "Financial assets measured at fair value through other comprehensive income."

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Three Months ended June 30, 2022	Three Months ended June 30, 2023
Cash flows from operating activities		
Profit before income taxes	120,612	132,787
Depreciation and amortization	30,686	32,356
Finance costs (income)	(7,328)	(9,492)
Share of (profit) loss of investments accounted for using the equity method	(10,949)	(9,564)
(Gain) loss on sale and disposals of non-current assets, net	(242)	(508)
(Increase) decrease in trade and other receivables	90,471	8,739
(Increase) decrease in inventories	(105,644)	(32,288)
Increase (decrease) in trade and other payables	(75,683)	(5,692)
Other	1,960	1,432
Subtotal	43,881	117,770
Interest received	2,983	6,560
Dividends received	17,682	20,191
Interest paid	(5,628)	(11,155)
Income taxes paid	(31,986)	(41,163)
Net cash provided by operating activities	26,932	92,202
Cash flows from investing activities		
(Increase) decrease in time deposits	10,025	957
Purchase of property, plant and equipment	(37,597)	(44,460)
Proceeds from sale of property, plant and equipment	1,567	4,409
Purchase of intangible assets	(3,637)	(4,826)
Proceeds from sale of intangible assets	13	152
Purchase of investment property	(9)	—
Proceeds from sale of investment property	—	114
Purchase of investments	(1,879)	(3,043)
Proceeds from sale of investments	18	1,401
Proceeds from (payment for) acquisition of subsidiary	(5,779)	(92,071)
Proceeds from (payment for) sale of subsidiary	—	(94)
Payments of loans receivable	(2,008)	(649)
Collection of loans receivable	1,201	2,570
Subsidy income	8,889	6,021
Other	805	(78)
Net cash used in investing activities	(28,389)	(129,596)

(Unit: Millions of yen)

	Three Months ended June 30, 2022	Three Months ended June 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	142,231	21,138
Proceeds from long-term borrowings	10,923	66,424
Repayment of long-term borrowings	(58,670)	(17,471)
Proceeds from issuance of bonds	—	40,000
Purchase of treasury shares	(4)	(9)
Dividends paid	(31,685)	(37,320)
Dividends paid to non-controlling interests	(9,836)	(8,639)
Proceeds from non-controlling interests	177	24
Payments for acquisition of subsidiaries' interest from non-controlling interests	0	(1,599)
Other	(9,185)	(7,542)
Net cash provided by (used in) financing activities	43,950	55,003
Net increase (decrease) in cash and cash equivalents	42,492	17,610
Cash and cash equivalents at the beginning of the year	653,013	771,613
Effect of exchange rate changes on cash and cash equivalents	35,964	32,684
Cash and cash equivalents at the end of the period	731,471	821,908

(5) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Changes in Accounting Policy)

(Income taxes)

The Group has applied “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” (Amendments to IAS 12) from the first quarter of the current fiscal year.

The adoption of new standards has no significant impact on the consolidated financial statements for the previous and current fiscal years.

(Segment Information)

Revenue, Profit/loss and Assets by Reportable Segment

Three Months ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(Unit: Millions of yen)

	Reportable segment					
	Metals	Global Parts & Logistics	Mobility	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services
Revenue						
External	662,533	272,823	203,658	202,777	505,044	217,471
Inter-segment	1,063	8,745	377	1,343	1,197	107
Total	663,597	281,569	204,036	204,121	506,242	217,578
Gross profit	45,565	24,793	31,301	27,050	40,221	12,459
Profit for the period attributable to owners of the parent	21,674	8,052	12,329	10,096	12,384	215
Segment assets	1,536,053	607,840	405,248	970,870	983,892	440,157

	Reportable segment		Other *1	Adjustments *2	Consolidated
	Africa	Total			
Revenue					
External	310,111	2,374,420	1,209	—	2,375,630
Inter-segment	31	12,867	843	(13,710)	—
Total	310,142	2,387,287	2,053	(13,710)	2,375,630
Gross profit	59,095	240,488	(133)	(1,272)	239,081
Profit for the period attributable to owners of the parent	7,889	72,642	2,416	(224)	74,834
Segment assets	785,312	5,729,376	1,231,003	(395,468)	6,564,911

- Notes:
1. “Other” comprises businesses that are not included in reportable segments including functional services which provide operation support to the whole Group. In addition, this column includes profit/loss that is not classified into a specific reportable segment.
 2. Figures in “Adjustments” largely represent the amounts of inter-segment transactions.
 3. Prices in inter-segment transactions are decided based on negotiation on an individual basis.
 4. External revenue of the Africa segment comprises revenues from contracts with customers mainly in the mobility business (distribution and sales of vehicles and industrial machinery, and other related activities), followed by the healthcare business (manufacturing and wholesaling of pharmaceuticals, and other related activities). Each product and service in the Africa segment is managed and controlled independently from similar products and businesses in other reportable segments.
 5. Automotive division was renamed Mobility division on April 1, 2023.

Three Months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(Unit: Millions of yen)

	Reportable segment					
	Metals	Global Parts & Logistics	Mobility	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services
Revenue						
External	710,342	302,249	238,434	183,802	503,575	224,198
Inter-segment	1,239	8,846	1,962	564	1,725	445
Total	711,582	311,095	240,397	184,367	505,300	224,643
Gross profit	39,703	27,264	37,976	24,969	42,132	15,512
Profit for the period attributable to owners of the parent	19,290	11,794	14,169	7,994	14,524	3,601
Segment assets	1,477,218	599,501	465,971	1,209,901	957,330	388,719

	Reportable segment		Other *1	Adjustments *2	Consolidated
	Africa	Total			
Revenue					
External	376,039	2,538,642	2,109	—	2,540,752
Inter-segment	21	14,805	1,049	(15,855)	—
Total	376,060	2,553,448	3,159	(15,855)	2,540,752
Gross profit	70,981	258,540	178	(1,628)	257,090
Profit for the period attributable to owners of the parent	17,258	88,633	4,091	(7)	92,716
Segment assets	960,672	6,059,314	1,344,789	(429,667)	6,974,437

- Notes:
1. "Other" comprises businesses that are not included in reportable segments including functional services which provide operation support to the whole Group. In addition, this column includes profit/loss that is not classified into a specific reportable segment.
 2. Figures in "Adjustments" largely represent the amounts of inter-segment transactions.
 3. Prices in inter-segment transactions are decided based on negotiation on an individual basis.
 4. External revenue of the Africa segment comprises revenues from contracts with customers mainly in the mobility business (distribution and sales of vehicles and industrial machinery, and other related activities), followed by the healthcare business (manufacturing and wholesaling of pharmaceuticals, and other related activities). Each product and service in the Africa segment is managed and controlled independently from similar products and businesses in other reportable segments.
 5. Automotive division was renamed Mobility division on April 1, 2023.

Outline of Consolidated Results for the Three Months Ended June 30, 2023 (IFRS)

July 28, 2023
Toyota Tsusho Corporation
(Unit: Billion yen)

Consolidated Operating Results	Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on-year change	
			Amount	%
Revenue	2,375.6	2,540.7	+165.1	+7.0%
Gross profit	239.0	257.0	+18.0	+7.5%
SG&A expenses	(126.0)	(140.4)	(14.4)	—
Other income (expenses)	(10.6)	(2.8)	+7.8	—
Operating profit	102.3	113.7	+11.4	+11.1%
Interest income (expenses)	(5.0)	(6.0)	(1.0)	—
Dividend income	12.1	15.1	+3.0	—
Other finance income (costs)	0.1	0.4	+0.3	—
Share of profit (loss) of investments accounted for using the equity method	10.9	9.5	(1.4)	—
Profit before income taxes	120.6	132.7	+12.1	+10.1%
Income tax expense	(33.6)	(34.9)	(1.3)	—
Profit for the year	86.9	97.8	+10.9	+12.5%
Profit attributable to owners of the parent	74.8	92.7	+17.9	+23.9%
Total comprehensive income (attributable to owners of the parent)	176.7	230.3	+53.6	+30.3%

Main factors behind year-on-year changes

[Gross profit] +18.0 billion yen
Increased largely due to growth in automotive sales volume and an increase in trading volume of automobile production-related products, despite a decline in metal market prices and falling electricity prices in Europe.

[Operating profit] +11.4 billion yen
Increased largely due to an increase in gross profit, which offset higher selling, general and administrative expenses.

[Profit attributable to owners of the parent] +17.9 billion yen
Increased largely due to an increase in operating profit, despite a decrease in the share of profit (loss) of investments accounted for using the equity method due to falling electricity prices in Europe and deterioration in interest expenses.

Consolidated Financial Position	As of March 31, 2023	As of June 30, 2023	Change over the end of the previous fiscal year	
			Amount	%
Total assets	6,377.0	6,974.4	+597.4	+9.4%
(Current assets)	4,068.7	4,334.8	+266.1	+6.5%
(Non-current assets)	2,308.3	2,639.6	+331.3	+14.4%
Total equity	2,068.5	2,264.1	+195.6	+9.5%
Net interest-bearing debt	1,298.3	1,457.6	+159.3	+12.3%
Debt-equity ratio (times)	0.7	0.7	+0.0	

Main factors behind year-on-year changes

[Current assets] +266.1 billion yen
· Inventories +100.5 billion yen
· Trade and other receivables +63.9 billion yen
· Cash and cash equivalents +50.3 billion yen

[Non-current assets] +331.3 billion yen
· Other investments +103.4 billion yen
· Intangible assets +81.1 billion yen
· Property, plant and equipment +69.6 billion yen

[Total equity] +195.6 billion yen
· Exchange differences on translation

Consolidated Cash Flow Position	Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on-year change
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1. Cash flows from operating activities	26.9	92.2	+65.3
2. Cash flows from investing activities	(28.3)	(129.5)	(101.2)
1-2: Free cash flow	(1.4)	(37.3)	(35.9)
Cash flows from financing activities	43.9	55.0	+11.1

Main factors behind year-on-year changes

[Cash flows from operating activities]
Profit before income taxes

[Cash flows from investing activities]
Payments for acquisition of subsidiaries

[Cash flows from financing activities]
Increase in borrowings

Divisions	Three months ended June 30, 2022	Three months ended June 30, 2023	Year-on-year change	
			Amount	%
Metals	45.5	39.7	(5.8)	(12.9)%
Global Parts & Logistics	24.7	27.2	+2.5	+10.0%
Mobility*	31.3	37.9	+6.6	+21.3%
Machinery, Energy & Project	27.0	24.9	(2.1)	(7.7)%
Chemicals & Electronics	40.2	42.1	+1.9	+4.7%
Food & Consumer Services	12.4	15.5	+3.1	+24.5%
Africa	59.0	70.9	+11.9	+20.1%
Total	239.0	257.0	+18.0	+7.5%

Main factors behind year-on-year changes in profit attributable to owners of the parent

Decreased largely due to falling market prices, despite an increase in trading volume of automobile production-related products.

Increased largely due to an increase in trading volume of automotive parts mainly in Japan and North America.

Increased largely due to an increase in sales volume handled by overseas automotive dealerships mainly in Europe.

Decreased largely due to falling electricity prices in Europe.

Increased largely due to an increase in trading volume of automobile production-related products in the electronics business and automotive materials business.

Increased largely due to the falling transportation costs in the South American food business.

Increased largely due to an increase in sales volume handled by automotive dealerships, especially in the West African region.

*Automotive division was renamed Mobility division on April 1, 2023.

Consolidated Financial Results Forecasts	Year ended March 31, 2023 (results)	Year ending March 31, 2024 (revised forecast)	Year-on-year change		(reference) Previous forecast for year ending March 31, 2024
			Amount	%	

Divisions	Metals	157.2	154.0	(3.2)	(2.1)%	140.0	
	Global Parts & Logistics	110.7	110.0	(0.7)	(0.7)%	110.0	
	*Mobility	136.7	140.0	+3.3	+2.4%	132.0	
	Machinery, Energy & Project	102.6	95.0	(7.6)	(7.4)%	95.0	
	Chemicals & Electronics	164.0	166.0	+2.0	+1.2%	166.0	
	Food & Consumer Services	47.4	61.0	+13.6	+28.6%	55.0	
	Africa	254.8	277.0	+22.2	+8.7%	252.0	
	Corporate	Gross profit	968.8	1,000.0	+31.2	+3.2%	950.0
	Operating profit	388.7	430.0	+41.3	+10.6%	400.0	
	Profit before income taxes	427.1	450.0	+22.9	+5.4%	420.0	
Profit for the year	314.7	330.0	+15.3	+4.8%	305.0		
Profit attributable to owners of the parent	284.1	300.0	+15.9	+5.6%	280.0		

*Automotive division was renamed Mobility division on April 1, 2023.

Dividend Per Share	Year ended March 31, 2023	(Revised forecast) Year ending March 31, 2024	(Previous forecast) Year ending March 31, 2024
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Interim	96 yen	107 yen (forecast)	102 yen (forecast)
Full year	202 yen	214 yen (forecast)	204 yen (forecast)
Payout ratio (consolidated)	25.0%	25.1% (forecast)	25.6% (forecast)

Exchange Rate Assumptions	Year ended March 31, 2023	(Revised forecast) Year ending March 31, 2024	(reference) Previous forecast for year ending Mar. 31, 2024
Yen / US dollar	135	135	125
Yen / Euro	141	145	135

Changes in Major Indexes	Three months ended June 30, 2022	Three months ended June 30, 2023
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Exchange rate	Yen / US dollar	Average during the year End of the period	130	137
	Yen / Euro	Average during the year End of the period	(134)	145
Interest rate	Yen TIBOR 3M average		138	149
	US dollar SOFR 3M average*		(146)	158
Dubai oil (US dollars / bbl.)			0.07%	0.07%
Corn futures (cents / bushel)			1.32%	5.13%
			108	74
			778	626

*The interest rate index was changed from U.S. dollar LIBOR to U.S. dollar SOFR in the period under review.