**FOR IMMEDIATE RELEASE**

# Toyota Tsusho Corporation Reports Earnings for the Six Months Ended September 30, 2015

Nagoya, Japan; October 30, 2015 — Toyota Tsusho Corporation (TSE: 8015) reported consolidated net sales of 4,284.060 billion yen and net income attributable to owners of the parent of 23.786 billion yen, or 67.62 yen per share, for the six months ended September 30, 2015.

## Consolidated Results of Operations

In the first six months of the fiscal year (April 1, 2015 – September 30, 2015), global economic conditions were mixed. While the U.S. economy performed solidly, resource-producing and emerging market economies experienced a distinct slowdown in tandem with a downshift in Chinese economic growth.

The U.S. economy exhibited steady growth in personal consumption amid continued improvement in the employment environment and buoyant housing and auto sales. The European economy continued to recover, driven by robust personal consumption. Among emerging market economies, ASEAN growth slowed in the wake of capital outflows triggered by expectations of a U.S. interest rate increase. In China, auto sales continued to track below their year-earlier level and equity markets turned highly volatile as hot money flowed into equities amid a slowdown in real estate investment and the government imposed trading restrictions. Resource-producing economies highly dependent on exports to China, including Australia, Brazil and South Africa, experienced pronounced currency depreciation in response to sharp declines in their exports. In India, investment and personal consumption recovered. Russia's economic growth rate turned negative due to economic sanctions, low crude oil prices and a downturn in exports.

Against such a backdrop, the Japanese economy hit a lull as personal consumption largely stagnated and exports' recovery slackened.

Amid such an environment, the Toyota Tsusho Group's consolidated net sales decreased 70.8 billion yen (1.6%) year on year to 4,284.0 billion yen in the six months ended September 30, largely as result of lower crude oil prices. Consolidated operating income decreased 7.951 billion yen (10.7%) to 66.403 billion yen from 74.354 billion yen in the year-earlier period, largely due to increased selling, general and administrative expenses. Consolidated ordinary income decreased 15.854 billion yen (19.3%) to 66.490 billion yen from 82.344 billion yen in the year-earlier period. Consolidated net income attributable to owners of the parent consequently decreased 16.471 billion yen (40.9%) to 23.786 billion yen from 40.257 billion yen in the year-earlier period.

*Segment Information*

### Metals

Net sales decreased 44.3 billion yen (4.5%) year on year to 943.1 billion yen, largely because of commodity price declines and the fact that year-earlier sales were inflated by unification of accounting periods within the Group.

In the steel business, the Group established Toyota Tsusho Steel Pipe de Mexico S.A. de CV, an automotive steel pipe processing company, to capitalize on the Mexican auto sector's promising growth prospects. The new subsidiary aims to commence operations in November 2015. In the nonferrous metals business, Sales de Jujuy S.A., an Argentine lithium miner in which the Group owns an equity stake, began supplying customers with lithium produced at Salar de Olaroz in Argentina's Jujuy Province. Additionally, to strengthen the management foundations, the Company decided to split off portions of its operations and consolidate them into Toyotsu Tekkou Hanbai Co., Ltd., and Toyotsu Material Inc.

**Global Parts & Logistics**

Net sales increased 31.6 billion yen (6.8%) year on year to 498.8 billion yen by virtue of yen depreciation.

In Malaysia, the Group entered into an exclusive aftermarket sales agreement pertaining to automotive batteries manufactured by the Hitachi Chemical Group. In Cameroon, the group entered into a general distributorship agreement with Makita Africa s.a.r.l.a.u., a local Makita Corporation subsidiary that manufactures and sells electric power tools.

**Automotive**

Net sales declined 24.6 billion yen (3.7%) year on year to 646.1 billion yen, largely because year-earlier sales were inflated by unification of accounting periods within the Group.

In Cambodia, the Group is steadily expanding its sales finance operations. In Kenya, the Group is conducting a wide range of human resource development programs at the Toyota Kenya Academy. Additionally, investee CFAO S.A. established a joint-venture with Yamaha Motor Co., Ltd., to manufacture and sell motorcycles in Nigeria. It also opened auto dealerships and state-of-the-art service centers in Côte d'Ivoire and the Democratic Republic of Congo to increase sales to consumers, a market segment with promising growth prospects.

**Machinery, Energy & Projects**

Net sales decreased 93.9 billion yen (9.3%) year on year to 914.2 billion yen, mainly as a result of lower crude oil prices.

The Group acquired an equity stake in 3D MEDiA Co., Ltd., a startup company founded by Ritsumeikan University. The Group and 3D MEDiA plan to team up with Omron Corporation et al., initially in the Chinese market and then globally, to contribute to manufacturing plant automation, a trend that will continue far into the future, using 3D vision sensors, a highly precise three-dimensional measurement technology. A consortium comprising the Group, Tokyu Corporation, et al. was granted preferential rights to negotiate a concession to operate Sendai Airport and entered into a basic agreement with the Ministry of Land, Infrastructure, Transport and Tourism. Additionally, subsidiary Ene-Vision Co., Ltd., completed construction of the Gotsu Biomass Power Plant in Gotsu-shi, Shimane Prefecture and commissioned it into operation.

**Chemicals & Electronics**

Net sales increased 37.6 billion yen (3.9%) year on year to 991.1 billion yen, boosted chiefly by yen depreciation.

In the chemical and synthetic resin business, the Group established Toyota Tsusho Fertilizer Africa Ltd. to manufacture and sell fertilizer in Kenya. The company will produce and supply fertilizers compatible with Kenyan soil and crops in the aim of contributing to Kenya's agricultural development. In the electronics business, the Group enlarged its equity stake in Elematec Corporation to strengthen its collaborative ties with Elematec.

**Food & Agribusiness**

Net sales increased 22.0 billion yen (11.3%) year on year to 216.3 billion yen, largely as a result of yen depreciation and the contribution from newly consolidated subsidiaries.

In the agriculture and aquaculture business, the Group signed a memorandum of understanding with Kinki University to collaborate more closely in the aquaculture business and established Tuna Dream Goto Fish Nursery Center in Goto-shi, Nagasaki Prefecture, in the aim of stably producing and supplying Bluefin tuna hatchlings. In the grain business, the Group acquired an equity stake in NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agrícola S.A., an operator of grain infrastructure in central and northeastern Brazil, and made it a subsidiary.

**Consumer Products & Services**

Net sales increased 0.7 billion yen (0.9%) year on year to 72.6 billion yen.

In the living & healthcare business, the Group formed an alliance with Sharp Corporation and Hikari Sports Corporation and ramped up a hitherto pilot venture to provide health management services at fitness facilities. Additionally, the Group reached an agreement with Prince Hotels, Inc., to open a hotel and conference center at Global Gate, a mixed-use development under construction in Nagoya's Sasashima Live 24 district.

**Consolidated Financial Condition**

At September 30, 2015, consolidated assets totaled 4,418.5 billion yen, a decrease of 115.1 billion yen from March 31, 2015. Factors behind the decrease included a 69.5 billion yen decrease in investment securities and 37.0 billion yen decrease in cash and cash equivalents. Consolidated net assets at September 30 totaled 1,235.5 billion yen, a decrease of 68.9 billion yen from March 31. Although retained earnings grew 13.3 billion yen, mainly as a result of net income attributable to owners of the parent, this addition to net assets was offset by a 27.3 billion yen decrease in net unrealized gains on available-for-sales securities and a 42.1 billion yen decrease in the foreign currency translation adjustments.

**Outlook for Fiscal Year Ending March 31, 2016**

The consolidated earnings forecast disclosed in the Company's October 23, 2015, Notice of Revision to Consolidated Full-year Earnings Outlook remains unchanged.

**Other Information**

(1) Changes affecting the status of material subsidiaries (scope of consolidation) during the period

During the first six months of the fiscal year ending March 31, 2016, the Company newly acquired the stock of NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agrícola S.A. and included it in the scope of consolidation.

(2) Accounting procedures specific to preparation of quarterly consolidated financial statements

The Group calculates tax liabilities by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to income before income taxes for the fiscal year, which encompasses the six months ended September 30, 2015, and then multiplying income before income taxes by this estimated effective tax rate.

(3) Changes in accounting principles, changes in accounting estimates and retrospective restatements

*Changes in accounting policies*

(Accounting standards for business combinations)

Effective the first three months of the fiscal year ending March 31, 2016, the Company adopted *Accounting Standard for Business Combinations* (ASBJ Statement No.21, September 13, 2013), *Accounting Standard for Consolidated Financial Statements* (ASBJ Statement No.22, September 13, 2013), and *Accounting Standard for Business Divestitures* (ASBJ Statement No.7, September 13, 2013). In line with this, accounting method for change in the Company's equity interests in a subsidiary was changed to a new method under which, when the Company still hold control over the subsidiary even after the change in equity interests, gains or losses resulting from the change in equity interests are recorded in capital surplus; and the acquisition costs is expensed in the fiscal year when it is incurred. In addition, for business combination implemented on or after the beginning of the first three months of the fiscal year ending March 31, 2016, the Company switched to a new method under which adjustments to provisional values of allocated acquisition costs are reflected in the quarterly financial statements for the period which encompasses the effective date of business combination. Furthermore, some changes were made to presentation of quarterly net income, and accounting title of minority interests was changed to non-controlling interests. Financial statements for the first six months of the fiscal year ended March 31, 2015 and for the fiscal year ended March 31, 2015 have been recast to reflect these presentation changes.

These accounting standards were adopted at the beginning of the first three months of the fiscal year ending March 31, 2016 (April 1, 2015), and are applied to the transactions took place on and after the adoption date with transitional treatments stipulated in paragraph 58-2 (4) of the ASBJ Statement No.21, paragraph 44-5, (4) of the ASBJ Statement No.22, and paragraph 57-4 (4) of the ASBJ Statement No.7.

Due to these changes, for the first six months of the fiscal year ending March 31, 2016, operating income was 423 million yen lower, ordinary income and income before income taxes were each 398 million yen lower, while capital surplus as of September 30, 2015 was 1,386 million yen lower.

*Changes in accounting policy not easily distinguished from changes in accounting estimates*

(Changes in depreciation of property and equipment)

The Company and its consolidated subsidiaries in Japan previously depreciated property and equipment mainly with the declining-balance method. Effective the first three months of the fiscal year ending March 31, 2016, however, the depreciation method was switched to the straight-line method.

Property and equipment held by the Company’s overseas subsidiaries and depreciated with straight-line method have been relatively increasing as a result of promotion of strategic partnering aiming at realizing the GLOBAL 2020 VISION formulated in 2011. In light of this, the Company reviewed the depreciation method for property and equipment in the context of alignment of the Group accounting policies and higher appropriateness in periodic accounting of profit and loss.

As a result, the Company recognized that depreciation with the straight-line method would reflect the actual condition of the Group operations further accurately, as the property and equipment held by the Company and its consolidated subsidiaries in Japan are constantly utilized over useful life. Consequently, the Company and its consolidated subsidiaries in Japan switched the main depreciation method for property and equipment to the straight-line method.

The effect of this change on income/loss and segment information for the first six months of the fiscal year ending March 31, 2016, was minor.

(4) Additional information

The fiscal year-end date for some of the Company’s consolidated subsidiaries including Elematec (Shanghai) Trading Co., Ltd. is December 31, which is different from the consolidated year-end date. With respect to those subsidiaries, financial statements as of their year-end date were previously used for preparation of consolidated financial statements after necessary adjustments for consolidation were performed on important transactions that took place between the last year-end date of those companies and the consolidated year-end date.

Effective the first three months of the fiscal year ending March 31, 2016, however, in order to further increase the quality of financial reporting, preparation method for consolidated financial statements were changed to a new method under which the financial statements of Elematec (Shanghai) Trading Co., Ltd. and other eight consolidated subsidiaries are provisionally closed at the consolidated fiscal year-end date for consolidation.

In line with this change, the consolidated financial statements for the first six months of the fiscal year ending March 31, 2016 include financial statements of these companies for nine months (January 1, 2015 through September 30, 2015) with adjustments made through consolidated income statements.

The effect of this change is minor.

## Financial Statements

### (1) Consolidated Balance Sheets

| | As of March 31, 2015 | Millions of yen<br>As of September 30, 2015 |
|---|---|---|
| | Amount | Amount |
| **Assets** | | |
| **Current assets:** | | |
| Cash and cash equivalents | 499,190 | 462,185 |
| Trade notes and accounts receivable | 1,346,461 | 1,333,411 |
| Inventories | 683,392 | 655,689 |
| Other current assets | 269,333 | 283,407 |
| Less: allowance for doubtful receivables | (29,169) | (32,083) |
| Total current assets | 2,769,209 | 2,702,610 |
| **Fixed assets:** | | |
| Property and equipment | 583,819 | 619,987 |
| Intangible assets: | | |
| Goodwill | 170,647 | 166,267 |
| Other | 229,745 | 205,240 |
| Total intangible assets | 400,392 | 371,508 |
| Investments and other assets: | | |
| Investment securities | 572,927 | 503,400 |
| Other | 227,437 | 245,222 |
| Less: allowance for doubtful receivables | (20,091) | (24,179) |
| Total investments and other assets | 780,272 | 724,443 |
| Total fixed assets | 1,764,484 | 1,715,939 |
| **Total assets** | 4,533,693 | 4,418,550 |

| | As of March 31, 2015 | Millions of yen<br>As of September 30, 2015 |
|---|---|---|
| | Amount | Amount |
| **Liabilities** | | |
| **Current liabilities:** | | |
| Trade notes and accounts payable | 969,099 | 942,522 |
| Short-term debt | 608,661 | 597,655 |
| Income taxes payable | 26,806 | 23,758 |
| Allowances | 1,755 | 1,227 |
| Other current liabilities | 455,404 | 420,481 |
| Total current liabilities | 2,061,727 | 1,985,645 |
| **Long-term liabilities:** | | |
| Bonds payable, less current portion | 116,161 | 120,000 |
| Long-term debt | 854,927 | 903,478 |
| Allowances | 7,058 | 5,094 |
| Net defined benefit liability | 32,355 | 33,927 |
| Other long-term liabilities | 156,980 | 134,877 |
| Total long-term liabilities | 1,167,482 | 1,197,378 |
| **Total liabilities** | 3,229,210 | 3,183,024 |
| **Net assets** | | |
| **Shareholders' equity:** | | |
| Common stock | 64,936 | 64,936 |
| Capital surplus | 155,021 | 153,667 |
| Retained earnings | 628,399 | 641,620 |
| Treasury stock | (3,858) | (3,625) |
| Total shareholders' equity | 844,499 | 856,598 |
| **Accumulated other comprehensive income:** | | |
| Net unrealized gains on available-for-sales securities, net of taxes | 137,976 | 110,630 |
| Deferred gain (loss) on futures hedge | (15,797) | (15,021) |
| Foreign currency translation adjustments | 154,903 | 112,852 |
| Remeasurements of defined benefit plans | 3,930 | 3,616 |
| Total accumulated other comprehensive income | 281,012 | 212,078 |
| **Stock warrants** | 127 | 41 |
| **Non-controlling interests** | 178,844 | 166,808 |
| **Total net assets** | 1,304,483 | 1,235,526 |
| **Total liabilities and net assets** | 4,533,693 | 4,418,550 |

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

Millions of yen

| | Six Months ended September 30, 2014 | Six Months ended September 30, 2015 |
|---|---|---|
| | Amount | Amount |
| **Net sales** | 4,354,801 | 4,284,060 |
| Cost of sales | 4,053,712 | 3,978,997 |
| **Gross profit** | 301,088 | 305,062 |
| **Selling, general and administrative expenses** | 226,734 | 238,658 |
| **Operating income** | 74,354 | 66,403 |
| **Other income:** | | |
| Interest income | 2,703 | 3,237 |
| Dividend income | 13,099 | 14,424 |
| Equity in the earnings of unconsolidated subsidiaries and affiliates | 6,667 | 1,057 |
| Other income | 5,508 | 6,811 |
| Total other income | 27,978 | 25,530 |
| **Other expenses:** | | |
| Interest expense | 13,445 | 13,839 |
| Foreign exchange loss | 4,175 | 7,590 |
| Other expenses | 2,367 | 4,013 |
| Total other expenses | 19,988 | 25,444 |
| **Ordinary income** | 82,344 | 66,490 |
| **Extraordinary income:** | | |
| Gain on sale of fixed assets | 752 | 3,680 |
| Gain on trading of securities and investments | 4,540 | 3,573 |
| Gain on liquidation of subsidiaries and affiliates | - | 184 |
| Gain on reversal of provision for loss on withdrawal from business | 1 | 408 |
| Gain on bargain purchase | 3,978 | 262 |
| Gain on reversal of stock warrants | 85 | 17 |
| Other extraordinary income | - | 2 |
| Total extraordinary income | 9,357 | 8,129 |
| **Extraordinary losses:** | | |
| Loss on disposal of fixed assets | 420 | 1,526 |
| Impairment of property and intangible assets | 2,907 | 103 |
| Loss on trading of securities and investments | 69 | 882 |
| Loss on valuation of securities and investments | 334 | 8,267 |
| Provision for doubtful receivables | - | 3,754 |
| Loss on cancellation of contract | 580 | 8,292 |
| Special retirement expenses | - | 365 |
| Other extraordinary losses | 61 | 73 |
| Total extraordinary losses | 4,374 | 23,266 |
| **Income before income taxes** | 87,328 | 51,353 |
| **Income tax expenses** | 33,552 | 17,964 |
| **Net income** | 53,775 | 33,389 |
| **Net income attributable to non-controlling interests** | 13,518 | 9,602 |
| **Net income attributable to owners of the parent** | 40,257 | 23,786 |

## Consolidated Statements of Comprehensive Income

| | Six Months ended September 30, 2014 | Millions of yen<br>Six Months ended September 30, 2015 |
|---|---|---|
| | Amount | Amount |
| Net income | 53,775 | 33,389 |
| Other comprehensive income | | |
| Net unrealized gains on available-for-sales securities, net of taxes | 14,439 | (27,214) |
| Deferred gain (loss) on futures hedge | (7,683) | 162 |
| Foreign currency translation adjustments | (6,651) | (47,407) |
| Remeasurements of defined benefit plans | 96 | (313) |
| Share of other comprehensive income of unconsolidated subsidiaries and affiliates | 357 | 104 |
| Total other comprehensive income | 559 | (74,668) |
| Comprehensive income | 54,335 | (41,279) |
| Components: | | |
| Comprehensive income attributable to owners of the parent | 41,444 | (45,160) |
| Comprehensive income attributable to non-controlling interests | 12,890 | 3,881 |

### (3) Notes on Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Segment and Other Information)

Segment information

1. Sales and income/loss by reportable segment

Six Months ended September 30, 2014 (April 1, 2014 to September 30, 2014)

Millions of yen

| | Reportable segment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Metals | Global Parts & Logistics | Automotive | Machinery, Energy & Project | Chemicals & Electronics | Food & Agribusiness | Consumer Products & Services | Total |
| **Net sales** | | | | | | | | |
| Outside customers | 987,445 | 467,251 | 670,739 | 1,008,174 | 953,573 | 194,380 | 71,960 | 4,353,524 |
| Inter-segment revenue or transfers | 496 | 1,692 | 8 | 652 | 2,807 | 62 | 367 | 6,087 |
| Total | 987,941 | 468,943 | 670,748 | 1,008,826 | 956,380 | 194,442 | 72,327 | 4,359,611 |
| Segment income (loss) | 23,992 | 9,838 | 17,015 | 7,852 | 15,822 | 2,941 | 2,005 | 79,469 |

| | Other *1 | Total | Adjustments *2 | Amounts on the quarterly consolidated statements of income *3 |
|---|---|---|---|---|
| **Net sales** | | | | |
| Outside customers | 1,276 | 4,354,801 | — | 4,354,801 |
| Inter-segment revenue or transfers | 253 | 6,341 | (6,341) | — |
| Total | 1,530 | 4,361,142 | (6,341) | 4,354,801 |
| Segment income (loss) | (5,156) | 74,312 | 42 | 74,354 |

Three Months ended September 30, 2015 (April 1, 2015 to September 30, 2015)

Millions of yen

| | Reportable segment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Metals | Global Parts & Logistics | Automotive | Machinery, Energy & Project | Chemicals & Electronics | Food & Agribusiness | Consumer Products & Services | Total |
| **Net sales** | | | | | | | | |
| Outside customers | 943,123 | 498,887 | 646,133 | 914,297 | 991,146 | 216,377 | 72,602 | 4,282,567 |
| Inter-segment revenue or transfers | 452 | 1,477 | 23 | 191 | 3,021 | 115 | 383 | 5,666 |
| Total | 943,576 | 500,364 | 646,156 | 914,488 | 994,168 | 216,493 | 72,986 | 4,288,233 |
| Segment income (loss) | 19,703 | 11,211 | 15,717 | 10,106 | 11,244 | 1,700 | 2,489 | 72,174 |

| | Other *1 | Total | Adjustments *2 | Amounts on the quarterly consolidated statements of income *3 |
|---|---|---|---|---|
| **Net sales** | | | | |
| Outside customers | 1,493 | 4,284,060 | - | 4,284,060 |
| Inter-segment revenue or transfers | 273 | 5,939 | (5,939) | - |
| Total | 1,766 | 4,290,000 | (5,939) | 4,284,060 |
| Segment income (loss) | (5,773) | 66,400 | 2 | 66,403 |

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)" row represent the amounts of inter-segment transactions.
3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.
4. Effective the first three months of the fiscal year ending March 31, 2016, the Company adopted ASBJ Statement of Accounting Standard for Business Combinations and other related standards. In line with this, accounting method for change in the Company's equity interests in a subsidiary was changed to a new method

under which, when the Company still hold control over the subsidiary even after the change in equity interests, gains or losses resulting from the change in equity interests are recorded in capital surplus; and the acquisition costs is expensed in the fiscal year when it is incurred. In addition, for business combination implemented on or after the beginning of the first three months of the fiscal year ending March 31, 2016, the Company switched to a new method under which adjustments to provisional values of allocated acquisition costs are reflected in the quarterly financial statements for the period which encompasses the effective date of business combination. Due to this change, compared with what would have been under the previous accounting method, segment income for the first six months of the fiscal year ending March 31, 2016, in the Chemicals & Electronics was 68 million yen higher; in the Food & Agribusiness, 491 million yen lower.

## Outline of Consolidated Results for the Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)

### 1. Operating Results

Billions of yen

| | Consolidated | | | |
|---|---|---|---|---|
| | Six Months ended September 30, 2015 | Six Months ended September 30, 2014 | Year-on-year change | |
| | | | Amount | % |
| Net sales | 4,284.0 | 4,354.8 | (70.8) | (1.6) |
| Gross profit | 305.0 | 301.0 | 4.0 | 1.3 |
| SG & A expenses | 238.6 | 226.7 | 11.9 | - |
| Operating income | 66.4 | 74.3 | (7.9) | (10.7) |
| Interest income and expense | (10.6) | (10.7) | 0.1 | - |
| Dividend income | 14.4 | 13.0 | 1.4 | - |
| Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates | 1.0 | 6.6 | (5.6) | - |
| Other income (expenses) | (4.7) | (1.0) | (3.7) | - |
| Ordinary income | 66.4 | 82.3 | (15.9) | (19.3) |
| Extraordinary income (losses) | (15.1) | 4.9 | (20.0) | - |
| Income before income taxes | 51.3 | 87.3 | (36.0) | (41.2) |
| Income tax expenses | 17.9 | 33.5 | (15.6) | - |
| *Net income | 33.3 | 53.7 | (20.4) | (37.9) |
| *Net income attributable to non-controlling interests | 9.6 | 13.5 | (3.9) | - |
| *Net income attributable to owners of the parent | 23.7 | 40.2 | (16.5) | (40.9) |

*Note: In accordance with revisions of accounting standards for consolidated financial statements, presentation methods have been changed.

**Main factors behind year-on-year changes**

- Net sales -70.8 billion yen:
  - Decrease mainly in the Machinery, Energy & Project division and the Metals division due to lower market value and effect of alignment of accounting period implemented in the previous fiscal year
  - SG & A expenses +11.9 billion yen:
  - Increase due to consolidation of new subsidiaries and other factors
- Dividend income +1.4 billion yen:
  - Increase mainly in Toyota Tsusho Corporation
- Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates -5.6 billion yen:
  - Decrease mainly in the Metals division
- Other income/expenses -3.7 billion yen:
  - Decrease due mainly to worsening in foreign exchange gains/losses
- Extraordinary income (losses) -20.0 billion yen:
  - Decrease due to loss on valuation of securities and investments, loss on cancellation of contract, and provision for doubtful receivables.

### For reference:

Billions of yen

| Quarterly changes | 1st quarter | 2nd quarter |
|---|---|---|
| Net sales | 2,138.4 | 2,145.6 |
| Operating income | 30.5 | 35.8 |
| Ordinary income | 35.4 | 31.0 |
| Net income | 12.9 | 10.8 |

## 2. Financial Position

Billions of yen

| | Consolidated | | | |
|---|---|---|---|---|
| | As of September 30, 2015 | As of March 31, 2015 | Change versus March 31, 2015 | |
| | | | Amount | % |
| Total assets | 4,418.5 | 4,533.6 | (115.1) | (2.5) |
| Current assets | 2,702.6 | 2,769.2 | (66.6) | (2.4) |
| Investment securities & other investments | 562.5 | 632.9 | (70.4) | (11.1) |
| Other fixed assets | 1,153.3 | 1,131.4 | 21.9 | 1.9 |
| Net assets | 1,235.5 | 1,304.4 | (68.9) | (5.3) |
| Net interest-bearing debt | 1,287.3 | 1,233.5 | 53.8 | 4.4 |
| Debt-equity ratio (times) | 1.2 | 1.1 | 0.1 | |

**Main factors behind year-on-year changes**

- Current assets -66.6 billion yen:
    - Cash and cash equivalents decreased 37.0 billion yen
    - Inventories decreased 27.7 billion yen
- Investment securities & other investments -70.4 billion yen:
    - Decrease due mainly to lower market value
    - Other fixed assets +21.9 billion yen:
    - Property and equipment increased 36.1 billion yen
- Net assets -68.9 billion yen:
    - Retained earnings increased 13.3 billion yen (net income attributable to owners of the parent of 23.7 billion yen less 9.8 billion yen dividends, etc.)
    - Net unrealized gains on available-for-sales securities, net of taxes decreased 27.3 billion yen
    - Foreign currency translation adjustments decreased 42.1 billion yen
    - Non-controlling interests decreased 12.0 billion yen

### 3. 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

| | Six Months ended September 30, 2015 | Six Months ended September 30, 2014 | Year-on-year change | Amounts affected by exchange rates | Year-on-year change excluding amount affected by exchange rates | |
|---|---|---|---|---|---|---|
| | | | | | Amount | % |
| Metals | 943.1 | 987.4 | (44.3) | 69.5 | (113.8) | (10.8) |
| | 19.7 | 23.9 | (4.2) | 2.3 | (6.5) | (25.1) |
| Global Parts & Logistics | 498.8 | 467.2 | 31.6 | 57.1 | (25.5) | (4.9) |
| | 11.2 | 9.8 | 1.4 | 1.3 | 0.1 | 0.7 |
| Automotive | 646.1 | 670.7 | (24.6) | 1.9 | (26.5) | (3.9) |
| | 15.7 | 17.0 | (1.3) | 1.2 | (2.5) | (13.5) |
| Machinery, Energy & Project | 914.2 | 1,008.1 | (93.9) | 60.4 | (154.3) | (14.4) |
| | 10.1 | 7.8 | 2.3 | 0.4 | 1.9 | 22.3 |
| Chemicals & Electronics | 991.1 | 953.5 | 37.6 | 52.2 | (14.6) | (1.5) |
| | 11.2 | 15.8 | (4.6) | 0.8 | (5.4) | (32.5) |
| Food & Agribusiness | 216.3 | 194.3 | 22.0 | 15.1 | 6.9 | 3.3 |
| | 1.7 | 2.9 | (1.2) | (0.1) | (1.1) | (39.7) |
| Consumer Products & Services | 72.6 | 71.9 | 0.7 | 1.4 | (0.7) | (1.0) |
| | 2.4 | 2.0 | 0.4 | 0.0 | 0.4 | 22.8 |
| Total | 4,284.0 | 4,354.8 | (70.8) | 257.7 | (328.5) | (7.1) |
| | 66.4 | 74.3 | (7.9) | 5.6 | (13.5) | (17.0) |

**Main factors behind year-on-year changes**

- Metals

  Net sales and operating income:

  Both decreased due to lower market prices and effect of alignment of accounting period implemented in the previous fiscal year

- Global Parts & Logistics

  Net sales:

  Decreased due to effect of alignment of accounting period implemented in the previous fiscal year

  Operating income:

  Almost unchanged from the previous corresponding period

- Automotive

  Net sales:

  Decreased due to effect of alignment of accounting period implemented in the previous fiscal year

  Operating income:

  Decreased due to decrease in trading volume handled by auto dealership in Africa and Europe

- Machinery, Energy & Project

  Net sales:

  Decreased due to lower market value

  Operating income:

  Increased due to increase in trading volume of automotive equipment

- Chemicals & Electronics

  Net sales:

  Decreased due to effect of alignment of accounting period implemented in the previous fiscal year

  Operating income:

  Decreased due to loss on valuation of inventories

• Food & Agribusiness

Net sales:

Increased due to consolidation of new subsidiaries and other factors

Operating income:

Decreased due to lower profitability of grain imported

• Consumer Products & Services

Net sales:

Almost unchanged from the previous corresponding period

Operating income:

Increased due to higher profitability of textile-related products

## 4. Consolidated Financial Results Forecasts for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

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

Billions of yen

| | Year ending March 31, 2016 (revised forecast) | Year ended March 31, 2015 (results) | Year-on-year change | | (Reference) Year ending March 31, 2016 (previous forecast released on April 28) |
|---|---|---|---|---|---|
| | | | Amount | % | |
| Metals | 1,970.0 | 1,961.0 | 9.0 | 0.5 | 2,150.0 |
| | 47.0 | 54.3 | (7.3) | (13.5) | 50.0 |
| Global Parts & Logistics | 1,000.0 | 927.5 | 72.5 | 7.8 | 1,000.0 |
| | 22.0 | 22.8 | (0.8) | (3.8) | 21.0 |
| Automotive | 1,300.0 | 1,306.5 | (6.5) | (0.5) | 1,300.0 |
| | 32.0 | 36.4 | (4.4) | (12.2) | 33.0 |
| Machinery, Energy & Project | 1,540.0 | 1,948.1 | (408.1) | (20.9) | 1,270.0 |
| | 25.0 | 22.3 | 2.7 | 12.0 | 20.5 |
| Chemicals & Electronics | 2,000.0 | 1,947.5 | 52.5 | 2.7 | 2,070.0 |
| | 29.0 | 33.0 | (4.0) | (12.3) | 33.0 |
| Food & Agribusiness | 430.0 | 410.4 | 19.6 | 4.8 | 450.0 |
| | 4.0 | 5.4 | (1.4) | (26.1) | 6.0 |
| Consumer Products & Services | 160.0 | 160.1 | (0.1) | (0.1) | 160.0 |
| | 6.0 | 6.4 | (0.4) | (7.6) | 6.0 |
| Total | | | | | |
| Net sales | 8,400.0 | 8,663.4 | (263.4) | (3.0) | 8,400.0 |
| Operating income | 154.0 | 169.4 | (15.4) | (9.1) | 158.0 |
| Ordinary income | 139.0 | 156.2 | (17.2) | (11.0) | 158.0 |
| Net income attributable to owners of the parent | 35.0 | 67.5 | (32.5) | (48.2) | 70.0 |

## 5. Dividend per share

| | Year ending March 31, 2016 (forecast) | Year ended March 31, 2015 |
|---|---|---|
| Interim | 31.0 yen | 28.0 yen |
| Full year | 62.0 yen | 56.0 yen |
| Payout ratio (consolidated)<br>*Before amortization of goodwill* | 62.3%<br>*29.9%* | 29.1% |

## 6. Changes in Major Indexes

| | | Six Months ended September 30, 2015 | Six Months ended September 30, 2014 (or as of March 31, 2015) |
|---|---|---|---|
| Exchange rate (yen / US dollar) | Average during the period | 122 | 103 |
| | End of period | 120 | (120) |
| Interest rate | Yen TIBOR 3M average | 0.17% | 0.21% |
| | US dollar LIBOR 3M average | 0.30% | 0.23% |
| Dubai oil (US dollars / bbl) | | 56 | 104 |
| Australian thermal coal (US dollars / ton) | | 59 | 70 |
| Corn futures (cents / bushel) | | 374 | 419 |