

Toyota Tsusho Corporation
Financial Highlights
for the Six Months Ended September 30, 2018
[IFRS basis](Consolidated)

October 31, 2018

Listings	Tokyo Stock Exchange (the first section), Nagoya Stock Exchange		
Security code	8015		
URL	https://www.toyota-tsusho.com/		
Representative	Ichiro Kashitani, President & CEO		
Contact	Kazuhiro Uchiyama General manager, Accounting Department		
Telephone	+81 52-584-5482		
Scheduled dates:			
Submission of quarterly securities report		November 13, 2018	
Dividend payout		November 27, 2018	
Supplementary materials to the quarterly results		Available	
Quarterly financial results briefings		Yes (targeted at institutional investors and analysts)	

(Amounts rounded down to the nearest million)

1. Consolidated Financial Results for the Six Months ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(1) Operating Results

(Percentage figures represent year-on-year changes)

	Revenue		Operating profit		Profit (loss) before income taxes		Profit		Profit attributable to owners of the parent		Total comprehensive income	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Six Months ended												
September 30, 2018	3,361,485	7.3	107,442	13.3	121,417	1.1%	91,704	7.5	78,615	7.1	66,348	(52.0)
September 30, 2017	3,131,664	14.1	94,822	25.1	120,141	38.3%	85,267	42.9	73,436	45.3	138,290	—

	Basic earnings (losses) per share	Diluted earnings (losses) per share
Six Months ended	yen	yen
September 30, 2018	223.41	—
September 30, 2017	208.69	—

Note: "Basic earnings (losses) per share" is calculated based on "Profit attributable to owners of the parent."

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total asset
As of	million yen	million yen	million yen	%
September 30, 2018	4,474,886	1,398,880	1,209,305	27.0
March 31, 2018	4,310,043	1,362,187	1,174,718	27.3

2. Dividends

Record date or period	Dividend per share				
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total
	yen	yen	yen	yen	yen
Year ended March 31, 2018	—	45.00	—	49.00	94.00
Year ending March 31, 2019	—	50.00			
Year ending March 31, 2019 (forecast)			—	50.00	100.00

Note: No changes were made to the latest release of dividend forecasts.

3. Forecast of Consolidated Earnings for the Fiscal Year ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(Percentage figures represent year-on-year changes)

	Profit attributable to owners of the parent		Basic earnings per share
	million yen	%	
Full year	140,000	7.5	yen 397.86

Note: No changes were made to the latest release of earnings forecasts.

*Notes

(1) Changes affecting the consolidation status of significant subsidiaries (changes in specified subsidiary resulting in change in scope of consolidations) during the period: None

(2) Changes in accounting policy and changes in accounting estimates:

- 1) Changes in accounting policy required by IFRS: Yes
- 2) Changes other than the above 1): None
- 3) Changes in accounting estimates: None

Note: For details, please refer to (Changes in accounting policy) on page 13.

(3) Number of issued shares (common stock)

1) Number of issued shares at end of period (Treasury shares included):

September 30, 2018: 354,056,516 shares

March 31, 2018: 354,056,516 shares

2) Number of shares held in treasury at end of period:

September 30, 2018: 2,171,965 shares

March 31, 2018: 2,170,022 shares

3) Average Number of shares outstanding during the period:

Six Months ended September 30, 2018: 351,885,590 shares

Six Months ended September 30, 2017: 351,891,580 shares

*Quarterly review status

This report is exempt from the quarterly review by certified public accountant or audit firm.

*Appropriate use of earnings forecasts and other important information

1. The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Actual results may differ materially from the above forecasts due to a range of factors.

2. The Company is scheduled to hold the quarterly earnings briefing as stated below. The presentation materials for the earnings briefing will be posted on its website promptly following the earnings announcement.

- Thursday, November 1, 2018: Quarterly financial results briefings for institutional investors and analysts

*This is an abridged translation of the original Japanese document and is provided for informational purposes only. If there are any discrepancies between this and the original, the original Japanese document prevails.

4. Consolidated Results of Operations

(1) Explanation of business results

In the first six months of the fiscal year (April 1 – September 30, 2018), the global economy remained in an overall recovery trend, with the U.S. and European economies holding firm and emerging market economies continuing to improve even as the economic outlook was clouded by emerging market currency depreciation and intensification of trade frictions stemming from protectionist U.S. trade policies.

The U.S. economy continued to recover, buoyed by tax cuts' stimulus effect, robust employment and income environments, and growth in personal consumption and capital investment. Europe as a whole remained in a mild economic recovery driven by solid domestic demand and improvement in the employment environment despite an uncertain outlook amid fraught Brexit negotiations between the UK and EU and an export slowdown. The Chinese economy gradually decelerated in the wake of a slump in infrastructure investment, although domestic demand rooted in the corporate and household sectors held up well amid economic rebalancing from investment-led to consumption-led growth resulting from a shift in China's growth strategy from a quantitative to a qualitative focus. Despite concerns about depreciation in the Turkish lira, Argentine peso and certain other emerging market currencies, emerging market economies continued to grow stably against a backdrop of low inflation, low interest rates and improvement in market conditions, largely in response to resurgent resource prices.

Against such a global backdrop, the Japanese economy continued to gradually recover, driven by solid capital investment, export growth and consumption growth due to improvement in the employment environment, despite concerns about the impact of a recent string of natural disasters, including torrential rains in western Japan and an earthquake in Hokkaido.

Amid such an environment, the Toyota Tsusho Group's consolidated revenue for the six months ended September 30 increased 229.8 billion yen (7.3%) year on year to 3,361.4 billion yen, largely as result of growth in trading volumes related to auto production.

Consolidated operating profit increased 12.6 billion yen (13.3%) to 107.4 billion yen, largely by virtue of gross profit growth sufficient to offset increased selling, general and administrative expenses. Consolidated profit for the period (attributable to owners of the parent) consequently increased 5.2 billion yen (7.1%) to 78.6 billion yen.

Segment Information

Metals

Profit for the period (attributable to owners of the parent) increased 1.9 billion yen (12.6%) year on year to 17.1 billion yen, largely as a result of non-recurrence of a year-earlier one-time loss.

An automotive plastics recycling demonstration project commissioned in 2017 to promote use of recycled plastics was expanded in scale as it entered its second year from August 2018.

Global Parts & Logistics

Profit for the period (attributable to owners of the parent) increased 2.3 billion yen (21.8%) year on year to 13.0 billion yen, driven largely by growth in auto parts trading volumes.

The Group, together with JALUX Inc., entered into a basic agreement with the Laotian Ministry of Public Works and Transport in August 2018 regarding a 10-year extension of an existing agreement to operate the international terminal at Wattay International Airport in the Lao People's Democratic Republic (Laos).

Automotive

Profit for the period (attributable to owners of the parent) increased 1.7 billion yen (18.7%) year on year to 10.6 billion yen, boosted mainly by growth in overseas auto dealerships' sales volumes.

The Group acquired an equity stake in Droom Technology Pvt. Ltd., operator of India's largest automobile marketplace, through an April 2018 third-party share allocation and has since been collaborating with Droom with the aim of expanding the overseas used auto and motorcycle marketplace business.

Machinery, Energy & Projects

Despite growth in automotive machinery trading volume, profit for the period (attributable to owners of the parent) decreased 3.6 billion yen (23.0%) year on year to 12.0 billion yen, largely as a result of a provision of allowance for doubtful accounts in the energy business and non-recurrence of a year-earlier one-time gain.

Central LNG Shipping Japan Corporation, one of the Group's investees, entered into a shipbuilding agreement with Kawasaki Heavy Industries, Ltd., in July 2018 for an LNG bunkering vessel for refueling LNG-powered ships.

Chemicals & Electronics

Profit for the period (attributable to owners of the parent) decreased 8.6 billion yen (43.7%) year on year to 11.1 billion yen, largely as a result of non-recurrence of a year-earlier gain on partial divestment of equity holdings in a subsidiary.

The Group acquired a portion of the shares offered by JOLED Inc. in a June 2018 third-party share allocation with the aim of broadly developing applications and expanding sales in the OLED display market.

Food & Consumer Services

Profit for the period (attributable to owners of the parent) increased 1.4 billion yen (121.2%) year on year to 2.6 billion yen, largely as a result of a gain on the sale of investment property.

Toyota Tsusho All Life Corporation launched private rehabilitation and home medical massage businesses by establishing AViC THE PHYSIO STUDIO, a private rehabilitation facility providing services not covered by insurance, in February 2018 and AViC All Life Massage Clinic, a home medical massage service, in March.

Africa

Profit for the period (attributable to owners of the parent) increased 3.5 billion yen (117.1%) year on year to 6.4 billion yen, largely as a result of favorable exchange rate movements.

On June 1, 2018, the Group and Toyota Motor Corporation (TMC) entered into a memorandum of understanding regarding a transfer of TMC's entire sales and marketing operations in the African market to the Group by a tentative date of January 2019. The Group and TMC have since been formulating an action plan to execute the transfer of operations.

(2) Consolidated Financial Condition

At September 30, 2018, consolidated assets totaled 4,474.8 billion yen, a 164.8 billion yen increase from March 31, 2018. The increase was predominantly attributable to an 88.1 billion yen increase in inventories and a 61.7 billion yen increase in trade and other receivables. Consolidated equity at September 30 totaled 1,398.8 billion yen, a 36.7 billion yen increase from March 31. Its increase was mostly due to a 61.2 billion yen increase in retained earnings accruing from profit for the period (attributable to owners of the parent).

(3) Outlook for Fiscal Year Ending March 31, 2019

The consolidated earnings forecast issued on April 27, 2018, remains unchanged.

5. Consolidated Financial Statements
(1) Consolidated Statements of Financial Position

(Unit: Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Assets		
Current assets		
Cash and cash equivalents	423,426	438,225
Trade and other receivables	1,342,038	1,404,853
Other financial assets	67,919	64,852
Inventories	656,149	744,247
Other current assets	115,010	137,801
Subtotal	2,604,545	2,789,979
Assets held for sale	12,440	—
Total current assets	2,616,986	2,789,979
Non-current assets		
Investments accounted for using the equity method	278,597	279,531
Other investments	529,739	502,536
Trade and other receivables	31,848	30,673
Other financial assets	27,561	46,190
Property, plant and equipment	590,324	593,368
Intangible assets	166,694	164,800
Investment property	18,782	18,989
Deferred tax assets	24,559	22,984
Other non-current assets	24,949	25,833
Total non-current assets	1,693,057	1,684,907
Total assets	4,310,043	4,474,886

(Unit: Millions of yen)

	As of March 31, 2018	As of September 30, 2018
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	1,098,589	1,190,502
Bonds and borrowings	543,406	571,682
Other financial liabilities	15,729	21,973
Income taxes payable	30,102	24,075
Provisions	5,141	4,785
Other current liabilities	128,816	127,851
Subtotal	1,821,786	1,940,870
Liabilities directly associated with assets held for sale	3,004	—
Total current liabilities	1,824,790	1,940,870
Non-current liabilities:		
Bonds and borrowings	927,373	951,117
Trade and other payables	3,700	3,192
Other financial liabilities	21,566	17,382
Retirement benefits liabilities	40,628	41,037
Provisions	22,960	26,330
Deferred tax liabilities	92,846	81,642
Other non-current liabilities	13,989	14,433
Total non-current liabilities	1,123,065	1,135,136
Total liabilities	2,947,856	3,076,006
Equity		
Share capital	64,936	64,936
Capital surplus	150,921	150,820
Treasury shares	(3,578)	(3,589)
Other components of equity	129,943	103,530
Retained earnings	832,495	893,606
Total equity attributable to owners of the parent	1,174,718	1,209,305
Non-controlling interests	187,468	189,574
Total equity	1,362,187	1,398,880
Total liabilities and equity	4,310,043	4,474,886

(2) Consolidated Statements of Profit or Loss and Comprehensive Income**Consolidated Statements of Profit or Loss**

(Unit: Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Revenue		
Sales of goods	3,088,148	3,313,384
Sales of services and others	43,515	48,100
Total revenue	3,131,664	3,361,485
Cost of sales	(2,834,116)	(3,046,417)
Gross profit	297,548	315,068
Selling, general and administrative expenses	(202,430)	(208,738)
Other income (expenses)		
Gain (loss) on sale and disposals of non-current assets, net	494	286
Impairment losses on non-current assets	(149)	(20)
Other, net	(639)	846
Total other income (expenses)	(294)	1,113
Operating profit	94,822	107,442
Finance income (costs)		
Interest income	4,141	4,873
Interest expenses	(13,396)	(13,142)
Dividend income	13,012	13,511
Other, net	13,670	878
Total finance income (costs)	17,426	6,121
Share of profit (loss) of investments accounted for using the equity method	7,892	7,853
Profit before income taxes	120,141	121,417
Income tax expense	(34,873)	(29,712)
Profit for the period	85,267	91,704
Profit (loss) for the period attributable to:		
Owners of the parent	73,436	78,615
Non-controlling interests	11,830	13,089
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	208.69	223.41
Diluted earnings per share (yen)	—	—

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Profit for the period	85,267	91,704
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	122	161
Financial assets measured at fair value through other comprehensive income	29,227	(24,842)
Share of other comprehensive income of investments accounted for using the equity method	423	632
Items that may be reclassified to profit or loss:		
Cash flow hedges	372	1,679
Exchange differences on translation of foreign operations	21,982	(839)
Share of other comprehensive income of investments accounted for using the equity method	894	(2,147)
Other comprehensive income for the period, net of tax	53,022	(25,356)
Total comprehensive income for the period	138,290	66,348
Total comprehensive income for the period attributable to:		
Owners of the parent	122,497	51,952
Non-controlling interests	15,792	14,396

(3) Consolidated Statement of Changes in Equity

(Unit: Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Equity		
Share capital - Common stock		
Balance at the beginning of the period	64,936	64,936
Balance at the end of the period	64,936	64,936
Capital surplus		
Balance at the beginning of the period	150,494	150,921
Acquisition (disposal) of non-controlling interests	8	(101)
Disposition of treasury stock	0	0
Balance at the end of the period	150,503	150,820
Treasury shares		
Balance at the beginning of the period	(3,540)	(3,578)
Acquisition (disposal) of treasury shares	(17)	(11)
Balance at the end of the period	(3,558)	(3,589)
Other components of equity		
Remeasurements of defined benefit pension plans		
Balance at the beginning of the period	—	—
Increase (decrease) during the period	57	130
Reclassification to retained earnings	(57)	(130)
Balance at the end of the period	—	—
Financial assets measured at fair value through other comprehensive income		
Balance at the beginning of the period	232,692	248,425
Increase (decrease) during the period	29,700	(23,801)
Reclassification to retained earnings	417	381
Balance at the end of the period	262,810	225,005
Cash flow hedges		
Balance at the beginning of the period	(14,402)	(12,961)
Increase (decrease) during the period	601	1,788
Balance at the end of the period	(13,800)	(11,172)

(Unit: Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Exchange differences on translation of foreign operations		
Balance at the beginning of the period	(107,206)	(105,520)
Increase (decrease) during the period	18,701	(4,780)
Balance at the end of the period	(88,504)	(110,301)
Retained earnings		
Balance at the beginning of the period	727,644	832,495
Reclassification from other components of equity	(359)	(250)
Profit for the period attributable to owners of the parent	73,436	78,615
Dividends	(13,732)	(17,253)
Balance at the end of the period	786,989	893,606
Total equity attributable to owners of the parent	1,159,375	1,209,305
Non-controlling interests		
Balance at the beginning of the period	172,893	187,468
Dividends paid to non-controlling interests	(11,420)	(11,740)
Acquisition (disposal) of non-controlling interests	(914)	(555)
Profit for the period attributable to non-controlling interests	11,830	13,089
Other comprehensive income attributable to non-controlling interests		
Remeasurements of defined benefit pension plans	2	0
Financial assets measured at fair value through other comprehensive income	13	(377)
Cash flow hedges	197	593
Exchange differences on translation of foreign operations	3,748	1,090
Other	(14)	6
Balance at the end of the period	176,336	189,574
Total equity	1,335,712	1,398,880
Comprehensive income for the period attributable to:		
Owners of the parent	122,497	51,952
Non-controlling interests	15,792	14,396
Total Comprehensive income for the period	138,290	66,348

(4) Consolidated Statement of Cash Flows

(Unit: Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Cash flows from operating activities		
Profit before income taxes	120,141	121,417
Depreciation and amortization	39,841	38,247
Impairment losses on non-current assets	149	20
Financial costs (income)	(17,426)	(6,121)
Share of (profit) loss of investments accounted for using the equity method	(7,892)	(7,853)
(Gain) loss on sale and disposals of non-current assets, net	(494)	(286)
(Increase) decrease in trade and other receivables	(31,170)	(42,969)
(Increase) decrease in inventories	(61,563)	(78,594)
Increase (decrease) in trade and other payables	61,063	74,590
Other	(6,051)	(14,554)
Subtotal	96,596	83,896
Interest received	3,738	4,812
Dividends received	20,110	25,800
Interest paid	(13,057)	(12,453)
Income taxes paid	(33,098)	(39,805)
Net cash provided by operating activities	74,291	62,251
Cash flows from investing activities		
Increase in time deposits	9,686	(5,184)
Purchase of property, plant and equipment	(30,003)	(34,365)
Proceeds from sale of property, plant and equipment	4,095	4,845
Purchase of intangible assets	(4,451)	(6,527)
Proceeds from sale of intangible assets	158	1,946
Proceeds from sale of investment property	—	4,286
Purchase of investments	(13,155)	(17,221)
Proceeds from sale of investment	2,090	1,439
Proceeds from (payment for) acquisition of subsidiary	(3,277)	(603)
Proceeds from (payment for) sale of subsidiaries	1,332	3,955
Payments for loans receivable	(4,734)	(5,036)
Collection of loans receivable	6,956	7,027
Other	1,733	1,999
Net cash used in investing activities	(29,568)	(43,439)

(Unit: Millions of yen)

	Six Months ended September 30, 2017	Six Months ended September 30, 2018
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings, net	116,845	(7,333)
Proceeds from long-term borrowings	55,894	64,152
Repayment of long-term borrowings	(157,075)	(82,802)
Proceeds from issuance of bonds	9,941	55,416
Purchase of treasury shares	(17)	(12)
Dividends paid	(13,732)	(17,253)
Dividends paid to non-controlling interests	(11,420)	(11,740)
Proceeds from non-controlling interests	1,233	261
Payments for acquisition of subsidiaries' interest from non-controlling interests	(153)	(2,166)
Proceeds from sale of subsidiaries' interest to non-controlling interests	26	137
Other, net	(906)	(3,588)
Net cash provided by (used in) financing activities	634	(4,929)
Net increase (decrease) in cash and cash equivalents	45,357	13,883
Cash and cash equivalents at the beginning of the period	426,208	423,426
Effect of exchange rate changes on cash and cash equivalents	6,973	915
Cash and cash equivalents at the end of the period	478,539	438,225

(5) Notes on Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable

(Changes in Accounting Policy)

(Revenue from Contracts with Customers)

Effective from the first quarter of the fiscal year ending March 2019, the Group has adopted IFRS 15, “Revenue from Contracts with Customers” (published May 2014) and “Clarifications to IFRS 15” (published April 2016), (hereinafter collectively referred to as IFRS 15). In doing so, the Group has elected to recognize the cumulative effect of applying IFRS 15 at the date of initial application.

The revenue recognition criteria associated with application of IFRS 15 are as follows.

(1) Basis of revenue recognition and measurement

Revenue is recognized and measured based on the following five-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify performance obligations in each contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

(2) Timing of revenue recognition

Based on the above five-step approach, the Group recognizes revenue when it has satisfied contracts’ performance obligations.

The Group sells commodities and other products, including metals, vehicles, automotive components, machinery, chemicals and food. For sales of such goods, contracts’ performance obligations are satisfied at the point in time when control of the goods passes to the customer. Specifically, the Group recognizes revenue from the sale of goods at the point in time when the goods have been delivered to the delivery location specified in the contract with the customer or the goods have passed the customer’s acceptance inspection, the Group has a right to payment for the goods, and legal title to and physical possession of the goods and the significant risks and rewards related to ownership of the goods have all been transferred to the customer.

The Group also provides services, performs construction contracting and develops made-to-order software. For these transactions, contracts’ performance obligations are satisfied over a certain time period in accord with the contract. The Group recognizes revenue based on its progress toward complete satisfaction of performance obligations by measuring such progress to depict its performance in transferring control of the goods and/or services being provided. As a general rule, the Group uses an input method to measure progress toward complete satisfaction of performance obligations, but it considers the terms of individual transactions’ contracts and the nature of the goods or services in question in determining an appropriate measurement method.

(3) Gross presentation and net presentation of revenue

For revenue from the sale of goods and provision of services, the Group presents revenue on a gross basis when it engages in the transaction as a principal and on a net basis when it engages in the transaction as an agent.

When determining whether it is a principal or an agent, the Group makes a comprehensive determination based on the following three indicators.

- Does the Group have inventory risk before and/or after it received the customer’s order, including while the shipment is in transit or when goods are returned?
- Does the Group have discretion in setting the value of the goods or services of another party to the transaction? Is the benefit that the Group can receive from the good or service in question restricted?
- Is the Group primarily responsible for the performance of the contract?

The impact of IFRS 15’s application is immaterial

(Segment Information)

1. Revenue, Profit/loss and Assets by Reportable Segment

Six Months ended September 30, 2017 (April 1, 2017 to September 30, 2017)

(Unit: Millions of yen)

	Reportable segment					
	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services
Revenue						
External	791,000	400,400	306,443	408,970	760,062	192,882
Inter-segment	387	12,087	2,228	1,704	5,599	424
Total	791,387	412,487	308,671	410,675	765,661	193,307
Gross profit	46,572	35,187	41,358	35,621	55,614	21,069
Profit (loss) for the period attributable to owners of the parent	15,227	10,710	8,949	15,618	19,739	1,219
Segment assets	866,873	386,455	317,528	821,216	681,068	261,816

	Reportable segment		Other *1	Adjustments *2	Consolidated
	Africa	Total			
Revenue					
External	270,742	3,130,501	1,162	—	3,131,664
Inter-segment	7,075	29,507	455	(29,963)	—
Total	277,818	3,160,009	1,618	(29,963)	3,131,664
Gross profit	63,889	299,311	1,307	(3,071)	297,548
Profit (loss) for the period attributable to owners of the parent	2,960	74,427	(1,259)	269	73,436
Segment assets	558,502	3,893,461	812,099	(234,601)	4,470,960

Notes: 1. "Other" comprises businesses that are not included in reportable segments including functional services which provide operation support to the whole Group. In addition, this column includes profit/loss that is not classified into a specific reportable segment.

2. Figures in "Adjustments" represent the amounts of inter-segment transactions.

3. Prices in inter-segment transactions are decided based on negotiation on an individual basis.

Six Months ended September 30, 2018 (April 1, 2018 to September 30, 2018)

(Unit: Millions of yen)

	Reportable segment					
	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services
Revenue						
External	879,235	453,954	314,835	467,682	733,052	216,878
Inter-segment	991	11,841	6,834	1,431	5,989	242
Total	880,226	465,795	321,670	469,113	739,042	217,120
Gross profit	50,595	38,843	42,459	42,731	53,278	21,294
Profit (loss) for the period attributable to owners of the parent	17,145	13,050	10,619	12,030	11,105	2,698
Segment assets	911,238	404,308	295,190	767,067	738,861	283,157

	Reportable segment		Other *1	Adjustments *2	Consolidated
	Africa	Total			
Revenue					
External	294,369	3,360,008	1,477	—	3,361,485
Inter-segment	6,219	33,548	430	(33,978)	—
Total	300,588	3,393,557	1,907	(33,978)	3,361,485
Gross profit	67,925	317,127	1,416	(3,476)	315,068
Profit (loss) for the period attributable to owners of the parent	6,428	73,078	5,619	(82)	78,615
Segment assets	551,909	3,951,734	820,467	(297,315)	4,474,886

Notes: 1. "Other" comprises businesses that are not included in reportable segments including functional services which provide operation support to the whole Group. In addition, this column includes profit/loss that is not classified into a specific reportable segment.

2. Figures in "Adjustments" represent the amounts of inter-segment transactions.

3. Prices in inter-segment transactions are decided based on negotiation on an individual basis.

Outline of Consolidated Results
for the Six Months ended September 30, 2018 (IFRS)

(For reference)

Quarterly changes	1Q	2Q
Gross profit	157.3	157.7
Operating profit	56.4	50.9
Profit attributable to owners of the parent	46.6	31.9

October 31, 2018
Toyota Tsusho Corporation

(Unit: Billion yen)

Consolidated Operating Results	Six Months ended September 30, 2017	Six Months ended September 30, 2018	Year-on-year change	
			Amount	%
Revenue	3,131.6	3,361.4	229.8	7.3%
Gross profit	297.5	315.0	17.5	5.9%
SG&A expenses	(202.4)	(208.7)	(6.3)	—
Other income (expenses)	(0.2)	1.1	1.3	—
Operating profit	94.8	107.4	12.6	13.3%
Interest income (expenses)	(9.2)	(8.2)	1.0	—
Dividend income	13.0	13.5	0.5	—
Other finance income (costs)	13.6	0.8	(12.8)	—
Share of profit of investments accounted for using the equity method	7.8	7.8	(0.0)	—
Profit before income taxes	120.1	121.4	1.3	1.1%
Income tax expense	(34.8)	(29.7)	5.1	—
Profit for the period	85.2	91.7	6.5	7.5%
Profit attributable to owners of the parent	73.4	78.6	5.2	7.1%
Total comprehensive income (attributable to owners of the parent)	122.4	51.9	(70.5)	(57.6%)

Main factors behind year-on-year changes

[Gross profit] +17.5 billion yen
Increased driven by growth in trading volume of automobile production-related products

[Operating profit] +12.6 billion yen
Increased driven by growing gross profit, which offset increase in SG&A expenses

[Profit attributable to owners of the parent] +5.2 billion yen
Increased driven by growing operating profit, despite the effect of the gain recognized in the previous fiscal year on sale of part of shares in subsidiary of the Chemicals & Electronics division (decrease in net financial income and decrease in income tax expense)

Consolidated Financial Position	As of March 31, 2018	As of September 30, 2018	Change over the end of the previous fiscal year	
			Amount	%
Total assets	4,310.0	4,474.8	164.8	3.8%
(Current assets)	2,616.9	2,789.9	173.0	6.6%
(Non-current assets)	1,693.0	1,684.9	(8.1)	(0.5%)
Total equity	1,362.1	1,398.8	36.7	2.7%
Net interest-bearing debt	1,006.9	1,035.7	28.8	2.9%
Debt-equity ratio (times)	0.9	0.9	(0.0)	—

Main factors behind year-on-year changes

[Current assets] +173.0 billion yen
• Inventories: +88.1 billion yen
• Trade and other receivables: +62.8 billion yen

[Total equity] +36.7 billion yen
• Retained earnings: +61.2 billion yen
• Financial assets measured at fair value through other comprehensive income: -23.4 billion yen
• Exchange differences on translation of foreign operations: -4.8 billion yen

Consolidated Cash Flow Position	Six Months ended September 30, 2017	Six Months ended September 30, 2018	Year-on-year change	
			Amount	%
1. Cash flows from operating activities	74.2	62.2	(12.0)	—
2. Cash flows from investing activities	(29.5)	(43.4)	(13.9)	—
1-2: Free cash flow	44.7	18.8	(25.9)	—
Cash flows from financing activities	0.6	(4.9)	(5.5)	—

Main factors behind year-on-year changes

[Cash flows from operating activities]
Profit for the six months ended September 30, 2018
[Cash flows from investing activities]
Purchase of property, plant and equipment

Divisions	Six Months ended September 30, 2017	Six Months ended September 30, 2018	Year-on-year change	
			Amount	%
Metals	46.5	50.5	4.0	8.6%
Global Parts & Logistics	35.1	38.8	3.7	10.4%
Automotive	41.3	42.4	1.1	2.7%
Machinery, Energy & Project	35.6	42.7	7.1	20.0%
Chemicals & Electronics	55.6	53.2	(2.4)	(4.2%)
Food & Consumer Services	21.0	21.2	0.2	1.1%
Africa	63.8	67.9	4.1	6.3%
Total	297.5	315.0	17.5	5.9%
	73.4	78.6	5.2	7.1%

Main factors behind year-on-year changes in profit attributable to owners of parent

Increased driven by the effect of one-time loss recorded in the previous fiscal year

Increased driven by higher trading volume of automotive parts

Increased driven by growing sales volume handled by overseas auto dealerships

Decreased due to provision of allowance for doubtful accounts in energy business and the effect of one-time gain recognized in the previous fiscal year which offset higher trading volume of automotive equipment

Decreased due to effect of the gain on sale of part of subsidiary's shares recognized in the previous fiscal year

Increased driven by gain on sale of investment property

Increased driven by the effect of currency translation

Consolidated Financial Results/Forecasts	Year ended March 31, 2018	Year ending March 31, 2019	Year-on-year change	
			Amount	%
Metals	86.6	93.0	6.4	7.3%
Global Parts & Logistics	72.6	73.0	0.4	0.5%
Automotive	85.0	90.0	5.0	5.8%
Machinery, Energy & Project	81.6	85.0	3.4	4.1%
Chemicals & Electronics	109.0	109.0	0.0	0.0%
Food & Consumer Services	42.7	47.0	4.3	9.9%
Africa	132.1	141.0	8.9	6.7%
Gross profit	606.2	633.0	26.8	4.4%
Operating profit	182.6	213.0	30.4	16.6%
Profit before income taxes	209.7	232.0	22.3	10.6%
Profit	150.3	167.0	16.7	11.0%
Profit attributable to owners of the parent	130.2	140.0	9.8	7.5%

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

Dividend per share	Year ended March 31, 2017	Year ended March 31, 2018	Year ending March 31, 2019	
			Amount	%
Interim	31 yen	45 yen	50 yen	—
Full year	70 yen	94 yen	100 yen (forecast)	—
Payout ratio (consolidated)	22.8%	25.4%	25.1% (forecast)	—

Changes in Major Indexes	Year ended March 31, 2018	Six Months ended September 30, 2018	Year ending March 31, 2019	
			Amount	%
Exchange rate	Yen/US dollar	6M average	111	110
		End of period	(106)	114
	Yen/Euro	6M average	126	130
		End of period	(131)	132
Interest rate	Yen TIBOR 6M average	0.06%	0.07%	
	US dollar LIBOR 6M average	1.26%	2.34%	
Dubai oil (US dollars/bbl)		50	73	
Corn futures (cents/bushel)		360	368	