

FOR IMMEDIATE RELEASE

**Toyota Tsusho Corporation Reports Earnings for
the Fiscal Year Ended March 31, 2017**

Nagoya, Japan; April 28, 2017 — Toyota Tsusho Corporation (TSE: 8015) reported consolidated net sales of 7,919.663 billion yen and profit attributable to owners of the parent of 102.597 billion yen, or 291.56 yen per share, for the fiscal year ended March 31, 2017.

1. Consolidated Results of Operations

In the fiscal year ended March 31, 2017, overall global economic growth picked up as the emerging market economic slowdown came to a halt while the U.S. and European economies held firm.

The U.S. economic recovery remained intact, fueled by robust personal consumption, improvement in the employment and income environments, growth in capital investment and equity market gains driven by optimism about the new administration's economic and fiscal policies, most notably tax reform and infrastructure investment. The European economy gradually recovered despite uncertainty stemming from the UK's impending exit from the EU. Its recovery was fueled by domestic demand growth underpinned by monetary accommodation, an improving employment environment and export growth. The Chinese economy remained in a lull. Although bolstered by consumer spending on homes, autos and other goods in response to government policies, the Chinese economy was weighed down by corporate deleveraging and efforts to reduce excess production capacity. Emerging market economies slowly recovered as local economic sentiment improved, largely in response to resurgent resource prices.

Against such a backdrop, the Japanese economy continued to recover, driven largely by robust capital investment and growth in exports to Europe, the Americas and Asia.

Amid such an environment, the Toyota Tsusho Group's consolidated net sales for the fiscal year ended March 31, 2017, decreased 250.6 billion yen (3.1%) year on year to 7,919.6 billion yen, largely as a result of yen appreciation. Consolidated operating income increased 6.357 billion yen (4.5%) to 146.656 billion yen from 140.299 billion yen in the previous fiscal year, largely by virtue of a reduction in selling, general and administrative expenses. Consolidated ordinary income increased 30.184 billion yen (23.6%) to 158.279 billion yen from 128.095 billion yen in the previous fiscal year. Consolidated profit attributable to owners of the parent was 102.597 billion yen, a 146.311 billion yen improvement from the previous fiscal year's 43.714 billion yen loss attributable to owners of the parent. The improvement was largely attributable to reduction in extraordinary losses and a decrease in tax expenses as a result of a switch to accounting for income taxes predicated on application of consolidated taxation.

Segment Information

Effective April 1, 2016, the erstwhile Food & Agribusiness Division and Consumer Products & Services Division were combined to form the Food & Consumer Services Division.

Effective April 1, 2017, product divisions' African operations were consolidated into the newly established Africa Division.

Metals

Net sales decreased 94.8 billion yen (5.2%) year on year to 1,722.6 billion yen.

In the automotive steel business, TT Steel Service India Private Ltd., a sheet-steel importer, warehouser and processor, is constructing a branch plant in India that is scheduled to commence operation in May 2017. In the nonferrous metals business, subsidiary Toyotsu Rare Earths Corporation was merged into Toyotsu Material Inc. to improve profitability and governance and unify channels for sourcing and stably supplying metal raw materials. The post-merger Toyotsu Material Inc. has been expanding its operations and services since April 1, 2017. In Mexico, TOYOTSU SMELTING TECHNOLOGY MEXICO, S.A. DE C.V. commenced commercial production in the aim of stably producing and supplying smelted aluminum for die-cast auto parts.

Global Parts & Logistics

Net sales decreased 51.9 billion yen (5.2%) year on year to 947.1 billion yen.

The Group entered into a distribution agreement with Ballard Power Systems Inc., one of the world's foremost fuel-cell developers and manufacturers, and commenced sales of Ballard fuel cells in the Japanese market. In Kenya, the Group joined forces with Bolloré Transport & Logistics Kenya Limited and NYK Line to jointly establish Bolloré NYK Auto Logistics Limited, a vehicle logistics company.

Automotive

Net sales decreased 105.4 billion yen (8.4%) year on year to 1,146.9 billion yen.

In Japan, the Group teamed up with leading Korean tire manufacturer NEXEN TIRE Corporation to establish and commence operations of NEXEN TIRE JAPAN INC., an importer and distributor of NEXEN tires. By entering the tire distribution business, the Group aims to expand its aftermarket auto parts value chain. In Uganda, TOYOTA UGANDA LTD., a Toyota vehicle importer and dealer, expanded its network by opening its fourth auto dealership and service center in Uganda.

Machinery, Energy & Project

Net sales increased 251.3 billion yen (15.7%) year on year to 1,851.6 billion yen.

Group company Eurus Energy Holdings Corporation entered the wind power business in Finland and the Netherlands. It now has projects in 11 countries throughout the world. In January 2017, it completed construction and commenced operation of a large-scale solar power plant in Hawaii. In Iraq, the Group was awarded a contract for construction of stationary and mobile substations by the Iraqi Ministry of Electricity.

Chemicals & Electronics

Net sales decreased 161.0 billion yen (8.4%) year on year to 1,762.7 billion yen.

In the chemical and synthetic resin business, Toyota Tsusho Fertilizer Africa Limited began developing, manufacturing and selling fertilizer optimized for local soil, in Kenya. In the electronics business, the Group merged Tomen Electronics Corporation and Toyota Tsusho Electronics Corporation to form NEXTY Electronics Corporation, which commenced operations on April 1, 2017.

Food & Consumer Services

Net sales decreased 90.2 billion yen (15.7%) year on year to 484.0 billion yen.

In the food business, investee Country Pure Foods, Inc., a U.S. fruit juice maker co-owned with Sapporo International Inc., acquired the frozen fruit juice business of The Ridgefield's Brand Corporation, Inc., a U.S. commercial frozen fruit juice manufacturer. In the consumer services business, the newly constructed second phase of the AXIA SOUTH CIKARANG residential hotel complex for long-term residents and business travelers opened for business in Indonesia.

Outlook for Fiscal Year Ending March 31, 2018

For the fiscal year ending March 31, 2018, the Company is forecasting 110.0 billion yen of profit attributable to owners of the parent.

Beginning with its consolidated financial statements in its Securities Report for the fiscal year ended March 31, 2017, the Company will voluntarily adopt International Financial Reporting Standards (IFRS). The Company has accordingly prepared its consolidated earnings forecast for the fiscal year ending March 31, 2018, on an IFRS basis.

Consolidated Financial Condition

(1) Assets, Liabilities, and Net Assets

At March 31, 2017, consolidated assets totaled 4,096.8 billion yen, a 144.7 billion yen increase from March 31, 2016. The increase was most notably attributable to a 68.2 billion yen increase in cash and deposits, 47.5 billion yen increase in investment securities and 46.2 billion yen increase in trade notes and accounts receivable.

Consolidated liabilities at March 31, 2017, totaled 2,944.8 billion yen, a 48.5 billion yen increase from March 31, 2016. The increase was mainly attributable to a 65.8 billion yen increase in trade notes and accounts payable.

Consolidated net assets at March 31, 2017, totaled 1,151.9 billion yen, a 96.2 billion yen increase from March 31, 2016. The increase was mostly the net result of an 80.3 billion yen increase in retained earnings mainly derived from profit attributable to owners of the parent, a 33.4 billion yen increase in valuation difference on available-for-sale securities and a 31.7 billion yen decrease in foreign currency translation adjustment.

(2) Cash Flows

Cash and cash equivalents (“cash”) at March 31, 2017, totaled 430.517 billion yen, a 31.326 billion yen increase from March 31, 2016. The increase was attributable to positive cash flow from operating activities, partially offset by negative cash flows from investing and financing activities.

Cash flows from operating activities

Operating activities provided net cash of 193.769 billion yen (114.569 billion yen less than in the previous fiscal year). The net cash inflow came largely from profit before income taxes.

Cash flows from investing activities

Investing activities used net cash of 130.428 billion yen (40.411 billion yen less than in the previous fiscal year), mainly for property and equipment purchases.

Cash flows from financing activities

Financing activities used net cash of 28.343 billion yen (196.859 billion yen less than in the previous fiscal year), largely to pay dividends.

Dividends

The Company aims to pay dividends equivalent to 25% of its consolidated profit before goodwill amortization in accord with its policy of providing stable, ongoing shareholder returns.

For the fiscal year ended March 31, 2017, the Company plans to pay a year-end dividend of 39 yen per share. Including the previously paid interim dividend of 31 yen per share, dividends for the fiscal year ended March 31, 2017, will total 70 yen per share, an increase of eight yen per share from the previous fiscal year.

Going forward, the Company will continue to endeavor to maintain a stable dividend and increase its dividend per share as usual. From the fiscal year ending March 31, 2018, onward, the Company aims to pay dividends equivalent to more than 25% of its consolidated profit before goodwill amortization to meet shareholders' dividend expectations.

In accord with this revised dividend policy, the Company plans to pay annual dividends for the fiscal year ending March 31, 2018, of 78 yen per share, consisting of an interim dividend of 39 yen and year-end dividend of 39 yen per share, assuming that it earns 110 billion yen of consolidated profit attributable to owners of the parent, in line with its current forecast.

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

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.

2. Basic Approach to Selection of Accounting Standards

The Company will voluntarily adopt International Financial Reporting Standards (IFRS), beginning with its consolidated financial statements in its Securities Report for the fiscal year ended March 31, 2017 (its 96th fiscal year).

3. Financial Statements

(1) Consolidated Balance Sheets

	(Unit: Millions of yen)	
	As of March 31, 2016	As of March 31, 2017
	Amount	Amount
Assets		
Current assets:		
Cash and deposits	408,310	476,559
Notes and accounts receivable - trade	1,198,337	1,244,532
Inventories	580,051	586,097
Deferred tax assets	11,600	16,693
Other	260,679	243,524
Allowance for doubtful accounts	(33,086)	(33,456)
Total current assets	2,425,894	2,533,950
Non-current assets:		
Property, plant and equipment		
Buildings and structures	349,206	360,572
Accumulated depreciation	(152,174)	(161,937)
Buildings and structures, net	197,032	198,634
Machinery, equipment and vehicles	485,889	533,707
Accumulated depreciation	(231,782)	(257,551)
Machinery, equipment and vehicles, net	254,107	276,156
Land	88,752	87,908
Leased assets	24,616	17,889
Accumulated depreciation	(13,856)	(6,086)
Leased assets, net	10,759	11,802
Construction in progress	32,636	36,676
Other	42,860	46,020
Accumulated depreciation	(27,862)	(30,033)
Other, net	14,998	15,987
Total property, plant and equipment	598,286	627,164
Intangible assets:		
Goodwill	135,948	108,652
Leased assets	16	8
Other	137,832	124,433
Total intangible assets	273,797	233,094
Investments and other assets:		
Investment securities	476,774	524,250
Other investments	54,165	43,758
Long-term loans receivable	25,789	26,843
Net defined benefit asset	9,694	11,219
Deferred tax assets	22,833	23,059
Other	75,128	86,213
Allowance for doubtful accounts	(10,264)	(12,712)
Total investments and other assets	654,122	702,632
Total non-current assets	1,526,205	1,562,892
Total assets	3,952,100	4,096,843

	As of March 31, 2016	As of March 31, 2017	(Unit: Millions of yen)
	Amount	Amount	
Liabilities			
Current liabilities:			
Notes and accounts payable - trade	867,302	933,179	
Short-term loans payable	468,903	487,611	
Commercial papers	40,000	-	
Current portion of bonds	26,042	-	
Lease obligations	2,717	2,827	
Income taxes payable	27,210	28,514	
Deferred tax liabilities	6,206	5,273	
Reserve for directors' bonuses	328	781	
Provision for loss on litigation	616	314	
Other	297,862	286,681	
Total current liabilities	1,737,191	1,745,183	
Non-current liabilities:			
Bonds payable	110,000	150,000	
Long-term loans payable	860,583	883,110	
Lease obligations	2,851	3,238	
Deferred tax liabilities	85,631	67,642	
Directors' retirement benefit liabilities	678	478	
Provision for loss on guarantees	55	850	
Provision for loss on allowance for liquidation of affiliated companies	523	373	
Provision for contract loss	1,697	535	
Provision for loss on litigation	380	379	
Net defined benefit liability	36,917	36,632	
Other	59,810	56,451	
Total non-current liabilities	1,159,130	1,199,691	
Total liabilities	2,896,322	2,944,874	
Net assets			
Shareholders' equity:			
Capital stock	64,936	64,936	
Capital surplus	153,725	150,190	
Retained earnings	562,417	642,732	
Treasury shares	(3,623)	(3,540)	
Total shareholders' equity	777,455	854,318	
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	96,043	129,459	
Deferred gains or losses on hedges	(25,983)	(13,473)	
Foreign currency translation adjustment	46,993	15,231	
Remeasurements of defined benefit plans	(5,871)	(2,294)	
Total accumulated other comprehensive income	111,180	128,923	
Subscription rights to shares	37	-	
Non-controlling interests	167,103	168,727	
Total net assets	1,055,777	1,151,969	
Total liabilities and net assets	3,952,100	4,096,843	

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

	(Unit: Millions of yen)	
	Year ended March 31, 2016	Year ended March 31, 2017
	Amount	Amount
Net sales	8,170,237	7,919,663
Cost of sales	7,554,195	7,340,775
Gross profit	616,042	578,887
Selling, general and administrative expenses		
Commission fee	40,360	35,759
Traveling and transportation expenses	20,118	18,553
Communication expenses	4,972	4,563
Provision of allowance for doubtful accounts	7,802	5,396
Salaries and allowances	184,676	177,152
Retirement benefit expenses	5,014	6,113
Welfare expenses	33,141	31,504
Rent expenses	27,461	26,689
Depreciation	38,403	35,104
Taxes and dues	7,696	7,929
Amortization of goodwill	36,399	20,328
Other	69,696	63,136
Total selling, general and administrative expenses	475,742	432,231
Operating income	140,299	146,656
Other income:		
Interest income	8,090	7,473
Dividend income	19,850	18,756
Share of profit of entities accounted for using equity method	-	10,254
Other income	13,825	14,419
Total other income	41,766	50,904
Other expenses:		
Interest expense	28,247	25,869
Share of loss of entities accounted for using equity method	5,676	-
Foreign exchange loss	11,074	1,622
Other expenses	8,973	11,788
Total other expenses	53,970	39,280
Ordinary income	128,095	158,279
Extraordinary income:		
Gain on sales of non-current assets	4,227	5,379
Gain on sales of investment securities and investments in capital	5,557	3,688
Gain on sale of golf membership	2	2
Gain on liquidation of subsidiaries and associates	421	31
Gain on reversal of provision for loss on guarantees	7	-
Gain on reversal of allowance for liquidation of affiliated companies	743	290
Gain on bargain purchase	262	-
Gain on reversal of subscription rights to shares	17	12
Gain on reversal of asset retirement obligations	-	1,448
Total extraordinary income	11,239	10,853

(Unit: Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
	Amount	Amount
Extraordinary losses:		
Loss on disposal of non-current assets	2,462	3,808
Impairment of property and intangible assets	64,859	2,225
Loss on sales of investment securities and investments in capital	1,427	116
Loss on valuation of investment securities and investments in capital	8,502	2,260
Loss on valuation of golf membership	99	13
Loss on liquidation of subsidiaries and associates	7	5,239
Bad debts loss	4,398	-
Provision of allowance for doubtful accounts	-	2,787
Provision for loss on guarantees	22	583
Loss on provision for liquidation of affiliated companies	242	221
Provision for loss on contracts	77	-
Loss on cancellation of contract	8,288	-
Special retirement expenses	2,409	2,452
Loss on disaster	-	1,372
Total extraordinary losses	92,799	21,081
Profit before income taxes	46,535	148,051
Income taxes:		
Current	57,935	55,712
Deferred	11,840	(30,639)
Total income taxes	69,776	25,072
Profit (loss)	(23,240)	122,979
Profit attributable to non-controlling interests	20,473	20,381
Profit (loss) attributable to owners of the parent	(43,714)	102,597

Consolidated Statements of Comprehensive Income

	(Unit: Millions of yen)	
	Year ended March 31, 2016	Year ended March 31, 2017
	Amount	Amount
Profit (loss)	(23,240)	122,979
Other comprehensive income:		
Valuation difference on available-for-sale securities	(41,348)	32,722
Deferred gains or losses on hedges	(12,358)	12,873
Foreign currency translation adjustment	(109,726)	(27,209)
Remeasurements of defined benefit plans	(9,833)	3,544
Share of other comprehensive income of entities accounted for using equity method	(6,737)	(5,986)
Total other comprehensive income	(180,003)	15,943
Comprehensive income	<u>(203,244)</u>	<u>138,922</u>
Components:		
Comprehensive income attributable to owners of the parent	(213,576)	120,318
Comprehensive income attributable to non-controlling interests	10,332	18,604

(3) Consolidated Statements of Changes in Net Assets

Year ended March 31, 2016 (April 1, 2015– March 31, 2016)

(Unit: Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	64,936	155,021	628,399	(3,858)	844,499
Increase (decrease) during the term					
Cash dividends paid			(20,767)		(20,767)
Profit (loss) attributable to owners of the parent			(43,714)		(43,714)
Purchase of treasury stock				(38)	(38)
Disposition of treasury stock		33		273	306
Change in equity attributable to parent arising from transactions with non-controlling shareholders		(1,329)			(1,329)
Effect from change in scope of consolidated subsidiaries			(305)		(305)
Effect from change in scope of entities accounted for using equity method			(1,172)		(1,172)
Other			(22)	(0)	(22)
Net increase (decrease) during the term, except for items under shareholders' equity					
Total increase (decrease)	-	(1,296)	(65,981)	234	(67,043)
Balance at end of year	64,936	153,725	562,417	(3,623)	777,455

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	137,976	(15,797)	154,903	3,930	281,012	127	178,844	1,304,483
Increase (decrease) during the term								
Cash dividends paid								(20,767)
Profit (loss) attributable to owners of the parent								(43,714)
Purchase of treasury stock								(38)
Disposition of treasury stock								306
Change in equity attributable to parent arising from transactions with non-controlling shareholders								(1,329)
Effect from change in scope of consolidated subsidiaries								(305)
Effect from change in scope of entities accounted for using equity method								(1,172)
Other								(22)
Net increase (decrease) during the term, except for items under shareholders' equity	(41,933)	(10,185)	(107,910)	(9,802)	(169,831)	(89)	(11,740)	(181,662)
Total increase (decrease)	(41,933)	(10,185)	(107,910)	(9,802)	(169,831)	(89)	(11,740)	(248,705)
Balance at end of year	96,043	(25,983)	46,993	(5,871)	111,180	37	167,103	1,055,777

Year ended March 31, 2017 (April 1, 2016– March 31, 2017)

(Unit: Millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	64,936	153,725	562,417	(3,623)	777,455
Increase (decrease) during the term					
Cash dividends paid			(21,829)		(21,829)
Profit (loss) attributable to owners of the parent			102,597		102,597
Purchase of treasury stock				(25)	(25)
Disposition of treasury stock		5		107	113
Change in equity attributable to parent arising from transactions with non-controlling shareholders		(3,053)			(3,053)
Effect from change in scope of consolidated subsidiaries			(38)		(38)
Effect from change in scope of entities accounted for using equity method			(165)		(165)
Other		(487)	(248)	(0)	(735)
Net increase (decrease) during the term, except for items under shareholders' equity					
Total increase (decrease)	-	(3,535)	80,314	82	76,862
Balance at end of year	64,936	150,190	642,732	(3,540)	854,318

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	96,043	(25,983)	46,993	(5,871)	111,180	37	167,103	1,055,777
Increase (decrease) during the term								
Cash dividends paid								(21,829)
Profit (loss) attributable to owners of the parent								102,597
Purchase of treasury stock								(25)
Disposition of treasury stock								113
Change in equity attributable to parent arising from transactions with non-controlling shareholders								(3,053)
Effect from change in scope of consolidated subsidiaries								(38)
Effect from change in scope of entities accounted for using equity method								(165)
Other								(735)
Net increase (decrease) during the term, except for items under shareholders' equity	33,416	12,510	(31,761)	3,577	17,742	(37)	1,624	19,328
Total increase (decrease)	33,416	12,510	(31,761)	3,577	17,742	(37)	1,624	96,191
Balance at end of year	129,459	(13,473)	15,231	(2,294)	128,923	-	168,727	1,151,969

(4) Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	Year ended March 31, 2016	Year ended March 31, 2017
	Amount	Amount
Cash flows from operating activities:		
Profit before income taxes	46,535	148,051
Depreciation	81,073	75,737
Amortization of goodwill	36,399	20,328
Increase (decrease) in allowance for doubtful accounts	7,830	8,184
Interest and dividend income	(27,941)	(26,229)
Interest expenses	28,247	25,869
Share of (profit) loss of entities accounted for using equity method	5,676	(10,254)
Decrease (increase) in notes and accounts receivable - trade	99,947	(70,616)
Decrease (increase) in inventories	67,194	(12,033)
Increase (decrease) in notes and accounts payable - trade	(61,038)	74,791
Other, net	68,063	(3,138)
Subtotal	351,987	230,690
Interest and dividend income received	45,957	40,197
Interest expenses paid	(27,910)	(25,678)
Income taxes paid	(61,696)	(51,440)
Net cash provided by (used in) operating activities	308,338	193,769
Cash flows from investing activities:		
Decrease (increase) in time deposits	(8,747)	(37,299)
Purchase of property, plant and equipment	(107,221)	(75,327)
Proceeds from sales of property, plant and equipment	21,196	14,580
Purchase of intangible assets	(17,101)	(10,899)
Proceeds from sales of intangible assets	704	589
Payment for purchase of investment securities and investments in capital	(27,459)	(21,372)
Proceeds from sales of investment securities and investments in capital	8,467	7,355
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(33,099)	(9,290)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	12	-
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(17)	(28)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	368	53
Payments of loans receivable	(23,740)	(17,957)
Collection of loans receivable	16,008	20,958
Other, net	(210)	(1,790)
Net cash provided by (used in) investing activities	(170,839)	(130,428)

(Unit: Millions of yen)

	Year ended March 31, 2016	Year ended March 31, 2017
	Amount	Amount
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	(206,487)	(47,010)
Proceeds from long-term loans payable	159,802	153,565
Repayments of long-term loans payable	(141,420)	(105,793)
Proceeds from issuance of bonds	20,000	40,000
Redemption of bonds	(10,000)	(25,992)
Purchase of treasury shares	(38)	(25)
Proceeds from share issuance to non-controlling shareholders	509	1,516
Cash dividends paid	(20,767)	(21,829)
Dividends paid to non-controlling interests	(16,078)	(14,575)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(5,197)	(5,689)
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	272
Other, net	(5,524)	(2,780)
Net cash provided by (used in) financing activities	(225,202)	(28,343)
Effect of exchange rate change on cash and cash equivalents	(17,632)	(4,297)
Net increase (decrease) in cash and cash equivalents	(105,336)	30,699
Cash and cash equivalents at beginning of period	499,157	399,191
Cash and cash equivalents from newly consolidated subsidiaries at the beginning of the year	5,370	625
Cash and cash equivalents at end of period	399,191	430,517

(5) Notes on Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Changes in accounting policies)

(Implementation guidance on recoverability of deferred tax assets)

Effective the fiscal year ended March 31, 2017, the Company adopted Revised Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, revised on March 28, 2016) and made some changes to the accounting treatment related to recoverability of deferred tax assets.

The ASBJ Guidance No. 26 was adopted with transitional treatments stipulated in paragraph 49(4) of the ASBJ Guidance No. 26, and the difference between a) the amounts of deferred tax assets and deferred tax liabilities calculated with application of paragraph 49(3)(i) to (iii) of the ASBJ Guidance No. 26 as of April 1, 2016, the beginning of the fiscal year ended March 31, 2017, and b) the amounts of deferred tax assets and deferred tax liabilities as of March 31, 2016, the end of the previous fiscal year, were included in retained earnings as of the beginning of the fiscal year ended March 31, 2017.

For reference, the effect of this change was minor.

(Additional information)

(Consolidated taxation system)

During the fiscal year ended March 31, 2017, the Company and some of its consolidated subsidiaries applied for the adoption of consolidated taxation regime, and the consolidated taxation regime was admitted to start from the fiscal year ending March 31, 2018. In line with this, effective the fiscal year ended March 31, 2017, the Company has applied accounting procedures taking into consideration of the adoption of consolidated taxation system, based on Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1) (PITF No.5 revised on January 16, 2015) and Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2) (PITF No.7, revised on January 16, 2015).

Due to the change, tax expenses (income taxes current and income taxes deferred) were 25,184 million yen lower.

(Segment information)

1. Overview of Reportable Segments

The Toyota Tsusho 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 Toyota Tsusho 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, Global Parts & Logistics, Automotive, Machinery, Energy & Project, Chemicals & Electronics, and Food & Consumer Services. 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. For reference, from April 1, 2017, product divisions' African operations were consolidated into the newly established Africa Division.

Metals Division

The Metals Division mainly handles ordinary and special steel products, steel construction materials, nonferrous metal ingots and precious metals, rolled light-metal products, copper alloy products, scrap iron and scrap nonferrous metals, ferroalloy products, wrought iron, recycling of end-of-life vehicles (ELVs) and auto parts, waste catalyst, rare earth resources and rare metals. The division manufactures, processes, sells, and disposes of the products listed above.

Global Parts & Logistics Division

The Global Parts & Logistics Division mainly manufactures, 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, two-wheeled vehicles, trucks and buses, industrial vehicles, and automotive parts. The division imports, sells and provides services for the products listed above as well as operates peripheral businesses such as small and medium-scale production, body mounting and conversion, used vehicle sales, and captive finance and lease.

Machinery, Energy & Project Division

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

Chemicals & Electronics Division

The Chemicals & Electronics Division sells and provides services for component parts for automobile production, electronic devices and semiconductors, modular product, automotive embedded software development, network integration and support, information communication equipment, overseas IT infrastructure exports, PCs, PC peripherals and software, and ITS (Intelligent Transport Systems) equipment. The division also handles synthetic resins, rubber, batteries and electronic materials, fine and inorganic chemicals, fat and oil products, chemical additives, pharmaceuticals, and pharmaceutical ingredients. The division processes, manufactures, sells and provides services relevant to the products listed above.

Food & Consumer Services Division

The Food & Consumer Services Division mainly handles livestock feed, grains, processed foods, food ingredients, agricultural, marine and livestock products, alcoholic beverages, as well as property, casualty and life insurance, brokered securities, textile products, apparel, nursing care and medical products, construction and housing materials, and office furniture. The division manufactures, processes, sells, and provides services relevant to the products listed above as well as operates general hospitals and hotel residences.

2. Sales, income/loss, assets, and other items by reportable segment
 I. Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(Unit: Millions of yen)

	Reportable segment							Total	Other *1	Total	Adjustments *2	Amounts on the consolidated financial statements *3
	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services						
Net sales Outside customers	1,817,408	999,011	1,252,333	1,600,311	1,923,778	574,298	8,167,142	3,094	8,170,237	-	-	8,170,237
Inter-segment	801	3,122	30	427	5,962	862	11,205	533	11,739	(11,739)	-	-
Total	1,818,210	1,002,133	1,252,364	1,600,738	1,929,740	575,161	8,178,348	3,628	8,181,976	(11,739)	-	8,170,237
Segment income (loss)	37,445	21,692	37,968	21,374	24,950	8,656	152,087	(11,803)	140,284	15	-	140,299
Segment assets	745,751	320,896	652,814	638,748	733,652	320,189	3,412,052	689,454	4,101,507	(149,407)	-	3,952,100
Other items Depreciation	11,664	6,959	23,461	20,367	6,523	6,141	75,118	6,012	81,130	-	-	81,130
Investment in entities accounted for using equity method	15,037	19,511	27,782	56,079	57,399	26,491	202,302	14,560	216,862	-	-	216,862
Increase in property, plant and equipment and intangible assets	12,929	4,929	31,192	47,855	7,992	10,544	115,443	6,545	121,989	-	-	121,989

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 mainly represent the amounts of inter-segment transactions.
3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.

II Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(Unit: Millions of yen)

	Reportable segment						Total	Other *1	Total	Adjustments *2	Amounts on the consolidated financial statements *3
	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services					
Net sales Outside customers	1,722,631	947,197	1,146,973	1,851,668	1,762,759	484,081	7,915,312	4,350	7,919,663	-	7,919,663
Inter-segment	559	3,009	38	792	6,102	1,139	11,641	586	12,228	(12,228)	-
Total	1,723,191	950,206	1,147,011	1,852,460	1,768,862	485,220	7,926,954	4,937	7,931,891	(12,228)	7,919,663
Segment income (loss)	41,684	20,876	26,140	20,192	37,009	10,176	156,081	(9,441)	146,639	16	146,656
Segment assets	775,363	328,408	632,018	657,310	744,859	323,957	3,461,917	823,106	4,285,024	(188,180)	4,096,843
Other items Depreciation Investment in entities accounted for using equity method Increase in property, plant and equipment and intangible assets	10,897 16,367 11,390	5,642 16,337 3,854	22,324 29,209 22,029	18,881 52,398 26,238	5,998 57,744 7,387	6,482 32,476 5,748	70,227 204,533 76,649	5,510 10,237 11,732	75,737 214,771 88,382	- - -	75,737 214,771 88,382

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 mainly represent the amounts of inter-segment transactions.
3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.

3. Changes in Reportable Segment

Effective the fiscal year ended March 31, 2017, the Food & Agribusiness Division and the Consumer Products & Services Division have been integrated into the Food & Consumer Services Division. In line with this, the segment information for the fiscal year ended March 31, 2016 has been recast to reflect this change.

(Per Share Information)

	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Net assets per share (yen)	2,525.69	2,794.14
Profit (loss) per share (yen)	(124.26)	291.56
Profit per share - fully diluted (yen)	-	291.56

(Note) 1. Profit per share-fully diluted for the fiscal year ended March 31, 2016 is not indicated, though the Company has dilutive shares, because a net loss was recorded for the period.
 2. Basis for calculation of profit (loss) per share and profit per share-fully diluted are as follows.

	Year ended March 31, 2016 (April 1, 2015 to March 31, 2016)	Year ended March 31, 2017 (April 1, 2016 to March 31, 2017)
Profit (loss) per share		
Profit (loss) attributable to owners of the parent (millions of yen)	(43,714)	102,597
Amount not attributable to common stock shareholders (millions of yen)	-	-
Profit (loss) attributable to common stockholders of owners of the parent (millions of yen)	(43,714)	102,597
Average number of common stock shares outstanding (thousands of shares)	351,804	351,884
Profit per share - fully diluted		
Adjustments to profit attributable to owners of the parent (millions of yen)	-	-
Increase in the number of common stock shares (thousands of shares)	-	11
[Of which share option (subscription rights to shares)] (thousands of shares)	-	[11]
Residual securities not included in the calculation for profit per share – fully diluted because they have no dilutive effect	-----	-----

(Material Subsequent Events)

Not applicable

**4. Outline of Consolidated Results for the Year ended March 31, 2017
(April 1, 2016 to March 31, 2017)**

(1) Operating Results

(Unit: Billions of yen)

	Consolidated			
	Year ended March 31, 2017	Year ended March 31, 2016	Year-on-year change	
			Amount	%
Net sales	7,919.6	8,170.2	(250.6)	(3.1)
Gross profit	578.8	616.0	(37.2)	(6.0)
SG & A expenses	432.2	475.7	(43.5)	-
Operating income	146.6	140.2	6.4	4.5
Interest income and expense	(18.3)	(20.1)	1.8	-
Dividend income	18.7	19.8	(1.1)	-
Share of profit (loss) of entities accounted for using equity method	10.2	(5.6)	15.8	-
Other income (expenses)	1.0	(6.2)	7.2	-
Ordinary income	158.2	128.0	30.2	23.6
Extraordinary income (losses)	(10.2)	(81.5)	71.3	-
Profit before income taxes	148.0	46.5	101.5	218.1
Income taxes	25.0	69.7	(44.7)	-
Profit (loss)	122.9	(23.2)	146.1	-
Profit attributable to non-controlling interests	20.3	20.4	(0.1)	-
Profit (loss) attributable to owners of the parent	102.5	(43.7)	146.2	-

Main factors behind year-on-year changes

- Net sales -250.6 billion yen:
 - Decrease mainly due to stronger yen which offset the increase in trading volume of petroleum products in Machinery, Energy & Project Division.
- SG & A expenses -43.5 billion yen:
 - Decrease due mainly to stronger yen and decrease in amortization of goodwill
- Share of profit (loss) of entities accounted for using equity method +15.8 billion yen:
 - Increase mainly in the Metals Division and the Chemicals & Electronics Division
- Other income/expenses +7.2 billion yen:
 - Increase due mainly to improvement in foreign exchange gain/loss
- Extraordinary income (losses) +71.3 billion yen:
 - Increase due mainly to decrease in impairment losses.

For reference:

(Unit: Billions of yen)

Quarterly changes	1st quarter	2nd quarter	3rd quarter	4th quarter
Net sales	1,862.8	1,806.4	2,141.0	2,109.3
Operating income	30.0	29.2	46.3	41.0
Ordinary income	43.3	39.1	42.2	33.5
Profit attributable to owners of the parent	21.3	20.6	21.5	39.0

(2) Financial Position

(Unit: Billions of yen)

	Consolidated			
	As of March 31, 2017	As of March 31, 2016	Change versus March 31, 2016	
			Amount	%
Total assets	4,096.8	3,952.1	144.7	3.7
Current assets	2,533.9	2,425.8	108.1	4.5
Investment securities and investments in capital	568.0	530.9	37.1	7.0
Other non-current assets	994.8	995.2	(0.4)	(0.0)
Net assets	1,151.9	1,055.7	96.2	9.1
Net interest-bearing debt	1,050.2	1,102.7	(52.5)	(4.8)
Debt-equity ratio (times)	1.1	1.2	(0.1)	
Number of consolidated subsidiaries	731	698	33	
Number of entities accounted for using equity method	243	233	10	

Main factors behind year-on-year changes

- Current assets +108.1 billion yen:
 - Cash and deposits increased 68.2 billion yen
 - Notes and accounts receivable - trade increased 46.2 billion yen
- Investment securities and investments in capital +37.1 billion yen:
 - Increase due mainly to higher market value
- Net assets +96.2 billion yen:
 - Retained earnings increased 80.3 billion yen (profit attributable to owners of the parent of 102.5 billion yen less 21.8 billion yen dividends, etc.)
 - Valuation difference on available-for-sale securities increased 33.4 billion yen
 - Deferred gains or losses on hedges increased 12.5 billion yen
 - Foreign currency translation adjustment decreased 31.7 billion yen

(3) Cash Flow Position

(Unit: Billions of yen)

	Year ended March 31, 2017	Year ended March 31, 2016	Major factors behind year-on-year changes
1. Cash flows from operating activities	193.7	308.3	Profit for the year ended March 31, 2017
2. Cash flows from investing activities	(130.4)	(170.8)	Purchase of property, plant and equipment
1-2: Free cash flow	63.3	137.5	
Cash flows from financing activities	(28.3)	(225.2)	Cash dividends paid

(4) Consolidated Net Sales and Operating Income by Segment

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

(Unit: Billions of yen)

	Year ended March 31, 2017	Year ended March 31, 2016	Year-on-year change	Amounts affected by exchange rates	Year-on-year change excluding amount affected by exchange rates	
					Amount	%
Metals	1,722.6	1,817.4	(94.8)	(102.3)	7.5	0.4
	41.6	37.4	4.2	(3.0)	7.2	21.0
Global Parts & Logistics	947.1	999.0	(51.9)	(101.0)	49.1	5.5
	20.8	21.6	(0.8)	(2.0)	1.2	6.0
Automotive	1,146.9	1,252.3	(105.4)	(102.5)	(2.9)	(0.2)
	26.1	37.9	(11.8)	(3.8)	(8.0)	(23.6)
Machinery, Energy & Project	1,851.6	1,600.3	251.3	(68.0)	319.3	20.8
	20.1	21.3	(1.2)	(0.3)	(0.9)	(4.0)
Chemicals & Electronics	1,762.7	1,923.7	(161.0)	(98.1)	(62.9)	(3.4)
	37.0	24.9	12.1	(1.9)	14.0	60.7
*Food & Consumer Services	484.0	574.2	(90.2)	(25.6)	(64.6)	(11.8)
	10.1	8.6	1.5	(0.8)	2.3	30.0
Total	7,919.6	8,170.2	(250.6)	(497.8)	247.2	3.2
	146.6	140.2	6.4	(10.6)	17.0	13.1

Main factors behind year-on-year changes

- Metals

Net sales and operating income:

Both increased due to increase in automobile production which offset the effects of lower market price

- Global Parts & Logistics

Net sales and operating income:

Both increased due to increase in automotive components handled overseas

- Automotive

Net sales and operating income:

Both decreased due to decrease in export by Toyota Tsusho Corporation as well as decrease in trading volume handled by overseas auto dealership

- Machinery, Energy & Project

Net sales:

Increased on the back of increase in trading volume of petroleum products

Operating income:

Decreased due to an offset to foreign exchange loss included in non-operating category

- Chemicals & Electronics

Net sales:

Decreased due to decrease in trading volume of electronics-related products

Operating income:

Increased due to decrease in amortization of goodwill and the effect of loss on valuation of inventories recorded in the year ended March 31, 2016

- Food & Consumer Services

Net sales:

Decreased due to decrease in trading volume of grain imported or handled overseas

Operating income:

Increased due to decrease in amortization of goodwill as well as the effect of an offset to foreign exchange loss included in non-operating category

* Effective April 1, 2016, the Food & Agribusiness Division and the Consumer Products & Services Division have been integrated into the Food & Consumer Services Division. In line with this, net sales and operating income for the year ended March 31, 2016 have been recast to reflect this change.

**(5) Consolidated Financial Results Forecasts for the Year Ending March 31, 2018
(April 1, 2017 to March 31, 2018)**

(Unit: Billions of yen)

	Year ending March 31, 2018
Corporate	
Gross profit	567.0
Profit from operating activities	160.0
Profit before tax	182.0
Profit attributable to owners of the parent	110.0
By division	
Metals	87.0
	26.0
Global Parts & Logistics	67.0
	16.0
Automotive	77.0
	16.0
Machinery, Energy & Project	75.0
	18.0
Chemicals & Electronics	95.0
	25.0
Food & Consumer Services	45.0
	5.5
*Africa	118.0
	6.5

※Beginning with its consolidated financial statements in its Securities Report for the fiscal year ended March 31, 2017, the Company will voluntarily adopt International Financial Reporting Standards (IFRS). The Company has accordingly prepared its consolidated earnings forecast for the fiscal year ending March 31, 2018, on an IFRS basis.

※The top row for each division indicates gross profit; the bottom row indicates profit attributable to owners of the parent.

*From April 1, 2017, product divisions' African operations were consolidated into the newly established Africa Division.

(6) Dividend per Share

	Year ending March 31, 2018 (forecast)	Year ended March 31, 2017	Year ended March 31, 2016
Interim	39.0 yen	31.0 yen	31.0 yen
Full year	78.0 yen	70.0 yen (projected)	62.0 yen
Payout ratio (consolidated) <i>Before amortization of goodwill</i>	25.0%	20.1%	-

(7) Changes in Major Indexes

		Year ended March 31, 2017 (or as of March 31, 2017)	Year ended March 31, 2016 (or as of March 31, 2016)
Exchange rate (yen / US dollar)	Average during the period	108	120
	End of period	112	113
Interest rate	Yen TIBOR 3M average	0.06%	0.16%
	US dollar LIBOR 3M average	0.86%	0.40%
Dubai oil (US dollars / bbl)		47	46
Corn futures (cents / bushel)		358	371