



# Outline of Consolidated Results for the First Half of the Fiscal Year ending March, 2011

November 1, 2010



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**1. Results for the First Half and Forecast for the Fiscal Year Ending March 2011**

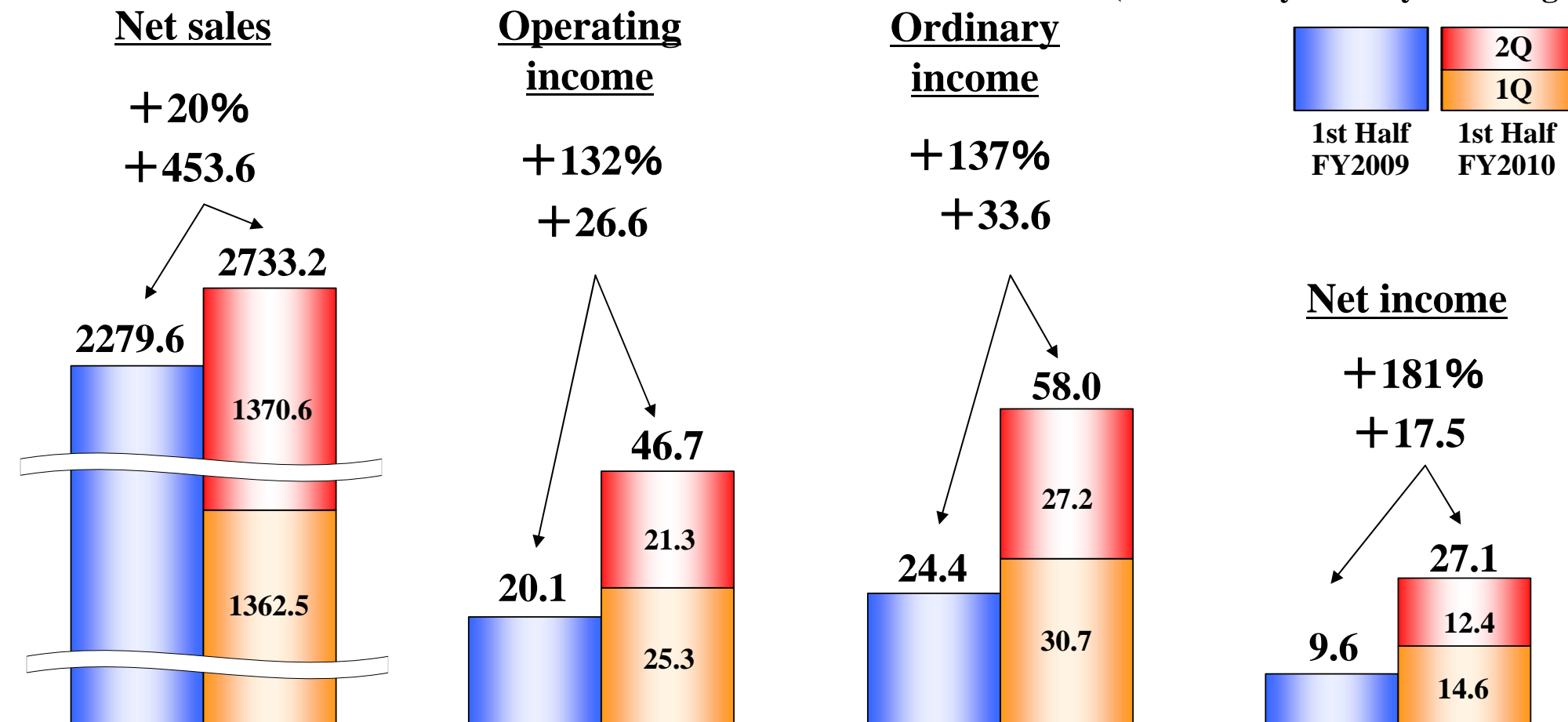
**2. First-Half Initiatives (Progress in Investment Plans/Strengthening of Affiliates)**

**3. Results for the First Half and Forecast for the Fiscal Year Ending March 2011  
by Division**

**4. Supplementary Materials**

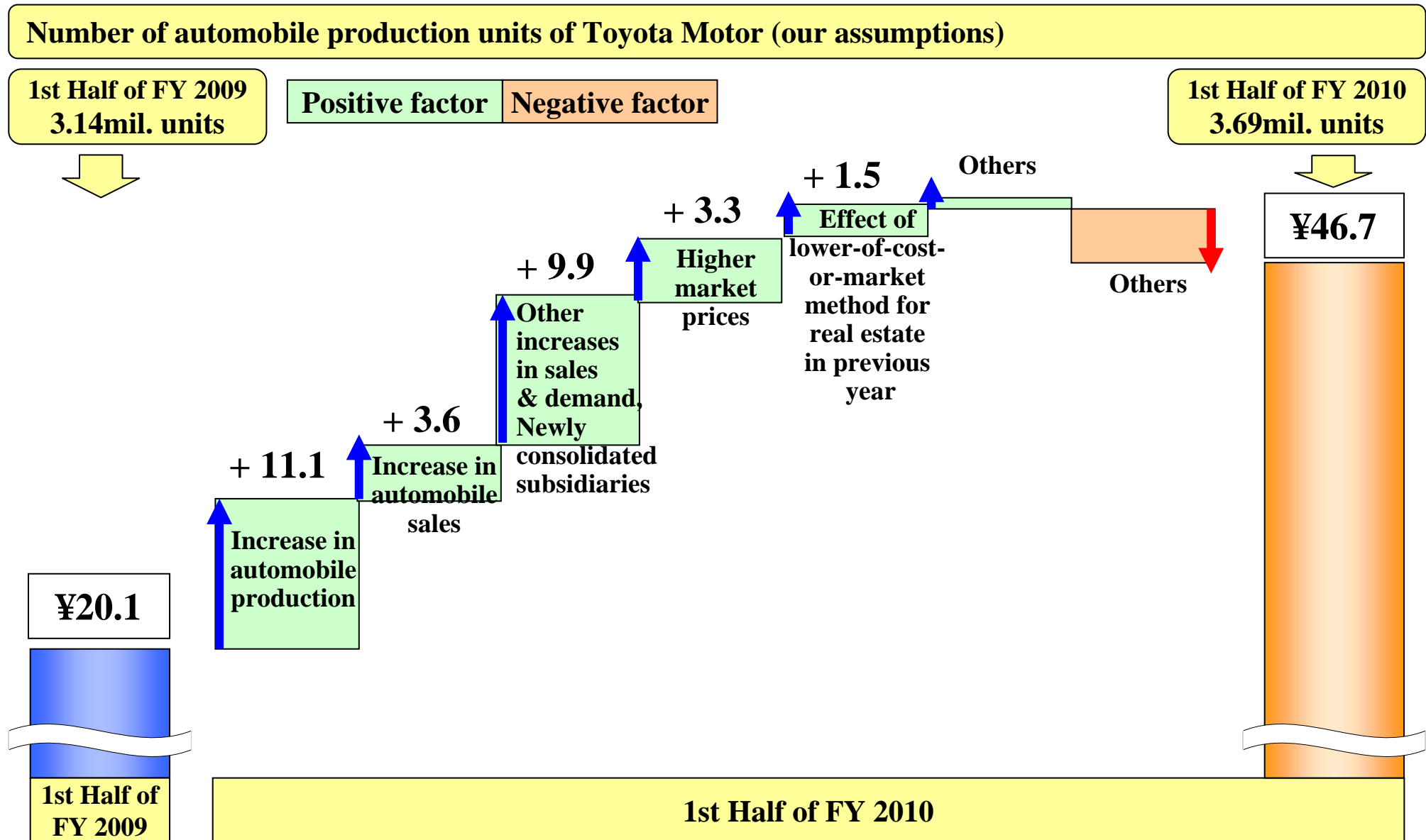
- ◆ Year-to-year increases in both net sales and earnings
- ⇒ Sales increase due to volume increases in Metals Division and Machinery & Electronics Division; operating income increase due to increases in Metals Division and Machinery & Electronics Division

(% denotes year-on-year changes)



# Positive and Negative Factors in Operating income for the First Half of FY 2010

(Billion yen)



# Situation of Balance Sheet

March 31, 2010

September 30, 2010

(Billion yen)

Assets

Current assets 1,554.3	Current assets 1,496.7
PPE & Intangible 348.3	PPE & Intangible 377.4
Investments, Others 371.8	Investments, Others 360.3

Net Assets

Total assets 2,274.5	Total assets 2,234.5
Net assets 650.2 (Net worth 585.1)	Net assets 645.3 (Net worth 577.4)

**Decrease in total assets: -¥40.0 billion**

Trade notes & accounts receivable:	-¥49.6 billion
Inventories:	-¥29.8 billion
Property & equipment:	+¥35.6 billion

**Decrease in Net assets: -¥4.9 billion**

[Decrease in Net Worth: +¥7.7 billion]

Retained earnings:	+¥30.1 billion
Net unrealized gains on available-for-sale securities, net of taxes:	-¥12.6 billion
Deferred loss on future hedges:	-¥6.4 billion
Foreign currency translation adjustments:	-¥19.3 billion

[Other increases: +¥2.8 billion]

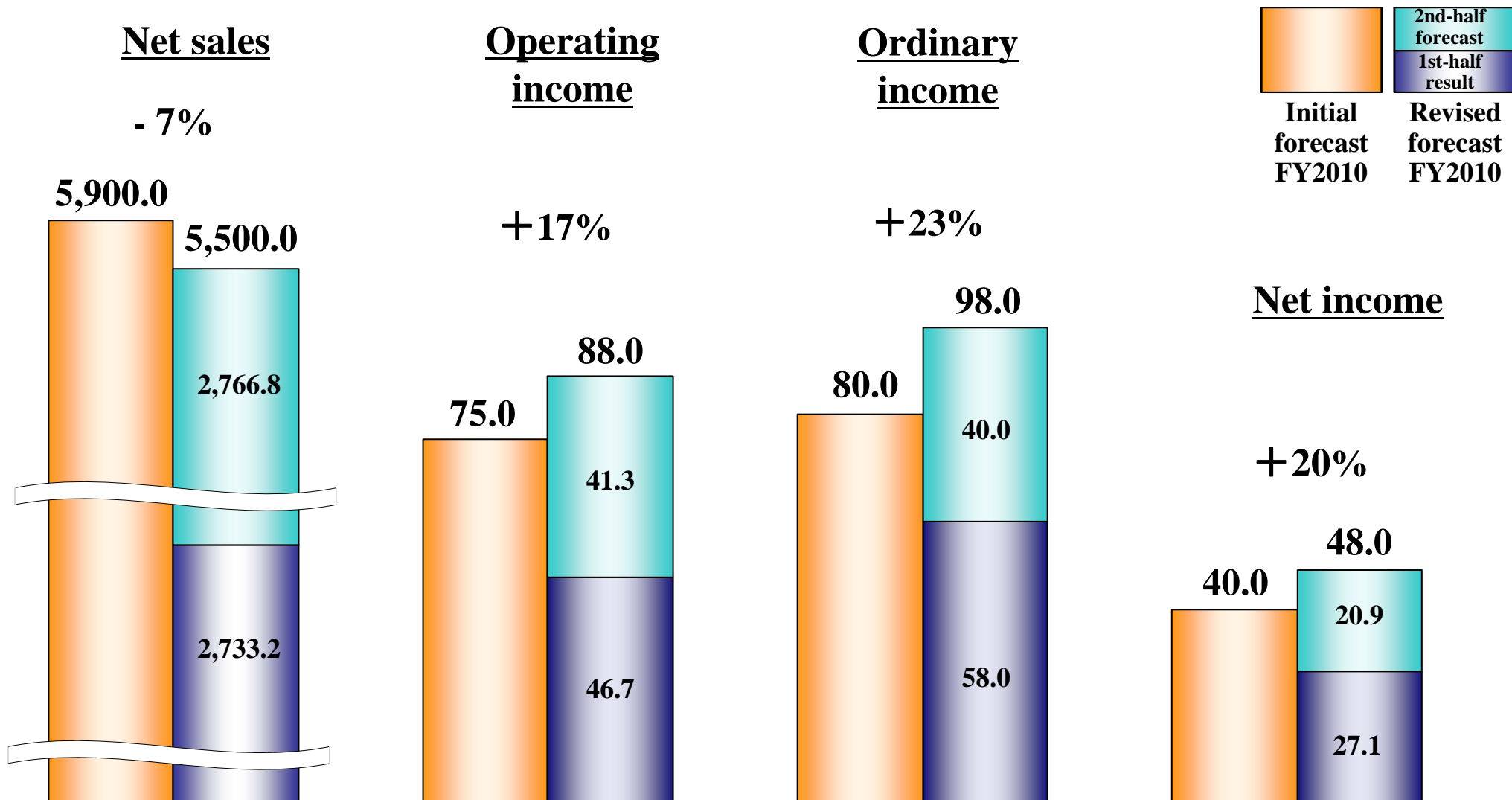
Minority interest:	+¥3.0 billion
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# Forecast for FY 2010

## (Initial Forecast to Revised Forecast Comparison)

(Billion yen)

(% denotes year-on-year changes)



## Background of Positive First-Half Results

### [Automotive Field]

- Increased domestic production due to continued subsidies
- Minimized impact of sales decrease from recall problem
- Increased profits at overseas affiliates with strong production in Asia

### [Non-Automotive Fields]

- Positive sales of construction machinery for China
- Growing demand for home electronics (electronics, plastics, etc.)
- Rising market prices (nonferrous, scrap, etc.)

## Second-Half Business Environment/Risks

### [Automotive Field]

- Decreased domestic production due to discontinuation of subsidies
- Long-awaited recovery in retail sales in emerging countries

### [Automotive & Non-Automotive Fields]

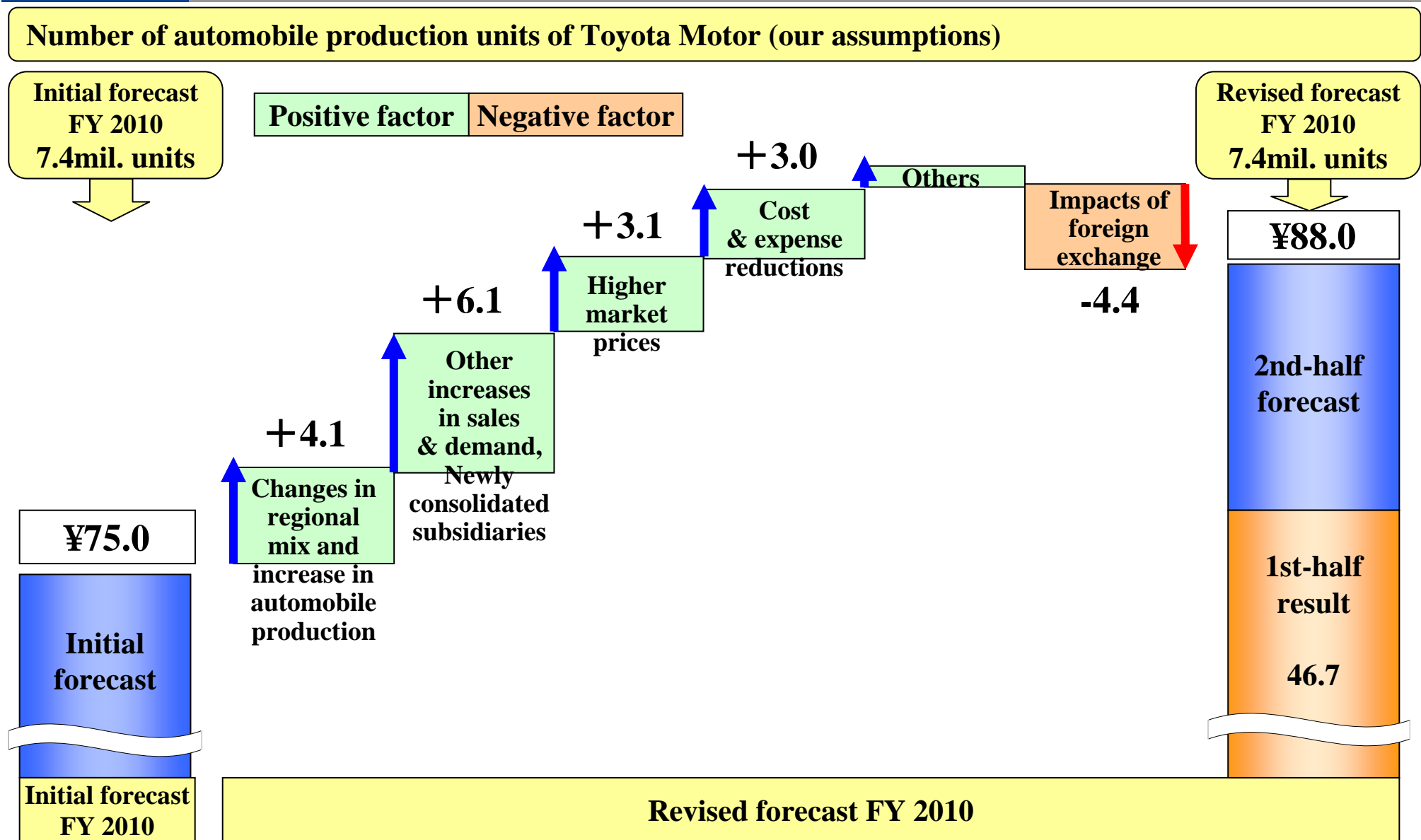
- Concerns about double-dip in economies of developed countries (North America and Europe)
- Slowdown in demand and further intensification of competition in China
- Impact of foreign exchange on overseas affiliates due to strong yen



**Forecasting uncertain business environment in the second half**

# Positive and Negative Factors in Operating income to Forecast for FY 2010

(Billion yen)



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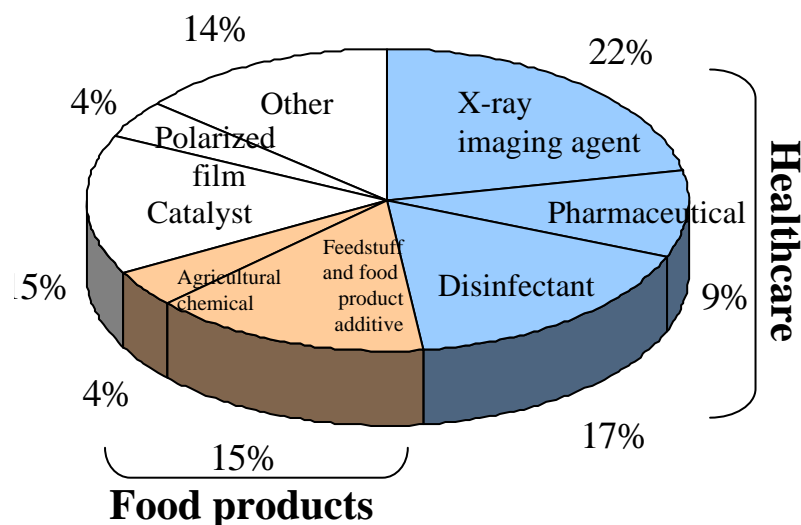
# Progress on Investment Plan for FY 2010 & 2011

Plan (two years)			Results of investment for the first half of FY 2010	
<b>Non-automotive</b>	Emerging countries	¥65 billion	<ul style="list-style-type: none"> <li>Stainless steel pipe processing and manufacturing in India</li> <li>Synthetic resins manufacturing in India</li> <li>Acquisition of rights, participation in production and sales of gas project in Australia</li> </ul>	¥9.0 billion
	New markets			
	Environment related	¥40 billion	<ul style="list-style-type: none"> <li>Catalyst recycling-related operations in the Czech Republic</li> </ul> (2nd-half: Bio-polyester raw material manufacturing in Taiwan, etc.)	¥0.5 billion (ca. ¥5.0 billion)
	Other	¥40 billion	<ul style="list-style-type: none"> <li>Iodine development and production in Chile</li> <li>Acquisition of existing rice-milling equity affiliate in U.S. and underwriting of capital increase</li> </ul> (2nd-half: Gas-fired power generation business in the U.S., etc.)	¥13.0 billion (ca. ¥12.0 billion)
<b>Total ¥145 billion</b>			<b>Total ¥22.5 billion</b>	
<b>Automotive</b>	Emerging countries	¥20 billion	<ul style="list-style-type: none"> <li>Establishment of new blanking plant in India</li> <li>Strengthening of car dealers (expansion and reinforcement in Russia, parts warehouse in Angola, etc.)</li> </ul> (2nd-half: Tire assembly business for Volkswagen, etc.)	¥4.5 billion (ca. ¥3.0 billion)
	New markets			
	Environment related	¥2 billion	<ul style="list-style-type: none"> <li>Capital investment in metal scrap processing company in China</li> </ul>	¥0.5 billion
	Other	¥33 billion	<ul style="list-style-type: none"> <li>Enhancement of steel processing facilities in Japan</li> <li>Automotive interior business (TB Kawashima)</li> </ul>	¥4.5 billion
<b>Total ¥55 billion</b>			<b>Total ¥9.5 billion</b>	

**Total:**  
**¥32 billion**

**【May 26, 2010 Press Release】** Injected capital (25.5%) into iodine manufacturer Algorta Norte S.A. in Republic of Chile; construction work for manufacturing plant started from May 2010; targeted date for start of operation is 2011.

## Main Iodine Applications



- 1) Strong growth is expected in 70% of application fields as emerging countries' populations grow and aging
- 2) Market prices expected to rise as demand grows due to uneven resource distribution concentrated in manufacturing countries (Chile, U.S., Japan)

## Demand and Price Trends (including forecast)

	2000	⇒	2009	⇒	2016 (forecast)
<b>Demand:</b>	18,000 tons		29,000 tons		39,000 tons
<b>Price:</b>	16US\$/kg		27US\$/kg		

## 〈Project Outline〉

Company: Algorta Norte S.A  
 Site: Chile, State of Antofagasta  
 Capital: US\$73 million (ca. ¥6.6 billion)  
 Shareholding: Toyota Tsusho 25.5%

### Schedule

• May 2010 Start plant construction  
 • FY 2011 Start manufacturing (1,500 tons)  
 • FY 2016 Manufacturing of 4,000-6,000 tons

Together with Toyota Tsusho's existing iodine manufacturing operations (total of ca. 2,100 tons in Japan and the U.S.), **global market share of ca. 14%** in FY 2016.

**【October 1, 2010 Press Release】Acquired all shares of UK corporation CalEnergy Gas (Australia) Ltd. Objectives of new participation in Australian gas production, refining and sales business operated by major Australian integrated energy company, participation in gas exploration and development operations and expansion of market share.**

## Purpose of Participation

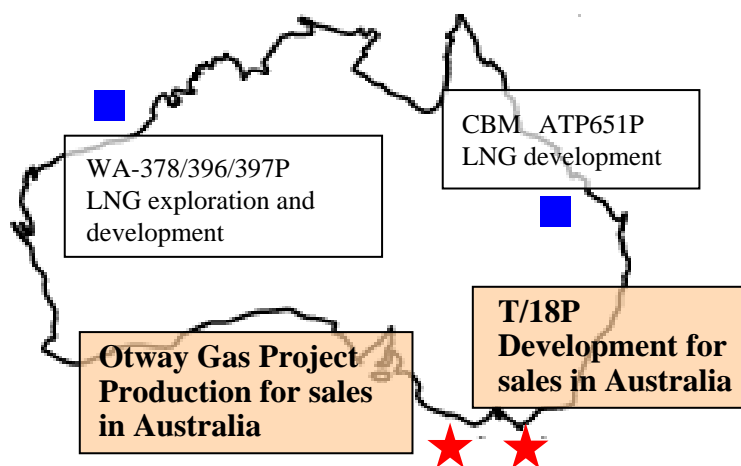
Establish deeper strategic partnership with major Australian integrated energy company Origin Energy

### Benefits of Joint Operation

Fourth-largest gas reserves among Australian businesses  
No. 2 in gas sales accounts on the East Coast  
No. 2 in electricity sales accounts on the East Coast

Increased opportunities to participate in production, exploration and development operations  
Possibility to secure wholesale and retail gas sales channels  
Possibility to secure sales channel for gas as fuel for power generation

## Our Current Australian Gas Projects



## Toyota Tsusho's Share after Rights Acquisition

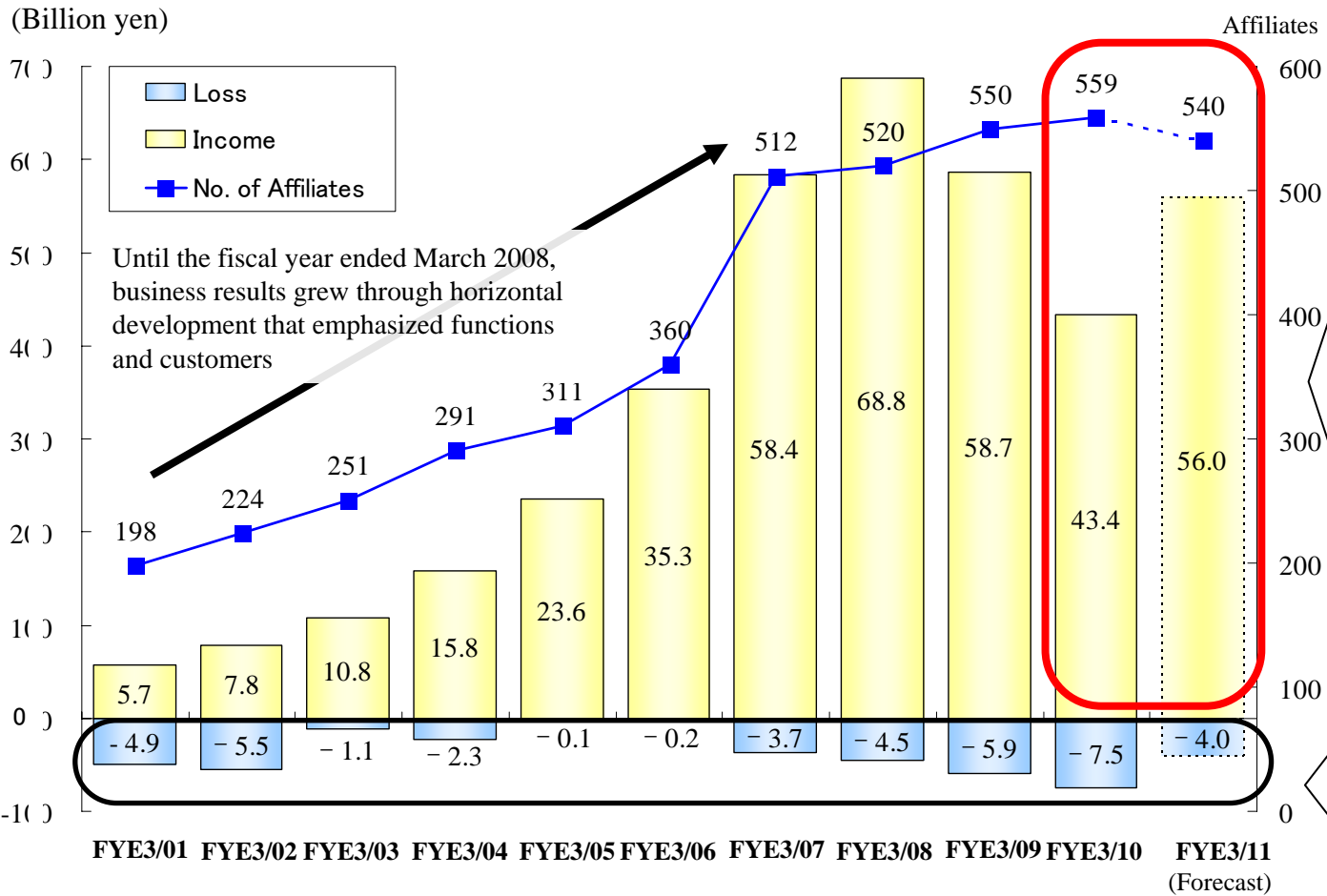
• T/18P 3.5% → 8.5%  
• Otway Gas Project 0% → 5%

(Ca. ¥8.0 billion total investment in share acquisition and expenses associated with rights development)

Toyota Tsusho will aggressively invest in gas-related operations in Australia, which is a major upstream country in the gas value chain, for sales not only in Japan but also in Australia.

# Initiatives to Strengthen Affiliates (Concept)

## ◆ Number of Affiliates and Consolidated Net Income/Loss



Change in business environment  
and industrial structure

Appearance of new growth markets

**Profitable companies**, which had not been subject to review under our “yellow/red card” standards, will also be **reorganized and strengthened** for optimal structures for future operating environments and development of growth fields.

Rebuilding and scrapping of companies based on our “yellow/red card” standards will continue

	FYE3/01	FYE3/02	FYE3/03	FYE3/04	FYE3/05	FYE3/06	FYE3/07	FYE3/08	FYE3/09	FYE3/10	FYE3/11 (Forecast)
Consolidated companies	140	151	167	176	186	211	361	378	409	428	425
With income	119	132	145	163	174	190	308	329	333	354	375
With loss	21	19	22	13	12	21	53	49	76	74	50

(Excluding new companies)

# Initiatives to Strengthen Affiliates (Actions in First Half)

Start of Initiatives in Machinery & Electronics Division and Consumer Products, Services & Materials Division

Focus not on results, finances and other quantitative aspects,  
but on strategic and other qualitative aspects

- (Ex.)
- Management resources are dispersed due to overspecialization in particular functions, customers and products
  - Insufficient management resources allocated to designated future growth fields

Reorganization and  
restrengthening through  
reallocation and integration



## < First-half Initiatives >

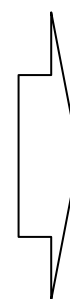
150 affiliates  
in 2 divisions



Results of analysis  
80 companies  
reviewed



Reorganized  
into  
90 companies  
in 2-3 years



## < Second-half >

Analyze and evaluate remaining  
4 divisions to determine which to  
reorganize and strengthen

⇒ As a first step, reorganize 5 machinery-related companies into 2

Target of reorganizing ca. 550 companies into ca. 300 companies in 2-3 years (excluding new companies)

⇒ Aim to increase profit through efficient management of profitable companies

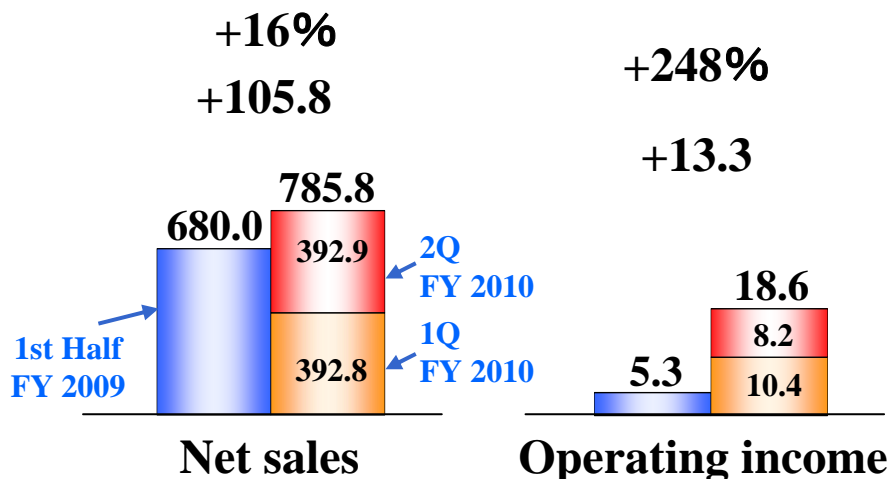
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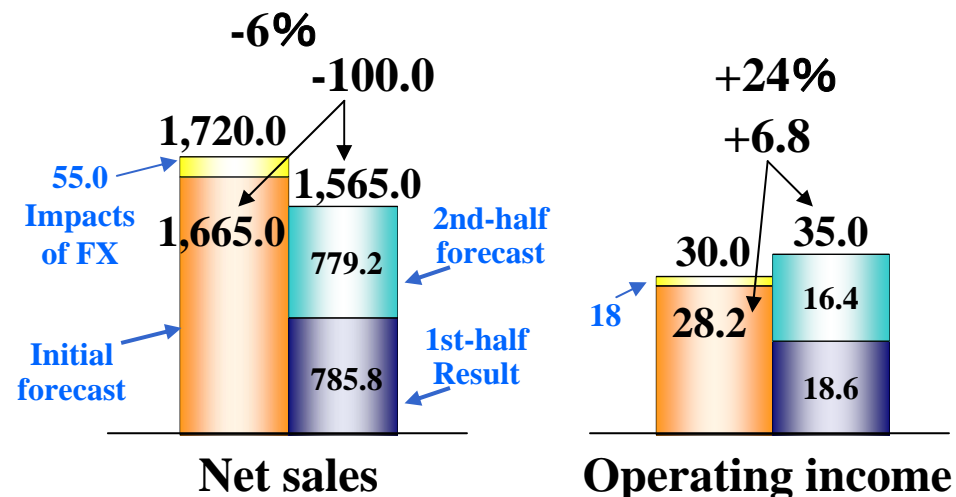
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## First Half (Year-to-Year)



## Fiscal Year (Initial-to-Revised)



### [Factors in net sales increase]

- Increase from automobile production (ca. +¥80 billion)
- Increase in demand (ca. +¥59 billion)
- Higher market prices (ca. +¥39 billion)
- Impact of introduction of nonferrous mark-to-market accounting (ca. -¥72 billion)

### [Factors in operating income increase]

- Increase mainly from increases in automobile production and demand

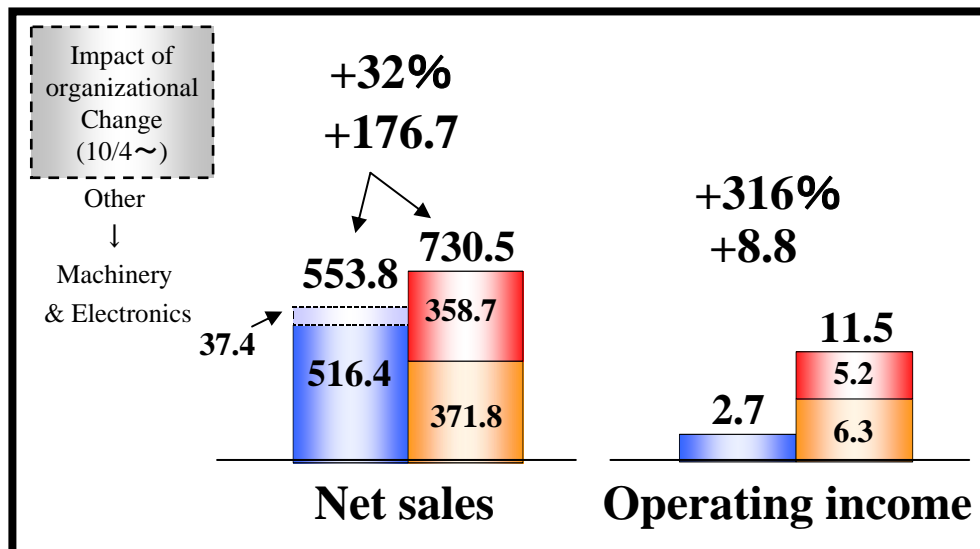
### [Factors in net sales decrease]

- Impact of introduction of nonferrous mark-to-market accounting (ca. -¥200 billion)
- Increase in demand (ca. +¥65 billion)
- Increase from higher market prices (ca. +¥35 billion)

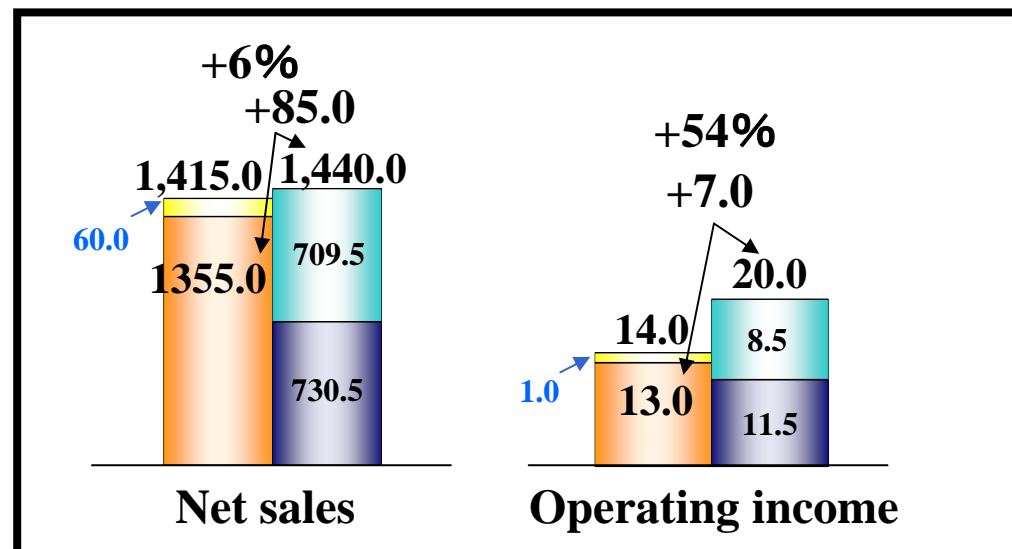
### [Factors in operating income increase]

- Increase mainly from higher market prices and increase in demand

## First Half (Year-to-Year)



## Fiscal Year (Initial-to-Revised)



### [Factors in net sales increase]

- Increase in machinery & equipment sales volume (ca. +¥23 billion)
- Increase in electronic parts sales volume (ca. +¥73 billion)
- Increase in automotive parts sales volume (ca. +¥81 billion)

### [Factors in operating income increase]

- Sales volume for machinery & equipment, electronic parts and automotive parts all grew with the increase in net sales

### [Factors in net sales increase]

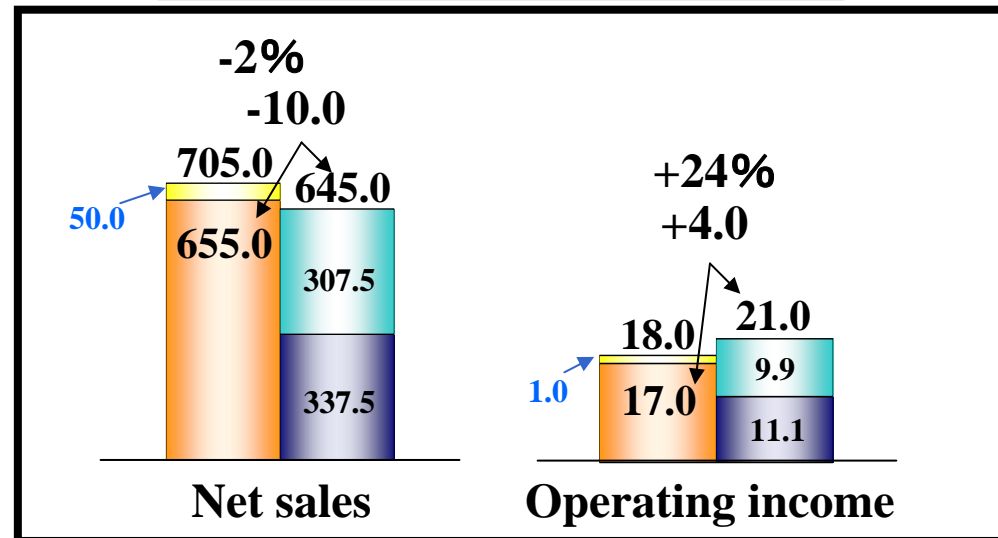
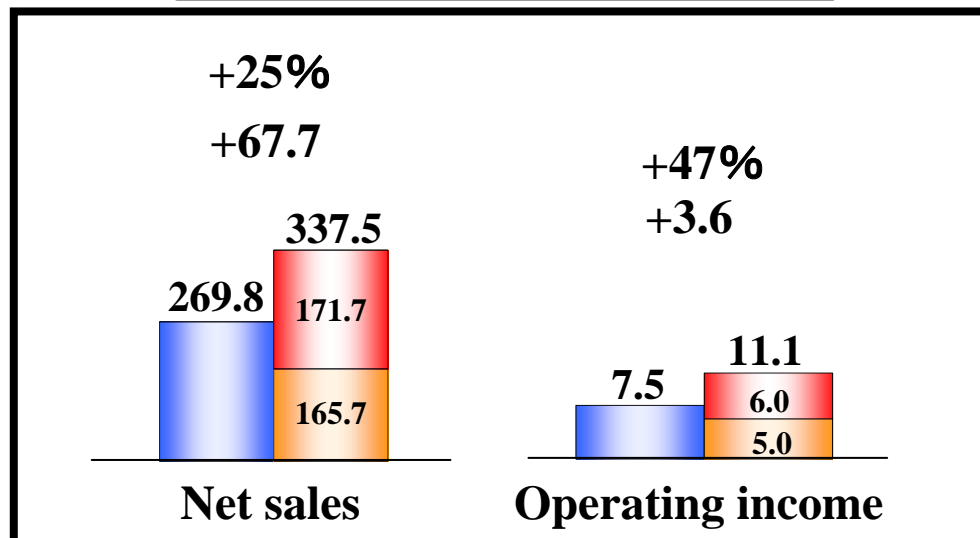
- Increase in machinery & equipment sales volume (ca. +¥30 billion)
- Increase in electronic parts sales volume (ca. +¥30 billion)
- Increase in automotive parts sales volume (ca. +¥25 billion)

### [Factors in operating income increase]

- Mainly increases in sales volume for electronic parts and automotive parts

## First Half (Year-to-Year)

## Fiscal Year (Initial-to-Revised)



### [Factors in net sales increase]

- Increase in export volume of automobiles at parent company (ca. +¥62 billion)
- Increase in sales at overseas automobile distributors and dealers (ca. +¥6 billion)
  - Russia +¥3 billion, Africa -¥2 billion, Australia +¥4 billion, Central & South America/Caribbean +¥1 billion

### [Factors in operating income increase]

- Increase mainly from increase in export volume of automobiles at parent company

### [Factors in net sales decrease]

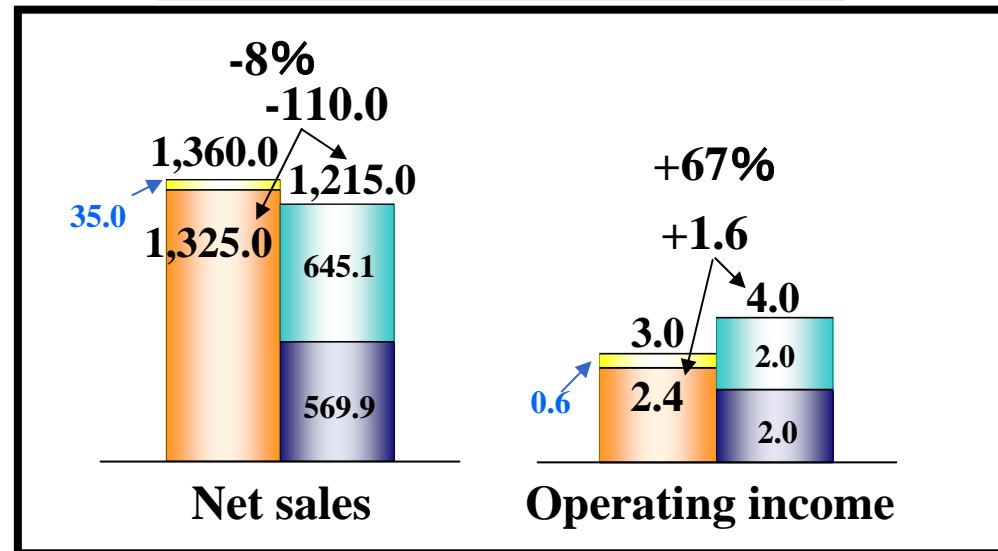
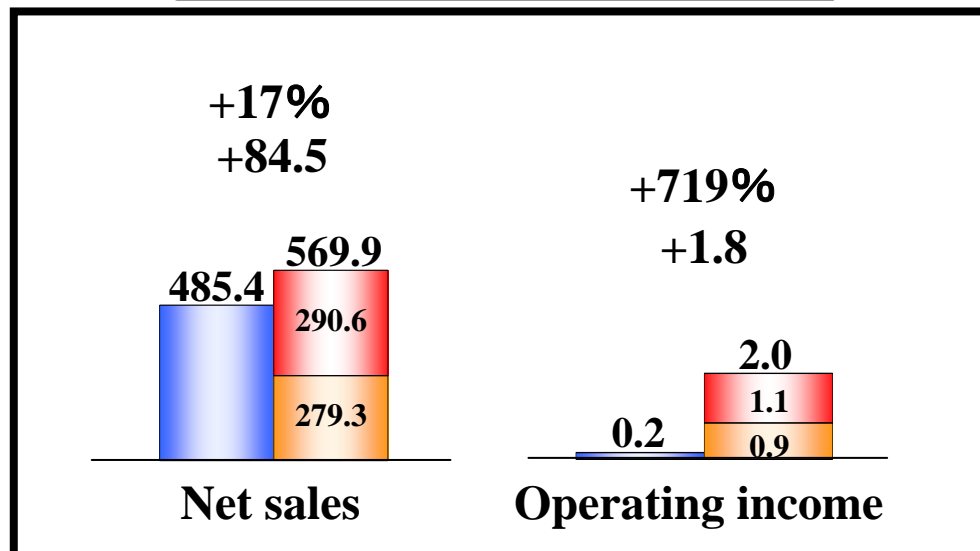
- Decrease in sales at overseas automobile distributors and dealers (ca. -¥7 billion)

### [Factors in operating income increase]

- Mainly increase exports from Japan

## First Half (Year-to-Year)

## Fiscal Year (Initial-to-Revised)



### [Factors in net sales increase]

- Increase in sales volume of crude oil, etc. (ca. +¥30 billion)
- Increases in sales volume of chemical products and synthetic resins (ca. +¥55 billion)  
Of which automobile-related: (ca. +¥27 billion)

### [Factors in operating income increase]

- Mainly increases in sales volume of chemical products and synthetic resins in Japan and Asia

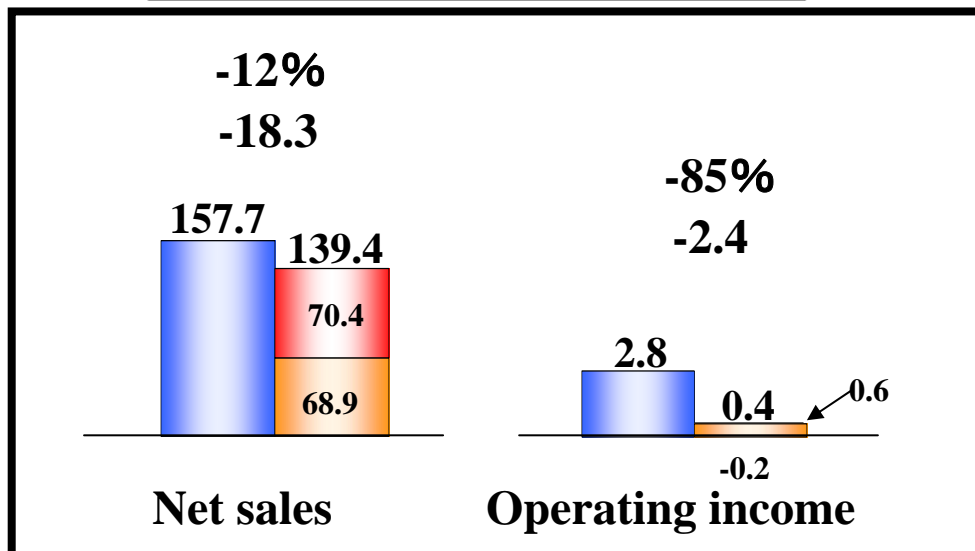
### [Factors in net sales decrease]

- Decrease in sales volume of crude oil, etc. (ca. -¥110 billion)

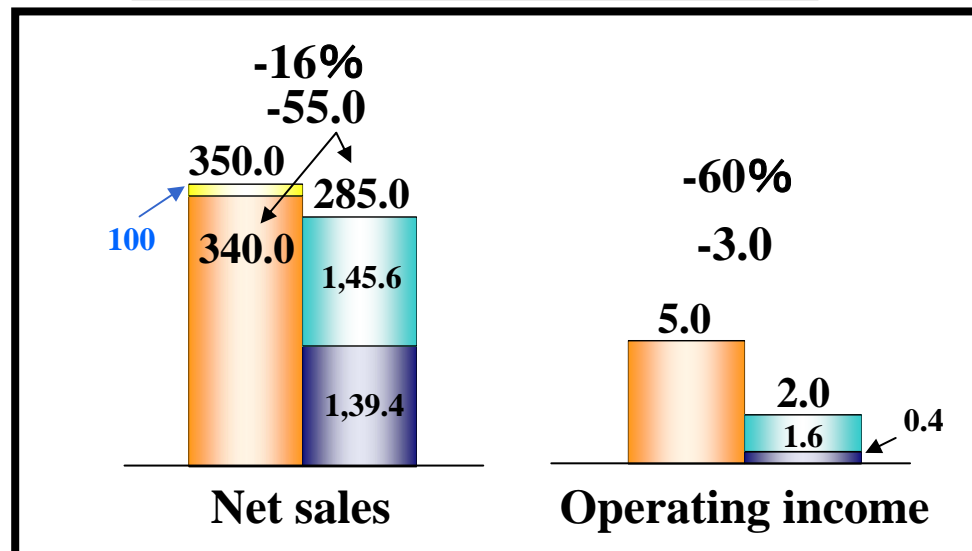
### [Factors in operating income increase]

- Mainly increase in Japan

## First Half (Year-to-Year)



## Fiscal Year (Initial-to-Revised)



### [Factors in net sales decrease]

- Decrease in sales volume of feedstuff, etc. (ca. -¥15 billion)

### [Factors in operating income decrease]

- Mainly decrease in sales volume and decline in profitability in Japan

### [Factors in net sales decrease]

- Decrease in sales volume of feedstuff, etc. (ca. -¥40 billion)

### [Factors in operating income decrease]

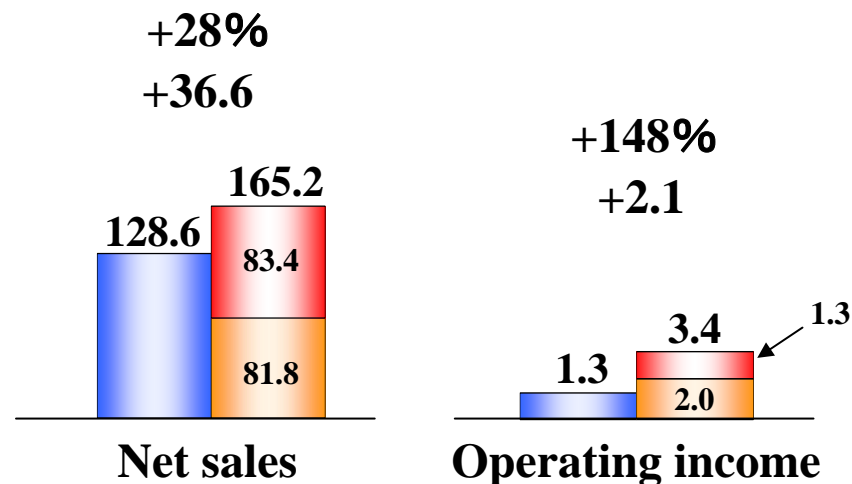
- Mainly decrease in sales volume and decline in profitability in Japan

# Net sales & Operating income of Consumer Products, Service & Materials Div.

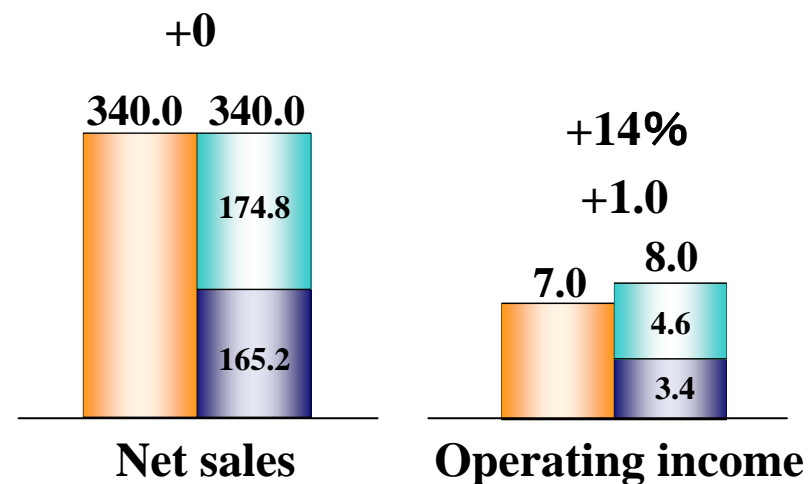
(Year-to-Year / Initial-to-Revised forecast Comparison)

(Billion yen)

## First Half (Year-to-Year)



## Fiscal Year (Initial-to-Revised)



### [Factors in net sales increase]

- Impact of newly consolidated subsidiaries (ca. +¥16.5 billion)
- Increase in sales volume of automotive interior materials, etc. (ca. +¥14 billion)
- Increase in sales of condominiums, etc. (ca. +¥5 billion)

### [Factors in operating income increase]

- Mainly increase in Japan and impact of newly consolidated subsidiaries

### [Factors in net sales change]

- In line with initial forecast

### [Factors in operating income increase]

- Mainly increase in Japan

**Dividends are linked to consolidated earnings,  
with a target consolidated payout ratio of 20%**

	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010 (forecast)</b>
<b>Full year</b>	<b>¥30</b>	<b>¥26</b>	<b>¥16</b>	<b>¥28*</b>
<b>Consolidated payout ratio</b>	<b>15.6%</b>	<b>22.7%</b>	<b>20.5%</b>	<b>20.4%</b>

\* The mid-term payment: ¥12

## Assumptions Behind FY 2010 Forecast

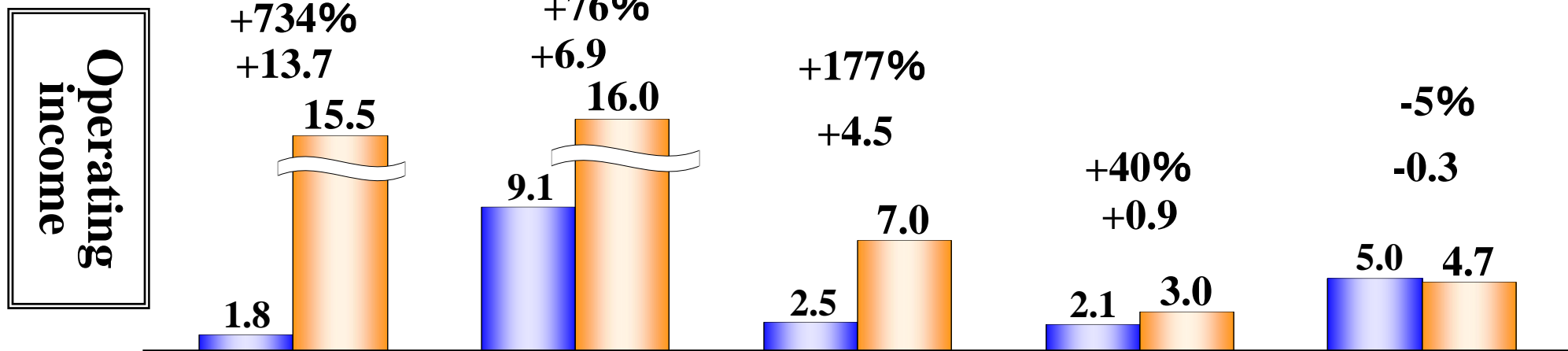
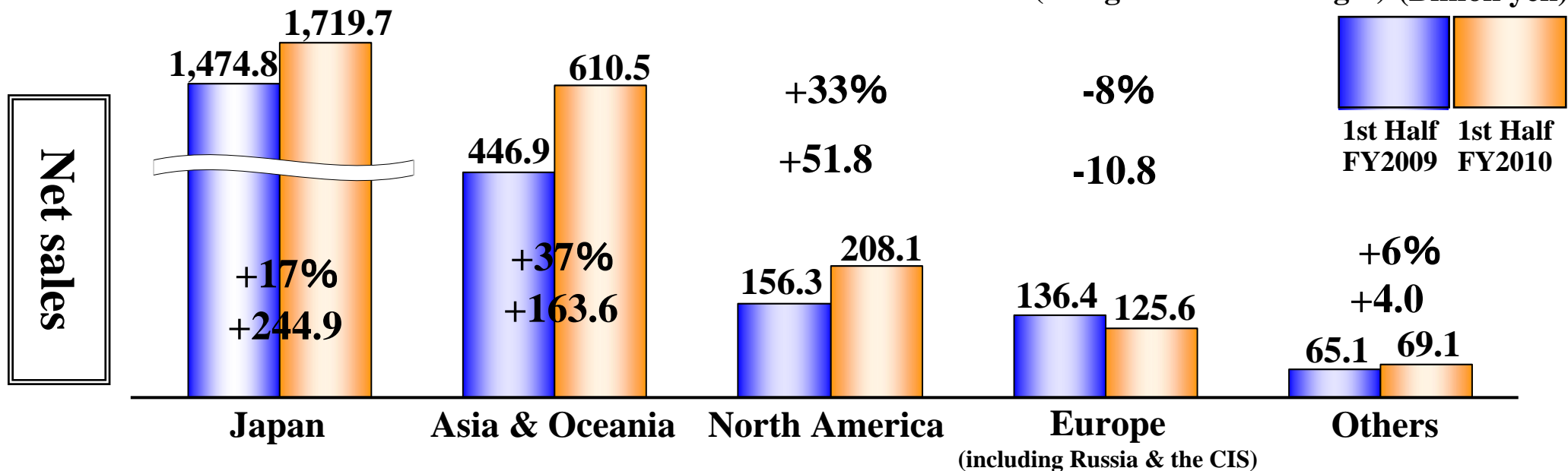
Fiscal 2010	First-half Result	Second-half Forecast
Exchange Rate (1US\$/1EUR)	JP¥89/JP¥114	JP¥80/JP¥110
Short-term (p.a.) JP¥ JP¥Long-term US\$ EUR	0.4% 1.2% 0.4% 0.7%	0.4% 1.2% 0.4% 1.0%
Toyota Auto Production	3.69 million units	3.71 million units



# Supplementary Materials

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(% figures show changes) (Billion yen)



## 《Supplementary Materials 2》

### Net sales, Gross profit, Operating income, Ordinary income and Net income by Division

(Billion yen)

	First-half of FY 2009 Results					First-half of FY 2010 Results					FY 2010 Revised Forecast				
	Net sales	Gross profit	Operating income	Ordinary income	Net income	Net sales	Gross profit	Operating income	Ordinary income	Net income	Net sales	Gross profit	Operating income	Ordinary income	Net income
Metal	680.0	20.8	5.3	3.8	1.7	785.8	34.7	18.6	19.3	10.2	1,565.0	70.0	35.0	33.0	18.6
Machinery & Electronics	516.4	37.0	2.7	3.9	1.7	730.5	51.1	11.5	16.7	8.5	1,440.0	101.0	20.0	26.0	13.2
Automotive	269.8	30.8	7.5	9.3	4.5	337.5	33.8	11.1	13.2	7.1	645.0	65.0	21.0	22.0	12.6
Energy & Chemicals	485.4	17.8	0.2	1.1	0.0	569.9	20.8	2.0	2.7	0.1	1,215.0	42.0	4.0	5.0	1.2
Foodstuff	157.7	10.4	2.8	2.7	0.4	139.4	7.7	0.4	0.8	-1.2	285.0	17.0	2.0	2.0	-1.3
Consumer Products, Service & Materials	128.6	12.7	1.3	1.4	0.3	165.2	19.3	3.4	4.2	1.8	340.0	42.0	8.0	9.0	4.5
Total	2,279.6	131.8	20.1	24.4	9.6	2,733.2	165.8	46.7	58.0	27.1	5,500.0	332.0	88.0	98.0	48.0

Net income by division is calculated arithmetically using the effective consolidated corporate tax rate.

# 《Supplementary Materials 3》 Automobile Exports & Retail sales Units by Region

(units)

	Export units by Region			Retail sales units by Region		
	1H FY2009	<b>1H FY2010</b>	Changes	1H FY2009	<b>1H FY2010</b>	Changes
<b>Total</b>	99,937	<b>124,168</b>	24,231	50,691	<b>51,271</b>	580
Asia & Oceania	22,316	<b>25,640</b>	3,324	6,491	<b>7,727</b>	1,236
China, Hong Kong, Taiwan	13,719	<b>18,921</b>	5,202	16,117	<b>18,563</b>	2,446
Central & South America	14,573	<b>22,430</b>	7,857	3,895	<b>3,681</b>	-214
Middle East & Southwest Asia	27,580	<b>40,437</b>	12,857	758	<b>1,033</b>	275
Europe & Africa	14,386	<b>11,245</b>	-3,141	14,322	<b>11,809</b>	-2,513
Russia & Eastern Europe	7,363	<b>5,495</b>	-1,868	9,108	<b>8,458</b>	-650

## <Major export countries>

Country	1H FY2009	<b>1H FY2010</b>	Changes
Australia	18,461	<b>20,309</b>	1,848
Hong Kong	3,815	<b>6,593</b>	2,778
Ecuador	3,653	<b>5,260</b>	1,607
Pakistan	23,548	<b>30,260</b>	6,712
Italy	4,204	<b>2,249</b>	-1,955

## <Major retail countries>

Country	1H FY2009	<b>1H FY2010</b>	Changes
Thailand	905	<b>1,519</b>	614
Italy	3,870	<b>2,561</b>	-1,309
U.K.	2,493	<b>1,488</b>	-1,005
Angola	2,118	<b>1,343</b>	-775
Russia	7,602	<b>6,397</b>	-1,205

1. Unit figures for exports and retail sales exclude forklifts.

2. Unit figures for retail sales in China, Brazil and Russia are for the calendar year, which is also the fiscal year for operations in those countries.