

FOR IMMEDIATE RELEASE

Toyota Tsusho Corporation Reports Earnings for the Fiscal Year Ended March 31, 2013

Nagoya, Japan; April 26, 2013 — Toyota Tsusho Corporation (TSE: 8015) reported consolidated net sales of 6,304.354 billion yen and net income of 67.432 billion yen, or 192.58 yen per share, for the fiscal year ended March 31, 2013.

Consolidated Results of Operations

In the fiscal year ended March 31, 2013, the global economy was generally sluggish amid a protracted sovereign debt crisis in Europe, slowdown in Chinese economic growth, and deceleration in the US economy, mainly in terms of employment and production. However, Europe's financial sector has stabilized at least temporarily as a result of financial stabilization measures, the Chinese economy has started to show signs of gradual recovery in response to monetary easing and fiscal stimulus, and the US economy is regaining momentum driven by household sector recovery.

Against such a backdrop, the Japanese economy continued to stagnate due to weakness in personal consumption and exports, but corporate sentiment has improved as consequence of yen depreciation and a stock market rally driven by expectations of an effective policy response from the new government inaugurated in December.

Amid this environment, the Toyota Tsusho Group's consolidated net sales in the fiscal year increased 387.6 billion yen (6.6%) year on year to 6,304.3 billion yen, largely as a result of recovery in auto production. Consolidated operating income grew to 115.875 billion yen from 92.403 billion yen in the previous fiscal year, a 23,472 billion yen (25.4%) increase attributable mainly to growth in gross profits. Consolidated ordinary income totaled 124.814 billion yen, up 9.704 billion yen (8.4%) from 115.110 billion yen in the previous fiscal year. Consolidated net income after taxes totaled 67.432 billion yen, a 1.227 billion yen (1.9%) increase from 66.205 billion yen in the previous fiscal year.

Segment Information

Metals

Net sales increased 38.8 billion yen (2.3%) year on year to 1,694.1 billion yen, bolstered by recovery in auto production.

In the steel business, the Group established a new steel processing center and expanded an existing one's capacity to build an integrated service network in Mexico. In the nonferrous metals business, the Group acquired an equity stake in an Argentine lithium resources development company, the first investment of its kind by a Japanese company. The Group also expanded its production capacity for forged aluminum suspension parts to meet growing auto part demand in North America.

Global Production Parts & Logistics

Net sales grew 57.7 billion yen (9.3%) year on year to 678.5 billion yen by virtue of recovery in overseas auto production.

P.T. TT Techno-Park Indonesia, a subsidiary established to support small and mid-sized parts manufacturers' overseas expansion, began leasing the third phase of its industrial park as companies occupying the park's first two phases commenced production activities. Additionally, to expand logistics operations, the Group entered into an agreement to establish a new company as a joint venture with a major Brazilian logistics company.

Automotive

Net sales rose 113.1 billion yen (16.9%) year on year to 781.9 billion yen, lifted by growth in overseas auto sales coupled with recovery in overseas auto production.

The Group acquired shares in CFAO, a major French trading company. It also strengthened the foundations of its auto sales operations by expanding its network and facilities, mainly in emerging-market and resource-producing countries, while also endeavoring to strengthen and improve the quality of existing dealerships' management and sales operations, including customer relations and service.

Machinery, Energy & Projects

Net sales increased by 28.9 billion yen (2.4%) year on year to 1,253.4 billion yen, largely as a result of newly consolidated subsidiary Elematec Corporation's contribution to consolidated sales.

In the machinery business, the Group entered the construction machinery rental and sales business by acquiring an equity stake in a major Singaporean construction machinery rental/sales company to accelerate its global expansion in the construction machinery market. In the energy and plant project business, the Group became involved in Iraqi reconstruction projects by winning orders from Iraq's Ministry of Electricity for 24 mobile substations and design, procurement, and construction services related to 24 stationary electric power substations to be built throughout Iraq.

Chemicals & Electronics

Net sales rose 187.6 billion yen (16.5%) year on year to 1,324.8 billion yen, boosted by recovery in auto production and newly consolidated subsidiary Elematec Corporation's contribution to consolidated sales.

In the chemical and synthetic resin business, the Group partnered with Secom Medical System Co., Ltd., and India's Kirloskar Group to establish a general hospital operating company in India to expand its healthcare operations. Additionally, Suntory Beverage & Food decided to bottle some of its beverage brands in PET bottles made of GLOBIO plant-derived plastic, a material the Group is currently making preparations for integrated manufacture and sales. In the electronics business, subsidiary ET Square Corporation endeavored to expand its content and service offerings, initiating an alliance with Pioneer Corporation in the automotive multimedia distribution business.

Produce & Foodstuffs

Net sales declined 20.9 billion yen (6.7%) year on year to 290.2 billion yen due to a decline in grain import volumes.

In the grain business, the Group entered the Australian grain accumulation, logistics, and exporting business in earnest by acquiring an equity stake in a local grain accumulation and exporting company. In the food business, an Indonesian joint venture established with Hokkan Holdings Limited commenced full-scale operations in the aim of developing the PET-bottle beverage market in Indonesia.

Consumer Products, Services & Materials

Net sales declined 17.0 billion yen (5.8%) year on year to 278.1 billion yen, mainly due to non-recurrence of year-earlier sales of real estate held for sale.

In the insurance business, the Group opened a medical clinic for employees of local Japanese companies in Thailand, where the healthcare market is growing. In the urban development business, the Group partnered with a major Indonesian real estate developer to launch a hotel residence business targeted at Japanese extended-stay business travelers and expat personnel posted in Indonesia, which is experiencing a continued influx of Japanese companies. In the automotive supplies and materials business, the Group entered into a joint venture with Beijing XDF Industry & Commerce Co., Ltd., Beijing Automotive Industry Holding Co., Ltd., to establish an automotive accessory conversion.

Outlook for Fiscal Year Ending March 31, 2014

For the fiscal year ending March 31, 2014, the Company forecasts net sales of 7,500 billion yen, an increase of 1,195.7 billion yen (19.0%) from the year ended March 31, 2013. Operating income is forecast at 155.0 billion yen, a year-on-year increase of 39.2 billion yen (33.8%), ordinary income is forecast at 162.0 billion yen, a year-on-year increase of 37.2 billion yen (29.8%), and net income after taxes is forecast at 71.0 billion yen, a year-on-year increase of 3.6 billion yen (5.3%).

Consolidated Financial Condition

(1) Assets, Liabilities, and Net Assets

At March 31, 2013, consolidated assets totaled 3,592.3 billion yen, an increase of 754.9 billion yen from March 31, 2012. The increase was chiefly attributable to a 252.2 billion yen increase in intangible assets, 186.6 billion yen increase in inventories, and 92.3 billion yen increase in property and equipment.

Consolidated liabilities at March 31, 2013 totaled 2,672.3 billion yen, an increase of 586.7 billion yen from March 31, 2012. The increase was mainly attributable to a 363.1 billion yen increase in interest-bearing debt and a 76.5 billion yen increase in trade notes and accounts payable.

Consolidated net assets grew 168.3 billion yen from March 31, 2012, to 920.0 billion yen at March 31, 2013. The increase was attributable to retained earnings accretion of 47.8 billion yen derived mainly from net income, a 51.8 billion yen improvement in foreign currency translation adjustments, and a 49.0 billion yen increase in minority interests.

(2) Cash Flows

Cash and cash equivalents (“cash”) totaled 391.352 billion yen at March 31, 2013, an increase of 36.597 billion yen from March 31, 2012. The increase in cash was 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 124.156 billion yen (60.374 billion yen more than in the previous fiscal year) in the fiscal year ended March 31, 2013, largely reflecting an increase in net income.

Cash flows from investing activities

Investing activities used net cash of 323.389 billion yen (264.618 billion yen more than in the previous fiscal year), mainly to acquire investment securities.

Cash flows from financing activities

Financing activities provided net cash of 223.374 billion yen (126.016 billion yen more than in the previous fiscal year) largely as a result of an increase in debt.

Dividends

The Company has adopted a flexible dividend policy whereby it aims to pay dividends equivalent to 20~25% of consolidated net income while adjusting dividend distributions to take into account changes in the economic environment, progress in capital investment plans, and other factors.

In accordance with this policy, the Company plans to pay a year-end dividend of 22 yen per share in addition to the previously paid interim dividend of 22 yen per share, bringing total dividends for the fiscal year ended March 31, 2013, to 44 yen per share (a 2 yen increase from the previous fiscal year).

For the fiscal year ending March 31, 2014, the Company currently forecasts consolidated net income of 71.0 billion yen. Based on this forecast, the Company currently plans to pay annual dividends of 46 yen per share, consisting of an interim dividend of 23 yen per share and a year-end dividend of 23 yen per share.

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 as usual.

4. Financial Statements
(1) Consolidated Balance Sheets

	As of March 31, 2012	Millions of yen As of March 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	354,811	391,409
Trade notes and accounts receivable	1,054,602	1,106,604
Marketable securities	10,000	-
Inventories	406,546	593,155
Deferred tax assets	15,628	17,056
Other current assets	140,435	203,846
Less: allowance for doubtful receivables	(5,050)	(17,920)
Total current assets	1,976,974	2,294,151
Fixed assets:		
Property and equipment:		
Buildings and structures	221,142	283,577
Less: accumulated depreciation	(87,304)	(118,920)
Buildings and structures, net	133,838	164,657
Machinery, equipment and vehicles	250,766	325,449
Less: accumulated depreciation	(132,566)	(174,736)
Machinery, equipment and vehicles, net	118,200	150,713
Land	69,908	81,537
Leased assets	23,927	24,892
Less: accumulated depreciation	(9,574)	(11,520)
Leased assets, net	14,352	13,371
Construction in progress	11,220	26,072
Other	19,588	29,747
Less: accumulated depreciation	(14,066)	(20,729)
Other, net	5,522	9,017
Total property and equipment	353,042	445,370
Intangible assets:		
Goodwill	78,005	256,957
Leased assets	464	255
Other	34,089	107,516
Total intangible assets	112,560	364,729
Investments and other assets:		
Investment securities	311,030	386,026
Other investments	36,220	42,951
Long-term loans receivables	5,793	11,224
Deferred tax assets	9,936	14,374
Prepaid pension cost	6,518	6,316
Other	40,985	44,263
Less: allowance for doubtful receivables	(15,633)	(17,040)
Total investments and other assets	394,851	488,117
Total fixed assets	860,454	1,298,216
Total assets	2,837,428	3,592,368

	As of March 31, 2012	Millions of yen As of March 31, 2013
Liabilities		
Current liabilities:		
Trade notes and accounts payable	800,067	876,595
Short-term debt	350,001	420,602
Commercial paper	122,000	144,000
Current portion of bonds payable	10,000	20,000
Lease obligations	4,688	4,715
Income taxes payable	17,036	30,153
Deferred tax liabilities-current	3,592	4,154
Reserve for directors' bonuses	683	771
Allowance for disaster losses	153	-
Provision for loss on litigation	-	362
Other current liabilities	178,982	263,718
Total current liabilities	1,487,206	1,765,072
Long-term liabilities:		
Bonds payable, less current portion	85,000	65,000
Long-term debt	444,521	727,244
Lease obligations	10,738	8,474
Deferred tax liabilities-non-current	19,553	33,815
Employees' retirement benefit liabilities	15,237	21,037
Directors' retirement benefit liabilities	680	727
Provision for loss on guarantees	194	107
Provision for loss on withdrawal from business	3,442	3,101
Provision for compensation losses	1,024	-
Provision for loss on contracts	719	2,907
Provision for loss on litigation	-	422
Other long-term liabilities	17,362	44,415
Total long-term liabilities	598,474	907,251
Total liabilities	2,085,681	2,672,324
Net assets		
Shareholders' equity:		
Common stock	64,936	64,936
Capital surplus	154,367	154,539
Retained earnings	483,255	531,049
Treasury stock	(6,844)	(5,345)
Total shareholders' equity	695,714	745,179
Accumulated other comprehensive income:		
Net unrealized gains on available-for-sales securities, net of taxes	16,924	44,637
Deferred gain (loss) on futures hedge	(577)	(9,710)
Foreign currency translation adjustments	(71,730)	(19,931)
Total accumulated other comprehensive income	(55,383)	14,996
Stock warrants	1,454	951
Minority interests	109,962	158,916
Total net assets	751,747	920,043
Total liabilities and net assets	2,837,428	3,592,368

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

	Year ended March 31, 2012	Millions of yen Year ended March 31, 2013
Net sales	5,916,759	6,304,354
Cost of sales	5,572,759	5,900,465
Gross profit	343,999	403,888
Selling, general and administrative expenses		
Charges and fees	17,140	18,970
Traffic and traveling expenses	11,816	13,849
Communication expenses	3,012	3,449
Provision for doubtful receivables	148	213
Salaries and wages	106,555	121,521
Retirement benefit expenses	5,595	6,074
Welfare expenses	15,830	18,164
Rental expenses	16,373	18,232
Depreciation and amortization except goodwill	15,201	16,170
Taxes other than income taxes	3,909	4,537
Amortization of goodwill	15,458	19,044
Other	40,552	47,784
Total selling, general and administrative expenses	251,596	288,013
Operating income	92,403	115,875
Other income:		
Interest income	3,055	3,687
Dividend income	11,309	12,069
Equity in the earnings of unconsolidated subsidiaries and affiliates	15,396	17,646
Foreign exchange gain	426	-
Other income	10,938	12,594
Total other income	41,127	45,997
Other expenses:		
Interest expense	13,688	18,685
Foreign exchange loss	-	10,354
Other expenses	4,731	8,017
Total other expenses	18,419	37,057
Ordinary income	115,110	124,814
Extraordinary income:		
Gain on sale of fixed assets	6,418	1,342
Gain on trading of securities and investments	3,375	5,865
Gain on sale of golf membership	-	3
Gain on reversal of provision for loss on guarantees	-	89
Gain on reversal of provision for loss on withdrawal from business	224	467
Gain on reversal of provision for compensation losses	-	1,024
Gain on reversal of provision for loss on contracts	-	289
Gain on phased acquisition	-	10,143
Gain on reversal of stock warrants	175	172
Insurance income	2,194	154
Gain on transfer of benefit obligation relating to employees' pension fund	2,214	-
Total extraordinary income	14,602	19,553

Extraordinary losses:		
Loss on disposal of fixed assets	802	3,745
Advanced depreciation of fixed assets	641	-
Impairment of property and intangible assets	1,273	3,137
Loss on trading of securities and investments	618	398
Loss on valuation of securities and investments	1,361	2,778
Loss on valuation of golf membership	46	61
Loss on disposal of affiliates	219	8
Provision for loss on guarantees	166	-
Provision for loss on withdrawal from business	1,665	1,992
Loss on exchange from business combination	159	-
Loss on phased acquisition	143	-
Loss on change in equity interest	-	29
Settlement money for contract amendment	-	4,943
Total extraordinary losses	7,097	17,095
Income before income taxes and minority interests	122,615	127,272
Income tax expenses:		
Current	33,718	43,498
Deferred	11,309	(1,133)
Total income tax expenses	45,028	42,364
Income before minority interests	77,587	84,908
Minority interests in earnings of consolidated subsidiaries and affiliates	11,381	17,475
Net income	66,205	67,432

Consolidated Statements of Comprehensive Income

	Year ended March 31, 2012	Millions of yen Year ended March 31, 2013
	Amount	Amount
Income before minority interests	77,587	84,908
Other comprehensive income		
Net unrealized gains on available-for-sales securities, net of taxes	1,969	27,279
Deferred gain (loss) on futures hedge	(1,847)	(9,134)
Foreign currency translation adjustments	(10,280)	52,514
Share of other comprehensive income of unconsolidated subsidiaries and affiliates	1,542	6,969
Total other comprehensive income	(8,615)	77,629
Comprehensive income	68,971	162,537
Components:		
Comprehensive income attributable to owners of the parent	58,274	137,863
Comprehensive income attributable to minority interests	10,697	24,673

(3) Consolidated Statements of Changes in Net Assets

	Year ended March 31, 2012	Millions of yen Year ended March 31, 2013
Shareholders' equity		
Common stock		
Balance at beginning of year	64,936	64,936
Balance at end of year	64,936	64,936
Capital surplus		
Balance at beginning of year	154,367	154,367
Increase (decrease) during the term		
Disposition of treasury stocks	-	171
Total increase (decrease)	-	171
Balance at end of year	154,367	154,539
Retained earnings		
Balance at beginning of year	431,126	483,255
Increase (decrease) during the term		
Cash dividends paid	(11,197)	(16,809)
Net income	66,205	67,432
Disposition of treasury stock	(211)	-
Effect from change in scope of consolidated subsidiaries	(4,580)	(1,762)
Effect from change in in scope of unconsolidated subsidiaries and affiliates	1,879	(975)
Other	33	(91)
Total increase (decrease)	52,129	47,794
Balance at end of year	483,255	531,049
Treasury stock		
Balance at beginning of year	(7,430)	(6,844)
Increase (decrease) during the term		
Purchase of treasury stock	(1,020)	(20)
Disposition of treasury stock	1,610	1,522
Other	(3)	(3)
Total increase (decrease)	585	1,498
Balance at end of year	(6,844)	(5,345)
Total shareholders' equity		
Balance at beginning of year	642,999	695,714
Increase (decrease) during the term		
Cash dividends paid	(11,197)	(16,809)
Net income	66,205	67,432
Purchase of treasury stock	(1,020)	(20)
Disposition of treasury stock	1,398	1,694
Effect from change in scope of consolidated subsidiaries	(4,580)	(1,762)
Effect from change in in scope of unconsolidated subsidiaries and affiliates	1,879	(975)
Other	29	(94)
Total increase (decrease)	52,715	49,464
Balance at end of year	695,714	745,179

Accumulated other comprehensive income

Net unrealized gain (loss) on available-for-sale securities		
Balance at beginning of year	14,849	16,924
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	2,074	27,713
Total increase (decrease)	2,074	27,713
Balance at end of year	16,924	44,637
Deferred gain (loss) on futures hedge		
Balance at beginning of year	1,090	(577)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	(1,668)	(9,132)
Total increase (decrease)	(1,668)	(9,132)
Balance at end of year	(577)	(9,710)
Foreign currency translation adjustments		
Balance at beginning of year	(63,400)	(71,730)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	(8,329)	51,799
Total increase (decrease)	(8,329)	51,799
Balance at end of year	(71,730)	(19,931)
Total accumulated other comprehensive income		
Balance at beginning of year	(47,460)	(55,383)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	(7,923)	70,380
Total increase (decrease)	(7,923)	70,380
Balance at end of year	(55,383)	14,996
Stock warrants		
Balance at beginning of year	1,363	1,454
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	90	(502)
Total increase (decrease)	90	(502)
Balance at end of year	1,454	951
Minority interests		
Balance at beginning of year	70,475	109,962
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	39,487	48,954
Total increase (decrease)	39,487	48,954
Balance at end of year	109,962	158,916

Total net assets		
Balance at beginning of year	667,378	751,747
Increase (decrease) during the term		
Cash dividends paid	(11,197)	(16,809)
Net income	66,205	67,432
Purchase of treasury stock	(1,020)	(20)
Disposition of treasury stock	1,398	1,694
Effect from change in scope of consolidated subsidiaries	(4,580)	(1,762)
Effect from change in in scope of unconsolidated subsidiaries and affiliates	1,879	(975)
Other	29	(94)
Net increase (decrease) during the term, except for items under shareholders' equity	31,654	118,831
Total increase (decrease)	<u>84,369</u>	<u>168,296</u>
Balance at end of year	<u>751,747</u>	<u>920,043</u>

(4) Consolidated Statements of Cash Flows

	Year ended March 31, 2012	Millions of yen Year ended March 31, 2013
Cash flows from operating activities:		
Income before income taxes and minority interests	122,615	127,272
Depreciation and amortization	31,281	41,354
Amortization of goodwill	15,458	19,044
Net increase (decrease) in allowance for doubtful receivables	(2,059)	(297)
Interest and dividend income	(14,365)	(15,756)
Interest payables	13,688	18,685
Equity in (earnings) loss of unconsolidated subsidiaries and affiliates	(15,396)	(17,646)
(Increase) decrease in accounts receivable	(124,500)	69,778
(Increase) decrease in inventories	(20,382)	(29,884)
Increase (decrease) in payables	61,130	(51,643)
Other, net	9,845	(7,725)
Sub total	77,315	153,181
Interest and dividends received	31,456	30,315
Interest paid	(13,610)	(17,982)
Income taxes paid	(31,379)	(41,358)
Net cash provided by (used in) operating activities	63,782	124,156
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(5)	(1)
Proceeds from redemption of marketable securities	-	10,000
Purchase of property and equipment	(30,940)	(50,066)
Proceeds from sale of property and equipment	9,454	6,975
Purchase of intangible assets	(9,050)	(40,094)
Proceeds from sale of intangible assets	3,999	551
Purchase of investment securities and investments	(28,960)	(106,770)
Proceeds from sale of investment securities and investments	1,311	7,214
Payments for investments in subsidiaries resulting in change in scope of consolidation	(2,497)	(148,742)
Proceeds from investments in subsidiaries resulting in change in scope of consolidation	15	-
Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation	1,883	-
Increase in loans	(10,759)	(8,151)
Collection of loans	9,016	6,840
Payment for purchase of shares of subsidiaries from minority shareholders	(2,068)	(53)
Other, net	(170)	(1,092)
Net cash provided by (used in) investing activities	(58,771)	(323,389)

Cash flows from financing activities:

Net increase (decrease) in short-term debt	89,576	(14,435)
Proceeds from long-term debt	65,815	365,180
Repayment of long-term debt	(37,372)	(90,404)
Proceeds from issuance of bonds	30,000	-
Redemption of bonds	(30,000)	(10,000)
Purchase of treasury stock	(1,020)	(195)
Dividends paid	(11,197)	(16,809)
Dividends paid to minority shareholders	(5,147)	(6,113)
Proceeds from stock issuance to minority shareholders of subsidiaries	285	336
Other, net	(3,581)	(4,184)
Net cash provided by (used in) financing activities	97,358	223,374
Effect of exchange rate changes on cash and cash equivalents	(2,303)	10,356
Net increase (decrease) in cash and cash equivalents	100,066	34,496
Cash and cash equivalents at beginning of year	252,747	354,755
Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	1,942	2,100
Cash and cash equivalents at end of year	354,755	391,352

(5) Notes on the going-concern assumption

Not applicable

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

(Change in accounting principles which are difficult to distinguish from changes in accounting estimates)

In response to Japan's recent corporate tax law amendments and effective from the fiscal year ended March 31, 2013, the method which Toyota Tsusho Corporation and its domestic consolidated subsidiaries use for depreciation of property and equipment acquired on or after April 1, 2012 will be adjusted to reflect the revised corporate tax code. Impact on earnings is expected to be minimal.

(7) Notes on Consolidated Financial Statements

(Segment and other information)

a. Segment information

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 seven segments, namely Metals, Global Production Parts & Logistics, Automotive, Machinery, Energy & Project, Chemicals & Electronics, Produce & Foodstuffs, and Consumer Products, Services & Materials. These segments correspond to the Group's seven 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.

Global Production Parts & Logistics Division

The Global Production Parts & Logistics Division mainly sells and provides services for automotive parts, as well as running a logistics business and a tire assembly business.

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.

Machinery, Energy & Project Division

The Machinery, Energy & Project Division mainly handles machine tools, industrial machinery, textile machinery, testing and measuring instruments, electronic machinery, environmental equipment, industrial vehicles, construction machinery, petroleum products, liquefied petroleum gas (LPG), coal, crude oil, petrochemical and natural gas products, and infrastructure projects. The division sells and provides services relevant to the products listed above, as well as running an energy and electric power supply business.

Chemicals & Electronics

The Chemicals & Electronics Division sells and provides services for communication devices, electronic devices and semiconductors, automotive embedded software development, electronic equipment, network integration and support, PCs, PC peripherals and software, component parts for automobile production, and ITS (Intelligent Transport Systems) equipment. The division also handles organic chemicals, fine and inorganic chemicals, functional chemicals, fat and oil products, synthetic resins, chemical additives, batteries and electronic materials, pharmaceuticals, and pharmaceutical ingredients. 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, 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. Sales, income/loss, assets, liability, and other amounts by reportable segment

Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

	Reportable segment								Other *1	Total	Adjustments *2	Millions of yen Amounts on the quarterly consolidated statements of income *3
	Metals	Global Production Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Produce & Foodstuffs	Consumer Products, Services & Materials	Total				
Net sales												
Outside customers	1,655,323	620,817	668,899	1,224,599	1,137,245	311,183	295,136	5,913,204	3,554	5,916,759	-	5,916,759
Inter-segment	185	5,877	31	930	6,304	112	1,999	15,441	395	15,836	(15,836)	-
Total	1,655,508	626,694	668,930	1,225,530	1,143,550	311,295	297,136	5,928,646	3,949	5,932,595	(15,836)	5,916,759
Segment income (loss)	32,361	9,948	25,490	557	11,574	2,572	13,335	95,839	(3,425)	92,414	(10)	92,403
Segment assets	673,457	222,759	210,974	467,851	508,214	115,548	169,852	2,368,658	573,747	2,942,406	(104,977)	2,837,428
Other items												
Depreciation	7,243	2,966	3,767	4,835	2,284	1,783	2,622	25,502	5,779	31,281	-	31,281
Amortization of goodwill	86	210	738	1,826	7,765	3,311	1,309	15,246	211	15,458	-	15,458
Impairment losses	843	-	-	238	89	3	84	1,259	13	1,273	-	1,273
Unamortized goodwill	297	588	2,719	22,814	32,913	13,248	4,020	76,602	1,403	78,005	-	78,005
Investment in unconsolidated subsidiaries and affiliates	6,097	16,313	13,643	39,731	44,735	5,427	3,579	129,528	10,274	139,802	-	139,802
Increase in property and equipment and intangible assets	8,261	4,309	6,893	8,456	2,422	1,750	1,839	33,933	5,833	39,766	-	39,766

- Notes:
1. "Other" comprises businesses that are not included in reportable segments, such as functional services which provide operation support to the whole Group.
 2. Figures in "Adjustments" for the "Segment income (loss)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
 3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

Millions of yen

	Reportable segment								Other *1	Total	Adjustments *2	Amounts on the quarterly consolidated statements of income *3
	Metals	Global Production Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Produce & Foodstuffs	Consumer Products, Services & Materials	Total				
Net sales												
Outside customers	1,694,116	678,524	781,902	1,253,422	1,324,842	290,225	278,107	6,301,141	3,212	6,304,354	-	6,304,354
Inter-segment	143	5,901	35	1,586	5,810	117	2,918	16,513	477	16,990	(16,990)	-
Total	1,694,260	684,426	781,938	1,255,008	1,330,653	290,342	281,025	6,317,655	3,689	6,321,345	(16,990)	6,304,354
Segment income (loss)	36,289	16,958	31,215	10,459	10,435	2,546	11,704	119,609	(3,730)	115,879	(4)	115,875
Segment assets	719,954	239,856	581,153	538,374	650,962	177,493	152,254	3,060,049	653,658	3,713,707	(121,339)	3,592,368
Other items												
Depreciation	7,839	3,539	4,679	12,693	3,307	1,460	2,394	35,913	5,440	41,354	-	41,354
Amortization of goodwill	219	210	764	4,865	8,139	3,311	1,310	18,820	224	19,044	-	19,044
Impairment losses	287	-	-	2,605	16	-	-	2,909	228	3,137	-	3,137
Unamortized goodwill	154	408	135,666	18,544	62,913	35,330	2,755	255,773	1,183	256,957	-	256,957
Investment in associates accounted for by the equity method	8,511	19,055	15,375	49,691	46,473	6,610	6,018	151,736	11,136	162,873	-	162,873
Increase in property and equipment and intangible assets	16,357	4,816	11,979	40,874	2,747	1,212	1,408	79,395	11,448	90,844	-	90,844

- Notes:
1. "Other" comprises businesses that are not included in reportable segments, such as functional services which provide operation support to the whole Group.
 2. Figures in "Adjustments" for the "Segment income (loss)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
 3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.

b. Related information

Year ended March 31, 2012 (April 1, 2011 to March 31, 2012)

1. Information related to products and services
Refer to “1. Overview of reportable segments.”

2. Geographic information
 - 1) Net sales

Millions of yen			
Japan	China	Other	Total
2,636,552	909,854	2,370,351	5,916,759

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

- 2) Property and equipment

Millions of yen			
Japan	The U.S.	Other	Total
202,688	41,434	108,919	353,042

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

1. Information related to products and services
Refer to “1. Overview of reportable segments.”

2. Geographic information
 - 1) Net sales

Millions of yen			
Japan	China	Other	Total
2,555,912	876,133	2,872,308	6,304,354

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

- 2) Property and equipment

Millions of yen			
Japan	The U.S.	Other	Total
198,089	51,142	196,139	445,370

Outline of Consolidated Results for the Year Ended March 31, 2013
(April 1, 2012 March 31, 2013)

1. Operating Results

Billions of yen

	Consolidated			
	Year ended March 31, 2013	Year ended March 31, 2012	Year-on-year change	
			Amount	%
Net sales	6,304.3	5,916.7	387.6	6.6%
Gross profit	403.8	343.9	59.9	17.4%
SG & A expenses	288.0	251.5	36.5	-
Operating income	115.8	92.4	23.4	25.4%
Interest income and expense	(14.9)	(10.6)	(4.3)	-
Dividend income	12.0	11.3	0.7	-
Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates	17.6	15.3	2.3	-
Other income (losses)	(5.7)	6.6	(12.3)	-
Ordinary income	124.8	115.1	9.7	8.4%
Extraordinary income (losses)	2.4	7.5	(5.1)	-
Income before income taxes and minority interests	127.2	122.6	4.6	3.8%
Income tax expenses	42.3	45.0	(2.7)	-
Minority interests in earnings of consolidated subsidiaries and affiliates	17.4	11.3	6.1	-
Net income	67.4	66.2	1.2	1.9%

Main factors behind year-on-year changes

- Net sales +387.6 billion yen:
 - Increase mainly in the Chemicals & Electronics segment due to effect of newly consolidated subsidiaries as well as increased automobile production
- Gross profit +59.9 billion yen:
 - Increase due to increase in net sales
- SG & A expenses +36.5 billion yen:
 - Increase due to effect of newly consolidated subsidiaries, etc.
- Interest income and expense -4.3 billion yen:
 - Decrease due to effect of newly consolidated subsidiaries, etc.
- Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates +2.3 billion yen:
 - Increase mainly from equity-method affiliates of the Machinery, Energy & Project segment
- Other income (losses) -12.3 billion yen:
 - Decrease due mainly to increase in foreign exchange losses
- Extraordinary income (loss) -5.1 billion yen:
 - Decrease due to lower gains on sales of fixed assets, etc.

For reference:

Billions of yen

Quarterly changes	1st quarter	2nd quarter	3rd quarter	4th quarter
Net sales	1,640.1	1,540.3	1,526.2	1,597.6
Operating income	26.3	22.1	32.6	34.7
Ordinary income	34.9	28.9	30.4	30.4
Net income	22.6	10.7	25.0	8.9

2. Financial Position

Billions of yen

	Consolidated			
	As of March 31, 2013	As of March 31, 2012	Change versus March 31, 2012	
			Amount	%
Total assets	3,592.3	2,837.4	754.9	26.6
Current assets	2,294.1	1,976.9	317.2	16.0
Investment securities & other investments	428.9	347.2	81.7	23.5
Other fixed assets	869.2	513.2	356.0	69.4
Net assets	920.0	751.7	168.3	22.4
Net interest-bearing debt	998.6	672.1	326.5	48.6
Debt-equity ratio (times)	1.3	1.0	0.3	
Number of consolidated subsidiaries	615	404	211	
Number of equity-method affiliates	193	175	18	

Main factors behind year-on-year changes

- Current assets +317.2 billion yen:
 - Cash and cash equivalents increased 36.6 billion yen
 - Trade notes and accounts receivable increased 52.0 billion yen
 - Inventories increased 186.6 billion yen
- Other fixed assets + 356.0 billion yen:
 - Property and equipment increased 92.3 billion yen
 - Intangible assets increased 252.2 billion yen
- Net assets +168.3 billion yen:
 - Retained earnings increased 47.8 billion yen (net income for the year ended March 31, 2013 of 67.4 billion yen less 16.8 billion yen dividends, etc.)
 - Foreign currency translation adjustments increased 51.8 billion yen
 - Minority interests increased 49.0 billion yen

3. Cash Flow Position

Billions of yen

	Year ended March 31, 2013	Year ended March 31, 2012	Major factors behind year-on-year changes
1. Cash flows from operating activities	124.1	63.7	Increase in net income
2. Cash flows from investing activities	(323.3)	(58.7)	Purchase of investment securities
1-2: Free cash flow	(199.2)	5.0	
Cash flows from financing activities	223.3	97.3	Increase in debt

4. Consolidated Net Sales and Operating Income by Segment

*The top row for each segment indicates net sales; the bottom row indicates operating income.

Billions of yen

	Year ended March 31, 2013	Year ended March 31, 2012	Year-on- year change	Amounts affected by exchange rates	Year-on-year change excluding amount affected by exchange rates	
					Amount	%
Metals	1,694.1	1,655.3	38.8	25.6	13.2	0.8
	36.2	32.3	3.9	0.9	3.0	9.0
Global Production Parts & Logistics	678.5	620.8	57.7	21.0	36.7	5.7
	16.9	9.9	7.0	0.6	6.4	61.0
Automotive	781.9	668.8	113.1	2.5	110.6	16.5
	31.2	25.4	5.8	0.3	5.5	21.3
Machinery, Energy & Project	1,253.4	1,224.5	28.9	16.0	12.9	1.0
	10.4	0.5	9.9	0.1	9.8	-
Chemicals & Electronics	1,324.8	1,137.2	187.6	13.3	174.3	15.2
	10.4	11.5	(1.1)	0.3	(1.4)	(12.2)
Produce & Foodstuffs	290.2	311.1	(20.9)	3.5	(24.4)	(7.8)
	2.5	2.5	(0.0)	(0.3)	0.3	10.7
Consumer Products, Services & Materials	278.1	295.1	(17.0)	3.0	(20.0)	(6.7)
	11.7	13.3	(1.6)	0.1	(1.7)	(12.8)
Total	6,304.3	5,916.7	387.6	84.9	302.7	5.0
	115.8	92.4	23.4	1.9	21.5	22.9

Main factors behind year-on-year changes

- Metals
 - Net sales and operating income:
 - Both increased due to increases in automobile production
- Global Production Parts & Logistics
 - Net sales and operating income:
 - Both increased due to increases in overseas automobile production
- Automotive
 - Net sales and operating income:
 - Both increased due to increase in automobile volume handled by overseas automotive sales companies
- Machinery, Energy & Project
 - Net sales and operating income:
 - Both increased due to effect of newly consolidated subsidiaries, etc.
- Chemicals & Electronics
 - Net sales: Increased due to effect of newly consolidated subsidiaries, etc.
 - Operating income:
 - Decreased due to weaker market conditions, etc.
- Produce & Foodstuffs
 - Net sales: Decreased due to decrease in grain import volume handled
 - Operating income:
 - Increased due to higher market price
- Consumer Products, Services & Materials
 - Net sales and operating income:
 - Both decreased reflecting sales of real estate held for sale in the fiscal year ended March 31, 2012

5. Consolidated Financial Results Forecasts for the Year Ending March 31, 2014 (April 1, 2013 to March 31, 2014)

*The top row for each segment indicates net sales; the bottom row indicates operating income.

Billions of yen

	Year ending March 31, 2014 (forecast)	Year ended March 31, 2013 (results)	Year-on-year change	
			Amount	%
Metals	1,940.0	1,694.1	245.9	14.5
	41.5	36.2	5.3	14.4
Global Production Parts & Logistics	890.0	678.5	211.5	31.2
	20.0	16.9	3.1	17.9
Automotive	1,270.0	781.9	488.1	62.4
	47.0	31.2	15.8	50.6
Machinery, Energy & Project	1,180.0	1,253.4	(73.4)	(5.9)
	17.0	10.4	6.6	62.5
Chemicals & Electronics	1,650.0	1,324.8	325.2	24.5
	23.0	10.4	12.6	120.4
Produce & Foodstuffs	400.0	290.2	109.8	37.8
	8.0	2.5	5.5	214.1
Consumer Products & Services*	170.0	278.1	(108.1)	(38.9)
	8.5	11.7	(3.2)	(27.4)
Total				
Net sales	7,500.0	6,304.3	1,195.7	19.0
Operating income	155.0	115.8	39.2	33.8
Ordinary income	162.0	124.8	37.2	29.8
Net income	71.0	67.4	3.6	5.3

* Effective April 1, 2013, the division was partially reorganized, and the name of the division was changed from "Consumer Products, Services, & Materials" to "Consumer Products & Services." The results of the fiscal year ended March 31, 2013 were presented based on the previous segmentation.

6. Dividend per share

	Year ended March 31, 2012	Year ended March 31, 2013	Year ending March 31, 2014 (forecast)
Interim	16.0 yen	22.0 yen	23.0 yen
Full year	42.0 yen	44.0 yen (projected)	46.0 yen
Payout ratio (consolidated)	22.2%	22.8%	22.7%

7. Changes in major indexes

		Year ended March 31, 2012	Year ended March 31, 2013
Exchange rate (yen / US dollar)	Average during the period	79	83
	End of period	82	94
Interest rate	Yen TIBOR 3M average	0.34%	0.32%
	US dollar LIBOR 3M average	0.39%	0.37%
Dubai oil (US dollars / bbl)		110	107
Australian thermal coal (US dollars / ton)		118	92
Corn futures (cents / bushel)		672	712