

FOR IMMEDIATE RELEASE

Toyota Tsusho Corporation Reports Earnings for the Year Ended March 31, 2011

Nagoya, Japan; April 28, 2011—Toyota Tsusho Corporation (TSE: 8015) reported net sales of 5,743.649 billion yen and net income of 47.169 billion yen, or 134.78 yen per share, for the fiscal year ended March 31, 2011.

Consolidated Results of Operations

In the fiscal year ended March 31, 2011, the global economy remained in a gradual recovery driven chiefly by emerging market economies. China and other emerging market economies achieved solid growth fueled mainly by domestic demand. The US and Europe saw a pickup in economic growth in response to policy stimulus and export growth despite lingering deflation concerns and stubbornly high unemployment. However, natural resources rose sharply in price in response to demand growth in emerging market economies and renewed monetary accommodation in the US, giving rise to inflation concerns and social unrest in emerging market economies. Against such a backdrop, the Japanese economy regained growth momentum in the wake of overseas economic recovery, but the domestic economic environment deteriorated severely near fiscal year-end as a result of a sharp rise in crude oil prices in response to escalating tensions in the Middle East from February and a downturn in industrial production due to damage from March's catastrophic earthquake in eastern Japan and ensuing power shortages.

Amid such an environment, the Toyota Tsusho Group's consolidated net sales grew 641.4 billion yen (12.6%) year on year to 5,743.6 billion yen in the fiscal year ended March 31, 2011. Such sales growth helped boost consolidated operating income to 85.297 billion yen from 55.591 billion yen in the previous fiscal year, an increase of 29.706 billion yen (53.4%). Consolidated ordinary income totaled 104.218 billion yen, up 36.839 billion yen (54.7%) from 67.379 billion yen in the previous fiscal year. Consolidated net income after taxes was 47.169 billion yen, a 19.830 billion yen (72.5%) increase from 27.339 billion yen in the previous fiscal year.

Segment Information

Metals

Net sales increased 100.8 billion yen (6.6%) from the previous fiscal year to 1,630.8 billion yen, largely as a result of growth in automotive-related sales in Australasia and China.

In the steel business, the Group acquired equity stakes in steel pipe manufacturers in India and Vietnam to better meet rapidly growing auto-making and infrastructure demand in emerging market economies. The nonferrous metals business proceeded with construction of a rare earth production plant in India to secure rare earth supplies.

Machinery & Electronics

Net sales totaled 1,478.6 billion yen, up 315.4 billion yen (27.1%) from the previous fiscal year.

In the machinery business, the Group consolidated a number of subsidiaries into two companies—Toyotsu Techno Corporation, a manufacturer, and Toyotsu Machinery Corporation, a sales and service company—to strengthen its sales force and technical capabilities. Meanwhile, the machinery business increased its construction machinery sales, mainly in China. In the information and electronics business, car electronics sales recovered and sales of semiconductors for digital home electronics and communication hardware also grew briskly. The overseas automotive parts business likewise achieved sales growth, mainly in China and other Asian markets.

Automotive

Net sales increased 96.1 billion yen (16.4%) from the previous fiscal year to 682.5 billion yen, lifted by growth in vehicle sales in Russia, China, and elsewhere.

The Automotive segment solidified the foundation of its downstream operations by expanding its sales networks and facilities, mainly in Russia, China and other emerging market economies in Asia and Africa. It also endeavored to improve the sales capabilities and operating efficiency of existing sales subsidiaries and dealerships throughout the world.

Energy & Chemicals

Net sales totaled 1,309.3 billion yen, up 189.0 billion yen (16.9%) from the previous fiscal year by virtue of higher crude oil prices and growth in sales of chemicals and synthetic resins.

In the resource and energy business, the Group booked multiple orders for Iraqi energy infrastructure projects financed by yen loans from the Japanese government's Iraq reconstruction assistance program. The Group also embarked on a natural gas project in Australia and an electric power project in North America. The chemical and synthetic resin business entered into a long-term agreement to purchase sugarcane-derived bioethanol from a state-owned Brazilian oil company. Meanwhile, it also built a global supply chain for its bio-PET operations.

Produce & Foodstuffs

Net sales totaled 291.0 billion yen, down 15.9 billion yen (5.2%) from the previous fiscal year largely as a result of a falloff in grain and livestock feed sales.

In the grain business, the Group entered into an operational alliance agreement with a Thai sugar refiner to build a consistent-quality sugar supply chain. In the food business, the Group acquired an equity stake in a frozen foods manufacturer in Hokkaido in the aim of securing safe food supplies. The Group also took steps to build a complete bluefin tuna culture business by forming a technical alliance with Kinki University and establishing an intermediate larva breeding company.

Consumer Products, Services & Materials

Net sales grew 44.9 billion yen (15.1%) from the previous fiscal year to 342.4 billion yen, largely reflecting growth in sales of textile products.

In the automotive materials business, TB Kawashima, Co., Ltd., a manufacturer of vehicle interior materials, commenced operations in earnest from July. In the textile

business, the Group entered into an agreement to establish a new company to operate e-commerce sites in China. In the insurance business, the Group increased its equity stake in MSIG Malaysia, a subsidiary of the Mitsui Sumitomo Insurance Group.

Outlook for Fiscal Year Ending March 31, 2012

The Group has not yet formulated a consolidated earnings forecast for the fiscal year ending March 31, 2012, because it is not yet able to reasonably estimate the impact on its operations of the major earthquake that struck eastern Japan on March 11, 2011. After thoroughly investigating the earthquake's impact on its operations and its suppliers, the Group will formulate and announce a consolidated earnings forecast once it is able to do so.

Consolidated Financial Condition

(1) Assets, Liabilities, and Net Assets

At March 31, 2011, consolidated assets totaled 2,436.2 billion yen, an increase of 161.7 billion yen from March 31, 2010. The increase was chiefly attributable to a 82.0 billion yen increase in cash and cash equivalents, 33.6 billion yen increase in property and equipment, and 32.0 billion yen increase in investment securities holdings.

Consolidated liabilities at March 31 totaled 1,768.8 billion yen, an increase of 144.5 billion yen from March 31, 2010. The increase was predominantly attributable to a 100.4 billion yen increase in interest-bearing debt and 31.9 billion yen increase in trade payables.

Consolidated net assets grew 17.1 billion yen from March 31, 2010, to 667.3 billion yen at March 31, 2011. The increase was attributable to retained earnings accretion of 45.1 billion yen, mainly from net income, offset by a negative foreign currency translation adjustment of 23.3 billion yen and 6.3 billion yen reduction in net unrealized gains on available-for-sale securities.

(2) Cash Flows

Cash and cash equivalents ("cash") totaled 252.747 billion yen at March 31, 2011, an increase of 82.033 billion yen from March 31, 2010. The increase in cash in the net result of positive cash flow from operating and financing activities and negative cash flow from investing activities.

Cash flows from operating activities

Operating activities provided net cash of 79.884 billion yen (20.333 billion yen less than in the previous fiscal year) in the fiscal year ended March 31, 2011, largely reflecting the increase in net income.

Cash flows from investing activities

Investing activities used net cash of 74.046 billion yen (a net outflow of 956 million yen more than in the previous fiscal year), mainly to acquire investment securities and property and equipment.

Cash flows from financing activities

Financing activities provided net cash of 77.751 billion yen (a 185.374 billion yen increase from the net cash used in the previous fiscal year), largely reflecting increases in debt.

Dividends

The Company's basic policy is to pay dividends linked to consolidated earnings. The Company aims to pay out 20% of consolidated net income as dividends.

In accord with this policy, the Company plans to pay a fiscal-year-end dividend of 16 yen per share in addition to the previously paid interim dividend of 12 yen per share, bringing total dividends for the fiscal year ended March 31, 2011, to 28 yen per share (a 12 yen increase from the previous fiscal year).

The Group is not yet able to reasonably forecast consolidated earnings for the fiscal year ending March 31, 2012, and its dividend forecast thus remains undecided. The Group will issue a dividend forecast as soon as it becomes possible to do so.

The Company intends to use internally retained earnings to further strengthen its operational foundation and invest in business expansion to ensure shareholder returns into the future.

To enable the Company to flexibly distribute earnings to shareholders in the future, its Articles of Incorporation authorize it to distribute retained earnings and/or additional paid-in capital to shareholders pursuant to a Board of Directors' resolution in accordance with Article 459(1) of the Companies Act. For the time being, however, the Company plans to continue paying dividends twice a year per its existing dividend schedule.

(1) Consolidated Balance Sheets

	Millions of yen	
	As of March 31, 2010	As of March 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	170,714	252,768
Trade notes and accounts receivable	886,425	898,212
Inventories	386,019	379,116
Deferred tax assets	12,640	16,592
Other current assets	103,080	134,115
Less: allowance for doubtful receivables	(4,580)	(7,860)
Total current assets	1,554,301	1,672,945
Fixed assets:		
Property and equipment:		
Buildings and structures	168,694	195,672
Less: accumulated depreciation	(68,040)	(75,012)
Buildings and structures, net	100,653	120,660
Machinery, equipment and vehicles	160,587	162,419
Less: accumulated depreciation	(107,469)	(111,068)
Machinery, equipment and vehicles, net	53,117	51,350
Land	56,954	73,140
Leased assets	22,506	23,577
Less: accumulated depreciation	(6,410)	(8,126)
Leased assets, net	16,095	15,451
Construction in progress	6,546	6,601
Other	16,718	17,569
Less: accumulated depreciation	(11,144)	(12,259)
Other, net	5,573	5,309
Total property and equipment	238,941	272,513
Intangible assets:		
Goodwill	90,202	74,985
Leased assets	1,020	743
Other	18,187	19,708
Total intangible assets	109,409	95,438
Investments and other assets:		
Investment securities	293,092	325,000
Investment in limited liability companies	33,097	31,832
Long-term loans receivables	5,061	3,690
Deferred tax assets	13,975	6,621
Prepaid pension cost	4,436	4,937
Other	43,122	44,685
Less: allowance for doubtful receivables	(20,891)	(21,417)
Total investments and other assets	371,894	395,349
Total fixed assets	720,245	763,302
Total assets	2,274,547	2,436,248

Millions of yen

	As of March 31, 2010	As of March 31, 2011
Liabilities		
Current liabilities:		
Trade notes and accounts payable	681,456	713,395
Short-term debt	257,997	283,860
Commercial paper	20,000	60,000
Current portion of bonds payable	-	30,000
Lease obligations	3,679	4,078
Income taxes payable	11,743	13,604
Deferred tax liabilities-current	762	3,729
Reserve for directors' bonuses	712	804
Allowance for disaster losses	-	1,322
Other current liabilities	158,542	164,326
Total current liabilities	1,134,895	1,275,121
Long-term liabilities:		
Bonds payable, less current portion	95,000	65,000
Long-term debt	342,141	378,003
Lease obligations	14,963	13,193
Deferred tax liabilities-non-current	7,801	5,286
Employees' retirement benefits liabilities	13,586	14,447
Directors' retirement benefits liabilities	752	697
Provision for guarantees	7	28
Provision for loss on withdrawal from business	4,155	4,718
Provision for compensation losses	2,333	1,024
Provision for losses on contracts	430	719
Other long-term liabilities	8,264	10,629
Total long-term liabilities	489,435	493,748
Total liabilities	1,624,331	1,768,869
Net assets		
Shareholders' equity:		
Common stock	64,936	64,936
Capital surplus	154,367	154,367
Retained earnings	386,084	431,126
Treasury stock	(7,144)	(7,430)
Total shareholders' equity	598,244	642,999
Accumulated other comprehensive income:		
Net unrealized gains on available-for-sales securities, net of taxes	21,105	14,849
Deferred gain (loss) on futures hedge	5,968	1,090
Foreign currency translation adjustments	(40,185)	(63,400)
Total accumulated other comprehensive income	(13,111)	(47,460)
Stock warrants	1,322	1,363
Minority interests	63,760	70,475
Total net assets	650,215	667,378
Total liabilities and net assets	2,274,547	2,436,248

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	Year ended March 31, 2010	Millions of yen Year ended March 31, 2011
Net sales	5,102,261	5,743,649
Cost of sales	4,821,470	5,412,919
Gross profit	280,790	330,730
Selling, general and administrative expenses		
Charges and fees	13,422	15,577
Traffic and traveling expenses	9,332	10,792
Communication expenses	2,945	2,995
Provision for doubtful receivables	1,043	4,785
Salaries and wages	96,117	103,206
Retirement benefit expenses	5,357	5,232
Welfare expenses	12,824	14,552
Rental expenses	15,106	15,416
Depreciation and amortization except goodwill	13,908	14,891
Taxes other than income taxes	4,086	3,756
Amortization of goodwill	14,725	15,203
Other	36,328	39,022
Total selling, general and administrative expenses	225,199	245,432
Operating income	55,591	85,297
Other income:		
Interest income	3,052	2,813
Dividend income	9,354	9,943
Equity in the earnings of unconsolidated subsidiaries and affiliates	7,364	13,636
Foreign exchange gain	3,675	4,254
Other income	9,280	8,259
Total other income	32,726	38,907
Other expenses:		
Interest expense	14,263	13,830
Other expenses	6,674	6,157
Total other expenses	20,938	19,987
Ordinary income	67,379	104,218
Extraordinary income:		
Gain on sale of property and intangible assets	804	533
Gain on trading of securities and investments	2,553	2,077
Gain on sale of golf membership	-	5
Gain on reversal of allowance for doubtful receivables	148	330
Gain on reversal of provision for loss on withdrawal from business	112	144
Gain on change in equity interest	1,372	12
Gain on reversal of stock warrants	185	395
Total extraordinary income	5,178	3,500
Extraordinary losses:		
Loss on disposal of property and intangible assets	1,032	1,366
Impairment of property and intangible assets	1,846	119
Loss on trading of securities and investments	492	139
Loss on valuation of securities and investments	2,889	1,898
Loss on sale of golf membership	0	-
Loss on valuation of golf membership	23	101

Loss on disposal of affiliates	357	9
Provision for disaster losses	-	1,392
Provision for guarantees	7	7
Provision for loss on withdrawal from businesses	779	1,510
Provision for losses on contracts	-	289
Loss on change in equity interest	664	688
Effect of adoption of new accounting standards for asset retirement obligations	-	523
Total extraordinary losses	8,092	8,046
Income before income taxes and minority interests	64,465	99,672
Income tax expenses:		
Current	23,135	28,819
Deferred	6,603	11,825
Total income tax expenses	29,739	40,645
Income before minority interests	-	59,027
Minority interests in earnings of consolidated subsidiaries and affiliates	7,386	11,857
Net income	27,339	47,169

Consolidated Statements of Comprehensive Income

	Year ended March 31, 2010	Year ended March 31, 2011
	Amount	Amount
Income before minority interests	-	59,027
Other comprehensive income	-	
Net unrealized gains on available-for-sales securities, net of taxes	-	(6,845)
Deferred gain (loss) on futures hedge	-	(4,703)
Foreign currency translation adjustments		(18,697)
Share of other comprehensive income of associates accounted for using equity method	-	(5,607)
Total other comprehensive income	-	(35,853)
Comprehensive income	-	23,173
Components:	-	
Comprehensive income attributable to owners of the parent	-	12,798
Comprehensive income attributable to minority interests	-	10,374

(3) Consolidated Statements of Changes in Net Assets

	Year ended March 31, 2010	Millions of yen Year ended March 31, 2011
Shareholders' equity		
Common stock		
Balance at end of previous year	64,936	64,936
Balance at end of year	64,936	64,936
Capital surplus		
Balance at end of previous year	154,367	154,367
Balance at end of year	154,367	154,367
Retained earnings		
Balance at end of previous year	365,130	386,084
Increase (decrease) during the term		
Cash dividends paid	(5,606)	(7,008)
Net income	27,339	47,169
Disposition of treasury stocks	(1)	(158)
Effect from change in scope of consolidated subsidiaries	(1,371)	(2,239)
Effect from change in scope of companies accounted for by the equity method	549	8,336
Other	44	(1,058)
Total increase (decrease)	20,953	45,041
Balance at end of year	386,084	431,126
Treasury stock		
Balance at end of previous year	(6,749)	(7,144)
Increase (decrease) during the term		
Purchase of treasury stocks	(404)	(771)
Disposition of treasury stocks	4	475
Other	5	9
Total increase (decrease)	(394)	(286)
Balance at end of year	(7,144)	(7,430)
Total shareholders' equity		
Balance at end of previous year	577,685	598,244
Increase (decrease) during the term		
Cash dividends paid	(5,606)	(7,008)
Net income	27,339	47,169
Purchase of treasury stocks	(404)	(771)
Disposition of treasury stocks	3	316
Effect from change in scope of consolidated subsidiaries	(1,371)	(2,239)
Effect from change in scope of companies accounted for by the equity method	549	8,336
Other	50	(1,048)
Total increase (decrease)	20,559	44,755
Balance at end of year	598,244	642,999

Accumulated other comprehensive income:		
Net unrealized gain (loss) on available-for-sale securities		
Balance at end of previous year	2,147	21,105
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	18,958	(6,255)
Total increase (decrease)	18,958	(6,255)
Balance at end of year	21,105	14,849
Deferred gain (loss) on futures hedge		
Balance at end of previous year	(2,300)	5,968
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	8,269	(4,877)
Total increase (decrease)	8,269	(4,877)
Balance at end of year	5,968	1,090
Foreign currency translation adjustments		
Balance at end of previous year	(46,613)	(40,185)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	6,427	(23,214)
Total increase (decrease)	6,427	(23,214)
Balance at end of year	(40,185)	(63,400)
Total accumulated other comprehensive income		
Balance at end of previous year	(46,766)	(13,111)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	33,654	(34,348)
Total increase (decrease)	33,654	(34,348)
Balance at end of year	(13,111)	(47,460)
Stock warrants		
Balance at end of previous year	1,089	1,322
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	233	40
Total increase (decrease)	233	40
Balance at end of year	1,322	1,363
Minority interests		
Balance at end of previous year	54,988	63,760
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	8,771	6,714
Total increase (decrease)	8,771	6,714
Balance at end of year	63,760	70,475
Total net assets		
Balance at end of previous year	586,996	650,215
Increase (decrease) during the term		
Cash dividends paid	(5,606)	(7,008)

Net income	27,339	47,169
Purchase of treasury stocks	(404)	(771)
Disposition of treasury stocks	3	316
Effect from change in scope of consolidated subsidiaries	(1,371)	(2,239)
Effect from change in scope of companies accounted for by the equity method	549	8,336
Other	50	(1,048)
Net increase (decrease) during the term, except for items under shareholders' equity	42,659	(27,592)
Total increase (decrease)	<u>63,219</u>	<u>17,162</u>
Balance at end of year	<u>650,215</u>	<u>667,378</u>

(4) Consolidated Statements of Cash Flows

	Year ended March 31, 2010	Millions of yen Year ended March 31, 2011
Cash flows from operating activities:		
Income before income taxes and minority interests	64,465	99,672
Depreciation and amortization	29,506	30,520
Amortization of goodwill	14,725	15,203
Net increase (decrease) in allowance for doubtful receivables	894	4,481
Interest and dividend income	(12,406)	(12,756)
(Increase) decrease in interest payables	14,263	13,830
Equity in (earnings) loss of unconsolidated subsidiaries and affiliates	(7,364)	(13,636)
(Increase) decrease in accounts receivable	(182,957)	(42,650)
(Increase) decrease in inventories	49,022	(28,122)
Increase (decrease) in payables	176,453	36,600
Other, net	(27,698)	(4,752)
Sub total	118,904	98,389
Interest and dividends received	18,823	21,956
Interest paid	(14,391)	(13,893)
Income taxes paid	(23,119)	(26,567)
Net cash provided by (used in) operating activities	100,217	79,884
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(0)	(1)
Payments for purchase of property and equipment	(26,058)	(23,705)
Proceeds from sale of property and equipment	3,132	3,662
Payments for purchase of intangible assets	(7,654)	(7,720)
Proceeds from sale of intangible assets	145	303
Payments for purchase of investment securities and investments	(49,126)	(46,807)
Proceeds from sale of investment securities and investments	7,279	3,876
Proceeds from sale of shares of subsidiaries excluded from the consolidation scope	79	57
Increase in loans	(8,213)	(12,114)
Collection of loans	7,546	10,626
Payment for purchase of shares of subsidiaries from minority shareholders	-	(35)
Other, net	(219)	(2,187)
Net cash provided by (used in) investing activities	(73,090)	(74,046)
Cash flows from financing activities:		
Net increase (decrease) in short-term debt	(76,366)	91,804
Proceeds from long-term debt	44,799	61,676
Repayment of long-term debt	(62,667)	(59,672)

Redemption of bonds	-	(50)
Payments to acquire treasury stock	(404)	(771)
Dividends paid	(5,606)	(7,008)
Dividends paid to minority shareholders	(3,256)	(4,270)
Proceeds from stock issuance to minority shareholders of subsidiaries	185	33
Other, net	(4,306)	(3,991)
Net cash provided by (used in) financing activities	(107,623)	77,751
Effect of exchange rate changes on cash and cash equivalents	2,215	(4,508)
Net increase (decrease) in cash and cash equivalents	(78,281)	79,080
Cash and cash equivalents at beginning of year	242,530	170,714
Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	6,464	2,951
Cash and cash equivalents at end of year	170,714	252,747

(5) Notes on the going-concern assumption

Not applicable

(6) Material changes to the basis of preparation of consolidated financial statements

Changes in accounting policies

Adoption of accounting standard related to asset retirement obligations

Effective the fiscal year ended March 31, 2011, the Company adopted the *Accounting Standard for Asset Retirement Obligations* (ASBJ Statement No. 18, March 31, 2008) and its associated *Guidance on Accounting Standard for Asset Retirement Obligations* (Guidance No. 21, March 31, 2008).

Due to the adoption, operating income and ordinary income for the fiscal year ended March 31, 2011, were each 87 million yen lower and income before income taxes and minority interests was 610 million yen lower.

Adoption of accounting standard related to equity method

Effective the fiscal year ended March 31, 2011, the company adopted the *Revised Accounting Standard for Equity Method of Accounting for Investments* (ASBJ Statement No. 16, revised March 10, 2008) and *Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method* (PITF No.24, March 10, 2008) and made some adjustments required for consolidation. The impact of this adoption was minor.

Adoption of accounting standard related to business combinations

Effective the fiscal year ended March 31, 2011, the company adopted the *Accounting Standard for Business Combinations* (ASBJ Statement No.21, December 26, 2008), the *Accounting Standard for Consolidated Financial Statements* (ASBJ Statement No.22, December 26, 2008), *Partial amendments to Accounting Standard for Research and Development Costs* (ASBJ Statement No.23, December 26, 2008), the *Revised Accounting Standard for Business Divestitures* (ASBJ Statement No.7, December 26, 2008), the *Revised Accounting Standard for Equity Method of Accounting for Investments* (ASBJ Statement No.16, revised December 26, 2008), and the *Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures* (ASBJ Guidance No.10, December 26, 2008).

The impact of this adoption was minor.

Changes in presentation methods

Consolidated statements of income

Effective the fiscal year ended March 31, 2011, the Company began using the account title “Income before minority interests” in accordance with the adoption of the *Cabinet Office Ordinance on Partial Revision of the Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements and Other Items* (Cabinet Office Ordinance No. 5, March 24, 2009) based on the *Accounting Standard for Consolidated Financial Statements* (ASBJ Statement No. 22, December 26, 2008).

Additional information

Accounting Standard for Presentation of Comprehensive Income

Effective the fiscal year ended March 31, 2011, the company adopted the *Accounting Standard for Presentation of Comprehensive Income* (ASBJ Statement, No. 25, June 30, 2010). For the fiscal year ended March 31, 2010, figures reported for “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” are figures that were reported under “Valuation and translation adjustments” and “Total valuation and translation adjustments.”

Reclassification of inventory held for sale in the ordinary course of business as inventory held for

trading

Effective the fiscal year ended March 31, 2011, the Company reclassified some nonferrous metals that were previously categorized as inventory held for sale in the ordinary course of business, moving them to inventory held for trading. This is to ensure that trading profits and losses properly reflect actual trading activities. The impact of this change was minor.

Change in holding purpose from inventories to fixed assets

During the fiscal year ended March 31, 2011, 14,124 million yen in inventories were transferred to buildings and structures, 10,993 million yen in inventories were transferred to land, 11 million yen in inventories were transferred to property and equipment, and 211 million yen in inventories were transferred to "Other" under intangible assets.

(7) Notes on Consolidated Financial Statements

Consolidated statements of comprehensive income

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

*1. Comprehensive income for the fiscal year ended March 31, 2010

	Millions of yen
Comprehensive income attributable to owners of the parent	60,999
Comprehensive income attributable to minority interests	8,075
Total	69,074

*2. Other comprehensive income for the fiscal year ended March 31, 2010

	Millions of yen
Net unrealized gains on available-for-sales securities, net of taxes	17,780
Deferred gain (loss) on futures hedge	8,464
Foreign currency translation adjustments	4,583
Share of other comprehensive income of associates accounted for using the equity method	3,520
Total	34,348

Segment information

a. Industry segments

Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

Millions of yen

	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Other	Total	Elimination/corporate	Consolidation
I. Net sales and operating income (loss)										
Net sales										
Outside customers	1,530,009	1,163,234	586,422	1,120,327	306,958	297,520	97,788	5,102,261	-	5,102,261
Inner-segment	487	8,325	22	1,482	114	2,274	8,319	21,026	(21,026)	-
Total	1,530,496	1,171,560	586,445	1,121,810	307,072	299,794	106,108	5,123,288	(21,026)	5,102,261
Cost of sales, selling, general and administrative expenses	1,506,943	1,161,734	569,372	1,119,431	302,194	302,723	105,465	5,067,865	(21,195)	5,046,670
Operating income (loss)	23,553	9,825	17,073	2,378	4,877	(2,928)	642	55,422	168	55,591
II. Assets, depreciation, impairment losses, and capital expenditure										
Total assets	548,666	455,734	197,695	381,256	125,409	174,255	479,969	2,362,987	(88,440)	2,274,547
Depreciation	7,760	7,845	4,335	8,593	5,031	2,457	8,206	44,232	-	44,232
Impairment losses	-	282	-	1,384	31	-	147	1,846	-	1,846
Capital expenditure	6,518	6,042	4,778	2,779	2,360	2,505	10,156	35,141	-	35,141

- Notes:
- Method of categorizing lines of business:
As a rule, business operations are categorized according to similarities in manufacturing processes, usage, and selling methods.
 - Effective the fiscal year ended March 31, 2010, the Company changed the method by which it translates foreign subsidiaries' revenues and expenses into Japanese yen. The Company previously used the spot rate prevailing on the account closing date, but switched to using the average exchange rate during each respective accounting period. Because of this change, compared with what they would have been under the previous accounting method, net sales for the year ended March 31, 2010, in the Metals Division were 3,177 million yen lower; in the Machinery & Electronics Division, 3,418 million yen lower; in the Automotive Division, 2,064 million yen lower; in the Energy & Chemicals Division, 2,071 million yen lower; in the Produce & Foodstuffs Division, 58 million yen lower; in the Consumer Products, Services & Materials Division, 469 million yen lower; and in the Other Division, 604 million yen lower. By the same comparison, operating income for the year ended March 31, 2010, in the Metals Division was 157 million yen lower; in the Machinery & Electronics Division, 81 million yen lower; in the Automotive Division, 91 million yen lower; in the Energy & Chemicals Division, 16 million yen lower; in the Produce & Foodstuffs Division, 6 million yen higher; in the Consumer Products, Services & Materials Division, 10 million yen lower; and in the Other Division, 17 million yen lower.

b. Geographic segments

Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

Millions of yen								
	Japan	Asia and Oceania	North America	Europe and the CIS	Other	Total	Elimination/ corporate	Consolidation
I. Net sales and operating income (loss)								
Net sales								
Outside customers	3,317,510	1,026,572	357,543	264,880	135,755	5,102,261	-	5,102,261
Inner-segment	467,677	59,397	98,681	9,342	2,456	637,555	(637,555)	-
Total	3,785,188	1,085,970	456,224	274,223	138,211	5,739,817	(637,555)	5,102,261
Cost of sales, selling, general and administrative expenses	3,776,338	1,061,481	447,746	269,043	128,969	5,683,579	(636,908)	5,046,670
Operating income	8,849	24,488	8,478	5,180	9,241	56,238	(647)	55,591
II. Assets	1,785,012	365,380	158,180	120,916	84,302	2,513,791	(239,244)	2,274,547

- Notes:
1. Geographic segmentation is based on geographic proximity.
 2. Major countries or regions except Japan in each category are as follows:
 - (1) Asia and Oceania: China, Taiwan, Singapore, and Thailand
 - (2) North America: U.S.A.
 - (3) Europe and the CIS: U.K., Belgium, and Russia
 - (4) Other: Africa and Central & South America
 3. Effective the fiscal year ended March 31, 2010, the Company changed the method by which it translates foreign subsidiaries' revenues and expenses into Japanese yen. The Company previously used the spot rate prevailing on the account closing date, but switched to using the average exchange rate during each respective accounting period. Because of this change, compared with what they would have been under the previous accounting method, net sales for the year ended March 31, 2010, in Asia & Oceania were 8,640 million yen lower; in North America, 1,318 million yen lower; in Europe & the CIS, 167 million yen higher; and in the Other geographic segment, 2,072 million yen lower. By the same comparison, operating income for the year ended March 31, 2010, in Asia & Oceania was 221 million yen lower; in North America, 89 million yen lower; in Europe & the CIS, 37 million yen higher; and in the Other geographic segment, 95 million yen lower.

c. Overseas Trading Transactions

Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

Millions of yen					
	Asia and Oceania	North America	Europe and the CIS	Other	Total
Overseas trading transactions	1,762,433	331,383	323,198	337,610	2,754,625
Consolidation					5,102,261
Overseas trading transactions' share of consolidated net sales	34.6	6.5	6.3	6.6	54.0

- Notes:
1. Geographic segmentation is based on geographic proximity.
 2. Major countries or regions except Japan in each category are as follows:
 - (1) Asia and Oceania: China, Taiwan, Singapore, and Thailand
 - (2) North America: U.S.A.
 - (3) Europe and the CIS: U.K., Belgium, and Russia
 - (4) Other: Africa and Central & South America
 3. "Overseas trading transactions" comprises sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.

d. Segment information

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

1. Overview of reportable segments

The Group's reportable segments are components of the Group about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The main business of the Group is buying and selling of various goods in Japan and overseas. The Group is also engaged in a wide range of business including manufacturing, processing and selling products, investments, and providing services. The Group's operations are segmented based on product and service categories into six segments, namely Metals, Machinery & Electronics, Automotive, Energy & Chemicals, Produce & Foodstuffs, and Consumer Products, Services & Materials. These segments correspond to the Group's six business divisions. The business of each segment is conducted by the Company's business divisions and affiliates directly supervised by each business division.

The businesses of each division are listed below.

Metals Division

The Metals Division mainly handles ordinary and special steel products, steel construction materials, unwrought nonferrous and precious metals, rolled light-metal products, copper and copper alloy products, scrap iron and scrap nonferrous metals, ferroalloy products, wrought iron, end-of-life vehicle (ELV) recycling and disposable catalyst reclamation, rare earths, and new metals. The division manufactures, processes, sells, and disposes of the products listed above.

Machinery & Electronics Division

The Machinery & Electronics Division mainly handles machine tools, industrial machinery and textile machinery, testing and measuring instruments, environmental equipment, IT devices and equipment, electronic devices and semiconductors, automotive embedded software development, electronic equipment, network integration and support, PCs, PC peripherals and software, component parts for automobile production, industrial vehicles, construction machinery, and Intelligent Transport System (ITS) equipment. The division sells and provides services for the products listed above.

Automotive Division

The Automotive Division mainly handles passenger vehicles, commercial vehicles, light vehicles, two-wheeled vehicles, trucks and buses, and automotive parts. The division sells and provides services for the products listed above.

Energy & Chemicals Division

The Energy & Chemicals Division mainly handles petroleum products and LPG (liquefied petroleum gas), coal, crude oil, petroleum and natural gas products, energy and electric power supply businesses, industrial plants, organic chemicals, fine and inorganic chemicals, highly functional specialty chemicals, fat and oil products, synthetic resins and chemical additives, batteries, and electronic materials. The division processes, manufactures, sells and provides services relevant to the products listed above.

Produce & Foodstuffs Division

The Produce & Foodstuffs Division mainly handles livestock feed, grains, processed foods, food ingredients, agricultural, marine and livestock products, and alcoholic beverages. The division manufactures, processes, sells, and provides services relevant to the products listed above.

Consumer Products, Services & Materials Division

The Consumer Products, Services & Materials Division mainly handles condominiums and commercial buildings, construction materials, housing materials and furniture, textile raw materials, apparel, interior goods, sleepwear products, textile products, textile materials and jewelry, automotive interior parts and materials, packaging materials, paper and pulp, life and health insurance, property and casualty insurance, photocatalysts, seniors-related business products, and securities brokerage services. The division sells and provides services relevant to the products listed above.

2. Reportable segment information

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Millions of yen

	Reportable segment							Other *1	Total	Adjustments *2	Amounts on the quarterly consolidated statements of income *3
	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Total				
Net sales											
Outside customers	1,630,892	1,478,615	682,550	1,309,372	291,088	342,403	5,734,921	8,728	5,743,649	-	5,743,649
Inter-segment	610	5,604	50	1,359	111	970	8,706	8,988	17,695	(17,695)	-
Total	1,631,502	1,484,220	682,600	1,310,731	291,200	343,374	5,743,628	17,716	5,761,345	(17,695)	5,743,649
Segment income (loss)	37,934	19,172	23,483	4,846	849	1,730	88,016	(2,727)	85,289	8	85,297
Segment assets	598,828	492,343	185,111	427,522	116,329	188,713	2,008,848	521,639	2,530,487	(94,239)	2,436,248
Other items											
Depreciation	7,333	6,234	3,743	2,536	1,853	2,755	24,457	6,063	30,520	-	30,520
Amortization of goodwill	27	4,179	803	5,390	3,311	1,292	15,005	198	15,203	-	15,203
Impairment losses	5	-	5	22	2	83	119	-	119	--	119
Unamortized goodwill	52	20,963	3,349	26,993	16,629	5,299	73,287	1,698	74,985	-	74,985
Investment in associates accounted for using equity method	6,647	22,974	11,835	78,971	3,158	3,835	127,423	10,144	137,568	-	137,568
Increase in property and equipment and intangible assets	5,665	5,070	7,136	2,068	1,072	1,233	22,246	7,621	29,868	-	29,868

- Notes:
1. "Other" comprises businesses, such as logistics services, that are not included in reportable segments.
 2. Figures in "Adjustments" for the "Segment income (loss)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
 3. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.
 4. Change in method of categorizing lines of business

Effective the fiscal year ended March 31, 2011, logistics services business activities that were previously segmented as "Other" were reclassified into the Machinery & Electronics segment as part of restructuring aimed at bolstering its functions through integration with the Machinery & Electronics segment.

Following is segment information for the fiscal year ended March 31, 2010, under the categorization method used in the fiscal year ended March 31, 2011.

Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

Millions of yen

	Reportable segment							Other *1	Total	Adjustments *2	Amounts on the quarterly consolidated statements of income *3
	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Total				
Net sales											
Outside customers	1,530,009	1,252,152	586,422	1,120,327	306,958	297,520	5,093,389	8,871	5,102,261	-	5,102,261
Inter-segment	487	8,711	22	1,482	114	2,274	13,092	8,297	21,390	(21,390)	-
Total	1,530,496	1,260,863	586,445	1,121,810	307,072	299,794	5,106,482	17,169	5,123,652	(21,390)	5,102,261
Segment income (loss)	23,553	11,405	17,073	2,378	4,877	(2,928)	56,359	(936)	55,422	168	55,591
Segment assets	548,666	503,245	197,695	381,256	125,409	174,255	1,930,528	437,372	2,367,901	(93,353)	2,274,547
Other items											
Depreciation	7,732	6,082	3,559	3,146	1,720	1,678	23,919	5,586	29,506	-	29,506
Amortization of goodwill	28	4,184	776	5,447	3,311	779	14,527	198	14,725	-	14,725
Impairment losses	-	282	-	1,384	31	-	1,698	147	1,846	-	1,846
Unamortized goodwill	81	25,387	4,135	32,385	19,949	6,573	88,514	1,688	90,202	-	90,202
Investment in associates accounted for using equity method	7,411	12,400	10,193	82,841	2,740	2,868	118,454	9,333	127,788	-	127,788
Increase in property and equipment and intangible assets	6,518	7,265	4,778	2,779	2,360	2,505	26,208	8,932	35,141	-	35,141

- Notes: 1. "Other" comprises businesses, such as logistics services, that are not included in reportable segments.
2. Figures in "Adjustments" in the "Segment income (loss)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
3. Segment income adjustments are based on operating income reported on the consolidated statements of income for the corresponding period.

e. Related information

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

- Information related to products and services
Refer to "1. Overview of reportable segments."
- Geographic information
 - Net sales

Millions of yen			
Japan	China	Other	Total
2,491,935	838,649	2,413,065	5,743,649

Note: Net sales are based on the location of customers and categorized by country or region.

2) Property and equipment

		Millions of yen
Japan	Overseas	Total
152,336	120,177	272,513

Additional information

Year ended March 31, 2011 (April 1, 2010 to March 31, 2011)

Effective the fiscal Year ended March 31, 2011, the Company adopted the *Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information* (ASBJ Statement No. 17, revised March 27, 2009) and its accompanying *Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information* (Guidance No. 20, March 21, 2008).

**Outline of Consolidated Results for the Year ended March 31, 2011
(April 1, 2010 to March 31, 2011)**

1. Operating Results

Billions of yen

	Consolidated			
	Year ended March 31, 2011	Year ended March 31, 2010	Year-on-year change	
			Amount	%
Net sales	5,743.6	5,102.2	641.4	13
Gross profit	330.7	280.7	50.0	18
SG & A expenses	245.4	225.1	20.3	-
Operating income	85.2	55.5	29.7	53
Interest income and expense	(11.0)	(11.2)	0.2	-
Dividend income	9.9	9.3	0.6	-
Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates	13.6	7.3	6.3	-
Other income (losses)	6.3	6.2	0.1	-
Ordinary income	104.2	67.3	36.9	55
Extraordinary income (losses)	(4.5)	(2.9)	(1.6)	-
Income before income taxes and minority interests	99.6	64.4	35.2	55
Income tax expenses	40.6	29.7	10.9	-
Minority interests in earnings of consolidated subsidiaries and affiliates	11.8	7.3	4.5	-
Net income	47.1	27.3	19.8	73

Major year-on-year changes

- Net sales (increase of 641.4 billion yen):
 - Increase in volume handled mainly in the Metals, the Machinery & Electronics, and the Energy & Chemicals segments due to market-price appreciation, increased automobile production, and other factors.
- Gross profit (increase of 50.0 billion yen):
 - Increase mainly in the Metals and the Machinery & Electronics segments due to increase in net sales
- SG&A expenses (increase of 20.3 billion yen):
 - Increase due to effect of newly consolidated subsidiaries
- Equity in the earnings of unconsolidated subsidiaries and affiliates (increase of 6.3 billion yen):
 - Increase mainly in unconsolidated subsidiaries and affiliates in the Machinery & Electronics segment
- Extraordinary income (losses) (decrease of 1.6 billion yen):
 - Decrease due to disaster losses and other factors

For reference:

	Billions of yen			
Quarterly changes	1st quarter	2nd quarter	3rd quarter	4th quarter
Net sales	1,362.5	1,370.6	1,473.1	1,537.2
Operating income	25.3	21.3	23.3	15.1
Ordinary income	30.7	27.2	28.0	18.0
Net income	14.6	12.4	15.0	4.9

2. Financial Position

	Billions of yen			
	Consolidated			
	As of March 31, 2011	As of March 31, 2010	Change versus March 31, 2010	
			Amount	%
Total assets	2,436.2	2,274.5	161.7	7
Current assets	1,672.9	1,554.3	118.6	8
Investment securities	325.0	293.0	32.0	11
Other fixed assets	438.3	427.1	11.2	3
Net assets	667.3	650.2	17.1	3
Net interest-bearing debt	581.4	563.0	18.4	3
Debt-equity ratio (times)	1.0	1.0	0.0	
Number of consolidated subsidiaries	287	289	(2)	
Number of companies accounted for by the equity method	151	139	12	

Major year-on-year changes

- Current assets (increase of 118.6 billion yen):
 - Increase of 82.0 billion yen in cash and cash equivalents
 - Increase of 11.8 billion yen in trade notes and accounts receivable
- Investment securities (increase of 32.0 billion yen):
 - Increase due to purchases despite declines in market prices
- Net assets (increase of 17.1 billion yen):
 - Retained earnings: increase of 45.1 billion yen (net income for the year ended March 31, 2011 of 47.1 billion yen etc.)
 - Net unrealized gains on available-for-sales securities, net of taxes: down by 6.3 billion yen
 - Foreign currency translation adjustments: down by 23.3 billion yen

3. Cash Flow Position

Billions of yen

	Year ended March 31, 2011	Year ended March 31, 2010	Major year-on-year changes
Cash flows from operating activities	79.8	100.2	Net income
Cash flows from investing activities	(74.0)	(73.0)	Purchase of investment securities and property and equipment
Less: Free cash flows	5.8	27.2	
Cash flows from financing activities	77.7	(107.6)	Increase in debt

4. Consolidated Net Sales and Operating Income by Industry Segment

*The first row for each segment indicates net sales, the second indicates operating income.

Billions of yen

	Year ended March 31, 2011	Year ended March 31, 2010	Year-on-year change	
			Amount	%
Metals	1,630.8	1,530.0	100.8	7
	37.9	23.5	14.4	61
Machinery & Electronics	1,478.6	1,163.2	315.4	27
	19.1	9.8	9.3	95
Automotive	682.5	586.4	96.1	16
	23.4	17.0	6.4	38
Energy & Chemicals	1,309.3	1,120.3	189.0	17
	4.8	2.3	2.5	104
Produce & Foodstuffs	291.0	306.9	(15.9)	(5)
	0.8	4.8	(4.0)	(83)
Consumer Products, Services & Materials	342.4	297.5	44.9	15
	1.7	(2.9)	4.6	-
Total	5,743.6	5,102.2	641.4	13
	85.2	55.5	29.7	53

Major year-on-year changes

- Metals

Net sales and operating income:

Both increased due to market-price appreciation and increases in automobile production and demand

- Machinery & Electronics

Net sales and operating income:

Both increased due to increases in machinery volume handled, electronic parts volume handled, and overseas automobile production

- Automotive

Net sales and operating income:

Both increased due to increase in automobile export volume handled by Toyota Tsusho Corporation (non-consolidated) and automobile volume handled by overseas automotive sales companies

- Energy & Chemicals
 - Net sales: Increased due to higher prices of crude oil and other commodities and increase in volume handled of chemical goods and synthetic resins
 - Operating income: Increased mainly due to increase in volume handled of chemical goods and synthetic resins handled
- Produce & Foodstuffs
 - Net sales and operating income:
 - Both decreased due to decrease in volume handled of feedstuffs etc.
- Consumer Products, Services & Materials
 - Net sales: Increased due to effect of newly consolidated subsidiaries
 - Operating income: Increased mainly due to effect of lower-of-cost-or-market accounting for real estate in previous fiscal year

5. Dividend per share

	Year ended March 31, 2010	Year ended March 31, 2011
Interim	8.0 yen	12.0 yen
Full year	16.0 yen	28.0 yen (projected)
Payout ratio (consolidated)	20.5 %	20.8%

*Earnings and dividends Forecasts for the fiscal year ending March 31, 2012, are not determined yet, because they are difficult to be reasonably estimated at this stage.

6. Changes in major indexes

		Year ended March 31, 2010	Year ended March 31, 2011
Exchange rate (yen / US dollar)	Average during the period	93	86
	End of period	93	83
Interest rate	Yen TIBOR 3M average	0.53%	0.36%
	US dollar LIBOR 3M average	0.44%	0.36%
Hot-rolled steel (yen / ton)		87,000	84,000
Dubai oil (US dollars / bbl)		69	84
Australian thermal coal (US dollars / ton)		78	107
Corn futures (cents / bushel)		372	502