

Toyota Tsusho Corporation
Financial Highlights
for the Nine Months Ended December 31, 2019
[IFRS basis] (Consolidated)

January 31, 2020

| | | |
|--|---|--|
| Listings | Tokyo Stock Exchange (the first section), Nagoya Stock Exchange | |
| Security code | 8015 | |
| URL | https://www.toyota-tsusho.com/english/ | |
| Representative | Ichiro Kashitani, President & CEO | |
| Contact | Yasushi Aida, General manager, Accounting Department | |
| Telephone | +81 52-584-5482 | |
| Scheduled dates: | | |
| Submission of quarterly securities report | February 14, 2020 | |
| Dividend payout | - | |
| 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 yen)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(1) Operating Results

(Percentage figures represent year-on-year changes)

| | Revenue | | Operating profit | | Profit 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 | % |
| Nine Months Ended | | | | | | | | | | | | |
| December 31, 2019 | 5,060,141 | (0.9) | 164,068 | (0.7) | 184,234 | 2.2 | 133,778 | 6.0 | 116,588 | 6.1 | 116,940 | 222.4 |
| December 31, 2018 | 5,106,013 | 5.1 | 165,175 | 11.7 | 180,287 | 0.9 | 126,252 | (1.8) | 109,844 | (3.6) | 36,277 | (83.5) |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine Months Ended | yen | yen |
| December 31, 2019 | 331.35 | - |
| December 31, 2018 | 312.16 | - |

Note: "Basic earnings 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 assets |
|-------------------|--------------|--------------|---|--|
| As of | million yen | million yen | million yen | % |
| December 31, 2019 | 4,686,878 | 1,443,445 | 1,262,772 | 26.9 |
| March 31, 2019 | 4,441,464 | 1,389,616 | 1,195,826 | 26.9 |

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, 2019 | - | 50.00 | - | 50.00 | 100.00 |
| Year ending March 31, 2020 | - | 60.00 | - | - | - |
| Year ending March 31, 2020 (forecast) | - | - | - | 60.00 | 120.00 |

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

3. Forecast of Consolidated Earnings for the Fiscal Year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Percentage figures represent year-on-year changes)

| | Profit attributable to owners of the parent | | Basic earnings per share |
|-----------|---|------|--------------------------|
| | million yen | % | yen |
| Full year | 150,000 | 13.1 | 426.27 |

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: Yes

Newly consolidated: One (Name) Toyota Tsusho Thai Holdings Co., Ltd.

(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):

December 31, 2019: 354,056,516 shares

March 31, 2019: 354,056,516 shares

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

December 31, 2019: 2,209,316 shares

March 31, 2019: 2,169,311 shares

3) Average number of shares outstanding during the period:

Nine Months Ended December 31, 2019: 351,859,265 shares

Nine Months Ended December 31, 2018: 351,884,948 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 a quarterly earnings briefing for institutional investors and analysts on Friday, January 31, 2020. The presentation materials for the earnings briefing will be posted on its website promptly following the earnings announcement.

*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.

1. Consolidated Results of Operations

(1) Overview of Operating Performance

1) Business Environment

In the first nine months of the fiscal year (April 1 – December 31, 2019), the global economy as a whole trended toward slower growth because of factors including an economic slump in Europe and China, despite a robust U.S. economy. Prolongation of the conflict between the U.S. and China led to worldwide heightening of concern about an economic downturn.

The Federal Reserve Board's interest rate cuts and other financial policies underpinned business activity in the U.S., and a recovery trend fueled by continuing strength in the employment environment and personal consumption continued, despite slowing of corporate capital investment and production resulting from concerns about the impact of trade friction between the U.S. and China. In the European economy, although personal consumption and government consumption remained firm, signs of economic deceleration stemming from prolongation of a manufacturing slump continued. Also, the outlook for the future remained uncertain amid fraught Brexit negotiations between the UK and EU. In the Chinese economy, the trend of economic deceleration continued in the wake of a slump in infrastructure investment and deterioration of consumer sentiment, despite attempts to prop up the economy with tax cuts, subsidies, and other economic policies amid economic rebalancing from investment-led to consumption-led growth. Also, slowing of economic growth came into sharp focus due to the continuing impact of trade friction with the U.S. The slowdown in economic growth in emerging market economies continued as a result of factors including declining exports and stagnant resource prices resulting in part from slowing of the Chinese economy.

Against this backdrop, in Japan an export slump centered on automobiles and iron and steel continued due to the impact of economic deceleration in China, and manufacturing production remained weak. Although the employment and income environments improved, domestic demand cooled due in part to a series of natural disasters, and the Japanese economy showed a trend toward slower growth. Also, concerns about an economic slowdown strengthened in response to trade frictions and sluggishness in Europe, China, and other overseas economies.

2) Business Activities by Segment

(I) Metals

For the purpose of reducing illegal disposal and appropriately disposing of end-of-life vehicles in India, in October 2019 Toyota Tsusho Corporation, together with Toyota Tsusho India Private Limited and Maruti Suzuki India Limited, an Indian subsidiary of Suzuki Motor Corporation, established Maruti Suzuki Toyotsu India Private Limited, a vehicle dismantling and recycling joint venture.

(II) Global Parts & Logistics

For the purpose of bolstering assistance for Japanese companies entering Cambodia, in December 2019 Techno Park Poi Pet Pvt Co., Ltd. concluded a business partnership agreement with Sanco Cambo Investment Group Co., Ltd. concerning a second Techno Park rental factory.

(III) Automotive

To help resolve social problems such as traffic congestion and air pollution, in November 2019 the Toyota Tsusho Group acquired an equity stake in start-up venture Super Highway Labs Private Limited, provider of Shuttl, an app-based medium- and long-distance bus service operated in six cities in India as a new mobility service.

(IV) Machinery, Energy & Projects

October 2019 marked the start of commercial operation of a 262.5 MW wind power plant that the Company, together with Eurus Energy Holdings Corporation, constructed in the Arab Republic of Egypt for the purpose of contributing to the spread of clean, low-priced renewable energy and further expansion of the wind power generation business.

(V) Chemicals & Electronics

For the purpose of contributing to resolution of heat and noise issues in electronic devices and shortening of development times, in August 2019 NEXTY Electronics Corporation acquired an equity stake in Ultimate Technologies Inc., continuing a collaborative partnership.

(VI) Food & Consumer Services

For the purpose of functional enhancement of a health support business that utilizes personal health data, in August 2019 the Group acquired an equity stake in, and entered into a business alliance with, M-aid Co., Ltd. On the occasion of the equity investment in M-aid Co., Ltd., the Group also entered into a business alliance with Sugi Pharmacy Co., Ltd. for the purpose of constructing a next-generation preventive medical services model.

(VII) Africa

For the purpose of strengthening its automotive sales foundation in Africa, in November 2019, CFAO SAS acquired through a subsidiary, shares in Unitrans Motor Holdings Proprietary Limited, a leading automobile dealer network operator in South Africa.

3) Operating Results

The Toyota Tsusho Group's consolidated revenue for the nine months ended December 31, 2019 decreased 45.9 billion yen (0.9%) year on year to 5,060.1 billion yen, largely as a result of the effect of currency translation due to the strong yen.

Consolidated operating profit decreased 1.1 billion yen (0.7%) year on year to 164.0 billion yen because of a decrease in gross profit and an increase in selling, general and administrative expenses, which offset improvement in foreign exchange gains/losses, etc. Consolidated profit (attributable to owners of the parent) increased 6.7 billion yen (6.1%) year on year to 116.5 billion yen, largely as a result of a gain on sale of shares in an affiliate in the Machinery, Energy & Project Division, which offset deterioration of share of profit (loss) of investments accounted for using the equity method accompanying impairment losses in the Metals Division.

Segment Information

(I) Metals

Profit for the period (attributable to owners of the parent) decreased 13.2 billion yen (47.3%) year on year to 14.7 billion yen, largely as a result of decrease in trading volume of automobile production-related products and impairment loss in the metal resources business.

(II) Global Parts & Logistics

Profit for the period (attributable to owners of the parent) was at the prior-year level, increasing 0.2 billion yen (1.1%) year on year to 19.1 billion yen.

(III) Automotive

Profit for the period (attributable to owners of the parent) decreased 3.4 billion yen (19.7%) year on year to 13.8 billion yen, largely as a result of a decrease in sales volume at overseas auto dealerships.

(IV) Machinery, Energy & Projects

Profit for the period (attributable to owners of the parent) increased 21.2 billion yen (182.9%) year on year to 32.8 billion yen, boosted largely by a gain on sale of shares in an affiliate in the electric power business and the impact of a one-time loss in the previous fiscal year.

(V) Chemicals & Electronics

Profit for the period (attributable to owners of the parent) decreased 3.1 billion yen (17.4%) year on year to 14.7 billion yen, largely due to profit margin shrinkage in the electronics business.

(VI) Food & Consumer Services

Profit for the period (attributable to owners of the parent) increased 1.2 billion yen (54.6%) year on year to 3.5 billion yen, largely as a result of improvement in share of profit (loss) of investments accounted for using the equity method in the food business.

(VII) Africa

Profit for the period (attributable to owners of the parent) increased 5.3 billion yen (89.8%) year on year to 11.2 billion yen, largely as a result of automotive sales growth.

(2) Consolidated Financial Condition

At December 31, 2019, consolidated assets totaled 4,686.8 billion yen, a 245.4 billion yen increase from March 31, 2019. The increase is attributable in part to a 150.7 billion yen increase in property, plant and equipment.

Consolidated equity at December 31 totaled 1,443.4 billion yen, a 53.8 billion yen increase from March 31, 2019. The increase is attributable in part to a 76.5 billion yen increase in retained earnings accruing from consolidated profit for the period (attributable to owners of the parent).

(3) Outlook for Fiscal Year Ending March 31, 2020

The consolidated earnings forecast issued on April 26, 2019 remains unchanged

2. Consolidated Financial Statements

(1) Consolidated Statement of Financial Position

(Unit: Millions of yen)

| | As of March 31, 2019 | As of December 31, 2019 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 465,861 | 469,443 |
| Trade and other receivables | 1,397,937 | 1,314,769 |
| Other financial assets | 60,525 | 119,210 |
| Inventories | 745,157 | 827,776 |
| Other current assets | 133,764 | 143,503 |
| Total current assets | 2,803,246 | 2,874,702 |
| Non-current assets | | |
| Investments accounted for using the equity method | 285,074 | 273,552 |
| Other investments | 454,647 | 483,654 |
| Trade and other receivables | 27,264 | 27,568 |
| Other financial assets | 40,796 | 35,487 |
| Property, plant and equipment | 612,587 | 763,230 |
| Intangible assets | 157,278 | 163,768 |
| Investment property | 18,628 | 19,048 |
| Deferred tax assets | 15,973 | 18,457 |
| Other non-current assets | 25,967 | 27,408 |
| Total non-current assets | 1,638,217 | 1,812,176 |
| Total assets | 4,441,464 | 4,686,878 |

(Unit: Millions of yen)

| | As of March 31, 2019 | As of December 31, 2019 |
|---|----------------------|-------------------------|
| Liabilities and equity | | |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | 1,199,839 | 1,177,236 |
| Bonds and borrowings | 509,924 | 532,448 |
| Other financial liabilities | 15,679 | 22,415 |
| Income taxes payable | 24,627 | 29,470 |
| Provisions | 6,224 | 5,937 |
| Other current liabilities | 133,762 | 141,661 |
| Total current liabilities | 1,890,057 | 1,909,169 |
| Non-current liabilities | | |
| Bonds and borrowings | 993,122 | 1,048,817 |
| Trade and other payables | 2,302 | 82,097 |
| Other financial liabilities | 20,964 | 27,543 |
| Retirement benefits liabilities | 41,752 | 42,785 |
| Provisions | 26,208 | 41,273 |
| Deferred tax liabilities | 63,661 | 64,400 |
| Other non-current liabilities | 13,779 | 27,345 |
| Total non-current liabilities | 1,161,790 | 1,334,263 |
| Total liabilities | 3,051,847 | 3,243,433 |
| Equity | | |
| Share capital | 64,936 | 64,936 |
| Capital surplus | 150,933 | 151,711 |
| Treasury shares | (3,596) | (3,730) |
| Other components of equity | 50,394 | 40,190 |
| Retained earnings | 933,159 | 1,009,663 |
| Total equity attributable to owners of the parent | 1,195,826 | 1,262,772 |
| Non-controlling interests | 193,789 | 180,673 |
| Total equity | 1,389,616 | 1,443,445 |
| Total liabilities and equity | 4,441,464 | 4,686,878 |

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

(Unit: Millions of yen)

| | Nine Months Ended December 31, 2018 | Nine Months Ended December 31, 2019 |
|---|--|--|
| Revenue | | |
| Sales of goods | 5,034,481 | 4,981,463 |
| Sales of services and others | 71,531 | 78,678 |
| Total revenue | 5,106,013 | 5,060,141 |
| Cost of sales | (4,626,308) | (4,583,803) |
| Gross profit | 479,705 | 476,338 |
| Selling, general and administrative expenses | (311,388) | (317,595) |
| Other income (expenses) | | |
| Gain (loss) on sale and disposals of non-current assets, net | 325 | 1,616 |
| Impairment losses on non-current assets | (2,726) | (331) |
| Other, net | (740) | 4,039 |
| Total other income (expenses) | (3,141) | 5,325 |
| Operating profit | 165,175 | 164,068 |
| Finance income (costs) | | |
| Interest income | 7,989 | 10,025 |
| Interest expenses | (20,082) | (22,541) |
| Dividend income | 21,478 | 17,625 |
| Other, net | 864 | 14,110 |
| Total finance income (costs) | 10,249 | 19,219 |
| Share of profit (loss) of investments accounted for using the equity method | 4,862 | 946 |
| Profit before income taxes | 180,287 | 184,234 |
| Income tax expense | (54,034) | (50,455) |
| Profit for the period | 126,252 | 133,778 |
| Profit (loss) for the period attributable to: | | |
| Owners of the parent | 109,844 | 116,588 |
| Non-controlling interests | 16,408 | 17,190 |
| Earnings per share attributable to owners of the parent | | |
| Basic earnings per share (yen) | 312.16 | 331.35 |
| Diluted earnings per share (yen) | - | - |

Consolidated Statement of Comprehensive Income

(Unit: Millions of yen)

| | Nine Months Ended December 31, 2018 | Nine Months Ended December 31, 2019 |
|--|--|--|
| Profit for the period | 126,252 | 133,778 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss: | | |
| Remeasurements of defined benefit pension plans | 264 | 407 |
| Financial assets measured at fair value through other comprehensive income | (70,942) | 17,315 |
| Share of other comprehensive income of investments accounted for using the equity method | (937) | (168) |
| Items that may be reclassified to profit or loss: | | |
| Cash flow hedges | 1,197 | (5,486) |
| Exchange differences on translation of foreign operations | (19,058) | (27,316) |
| Share of other comprehensive income of investments accounted for using the equity method | (499) | (1,589) |
| Other comprehensive income for the period, net of tax | (89,975) | (16,837) |
| Total comprehensive income for the period | 36,277 | 116,940 |
| Total comprehensive income for the period attributable to: | | |
| Owners of the parent | 22,088 | 105,524 |
| Non-controlling interests | 14,189 | 11,415 |

(3) Consolidated Statement of Changes in Equity

Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)

(Unit: Millions of yen)

| | Total equity attributable to owners of the parent | | | | | | | |
|---|---|-----------------|-----------------|---|--------------------------------------|------------------|---|----------|
| | Share capital | Capital surplus | Treasury shares | Other components of equity | | | | Total |
| | | | | Remeasurements of defined benefit pension plans | Financial assets measured at FVTOCI* | Cash flow hedges | Exchange differences on translation of foreign operations | |
| Balance at the beginning of the period | 64,936 | 150,921 | (3,578) | - | 248,425 | (12,961) | (105,520) | 129,943 |
| Profit for the period | | | | | | | | |
| Other comprehensive income | | | | | | | | |
| Remeasurements of defined benefit pension plans | | | | 235 | | | | 235 |
| Financial assets measured at FVTOCI* | | | | | (70,758) | | | (70,758) |
| Cash flow hedges | | | | | | 2,016 | | 2,016 |
| Exchange differences on translation of foreign operations | | | | | | | (19,249) | (19,249) |
| Total comprehensive income for the period | - | - | - | 235 | (70,758) | 2,016 | (19,249) | (87,756) |
| Dividends | | | | | | | | |
| Acquisition (disposal) of treasury shares | | 0 | (18) | | | | | |
| Acquisition (disposal) of non-controlling interests | | 4 | | | | | | |
| Reclassification to retained earnings | | | | (235) | 420 | | | 184 |
| Other | | | | | | | | |
| Total transactions with owners | - | 4 | (18) | (235) | 420 | - | - | 184 |
| Balance at the end of the period | 64,936 | 150,926 | (3,597) | - | 178,087 | (10,944) | (124,770) | 42,372 |

| | Total equity attributable to owners of the parent | | Non-controlling interests | Total equity |
|---|---|-----------|---------------------------|--------------|
| | Retained earnings | Total | | |
| Balance at the beginning of the period | 832,495 | 1,174,718 | 187,468 | 1,362,187 |
| Profit for the period | 109,844 | 109,844 | 16,408 | 126,252 |
| Other comprehensive income | | | | |
| Remeasurements of defined benefit pension plans | | 235 | 0 | 236 |
| Financial assets measured at FVTOCI* | | (70,758) | (1,093) | (71,851) |
| Cash flow hedges | | 2,016 | 313 | 2,330 |
| Exchange differences on translation of foreign operations | | (19,249) | (1,440) | (20,690) |
| Total comprehensive income for the period | 109,844 | 22,088 | 14,189 | 36,277 |
| Dividends | (34,858) | (34,858) | (13,323) | (48,181) |
| Acquisition (disposal) of treasury shares | | (18) | | (18) |
| Acquisition (disposal) of non-controlling interests | | 4 | 914 | 918 |
| Reclassification to retained earnings | (184) | - | | - |
| Other | | | 19 | 19 |
| Total transactions with owners | (35,043) | (34,872) | (12,389) | (47,261) |
| Balance at the end of the period | 907,296 | 1,161,934 | 189,268 | 1,351,202 |

*Financial assets measured at FVTOCI represents "Financial assets measured at Fair Value through Other Comprehensive Income."

Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(Unit: Millions of yen)

| | Total equity attributable to owners of the parent | | | | | | | |
|---|---|-----------------|-----------------|---|--------------------------------------|------------------|---|----------|
| | Share capital | Capital surplus | Treasury shares | Other components of equity | | | | Total |
| | | | | Remeasurements of defined benefit pension plans | Financial assets measured at FVTOCI* | Cash flow hedges | Exchange differences on translation of foreign operations | |
| Balance at the beginning of the period | 64,936 | 150,933 | (3,596) | - | 192,460 | (10,226) | (131,839) | 50,394 |
| Profit for the period | | | | | | | | |
| Other comprehensive income | | | | | | | | |
| Remeasurements of defined benefit pension plans | | | | 283 | | | | 283 |
| Financial assets measured at FVTOCI* | | | | | 17,250 | | | 17,250 |
| Cash flow hedges | | | | | | 621 | | 621 |
| Exchange differences on translation of foreign operations | | | | | | | (29,218) | (29,218) |
| Total comprehensive income for the period | - | - | - | 283 | 17,250 | 621 | (29,218) | (11,063) |
| Dividends | | | | | | | | |
| Acquisition (disposal) of treasury shares | | 0 | (133) | | | | | |
| Acquisition (disposal) of non-controlling interests | | 777 | | | | | | |
| Reclassification to retained earnings | | | | (283) | 1,142 | | | 859 |
| Other | | | | | | | | |
| Total transactions with owners | - | 777 | (133) | (283) | 1,142 | - | - | 859 |
| Balance at the end of the period | 64,936 | 151,711 | (3,730) | - | 210,853 | (9,605) | (161,057) | 40,190 |

| | Total equity attributable to owners of the parent | | Non-controlling interests | Total equity |
|---|---|-----------|---------------------------|--------------|
| | Retained earnings | Total | | |
| Balance at the beginning of the period | 933,159 | 1,195,826 | 193,789 | 1,389,616 |
| Profit for the period | 116,588 | 116,588 | 17,190 | 133,778 |
| Other comprehensive income | | | | |
| Remeasurements of defined benefit pension plans | | 283 | (0) | 282 |
| Financial assets measured at FVTOCI* | | 17,250 | 22 | 17,272 |
| Cash flow hedges | | 621 | (3,020) | (2,399) |
| Exchange differences on translation of foreign operations | | (29,218) | (2,775) | (31,993) |
| Total comprehensive income for the period | 116,588 | 105,524 | 11,415 | 116,940 |
| Dividends | (38,728) | (38,728) | (11,002) | (49,731) |
| Acquisition (disposal) of treasury shares | | (132) | | (132) |
| Acquisition (disposal) of non-controlling interests | | 777 | (13,518) | (12,741) |
| Reclassification to retained earnings | (859) | - | | - |
| Other | (494) | (494) | (11) | (506) |
| Total transactions with owners | (40,083) | (38,579) | (24,532) | (63,111) |
| Balance at the end of the period | 1,009,663 | 1,262,772 | 180,673 | 1,443,445 |

*Financial assets measured at FVTOCI represents "Financial assets measured at Fair Value through Other Comprehensive Income."

(4) Consolidated Statement of Cash Flows

(Unit: million yen)

| | Nine Months Ended December 31, 2018 | Nine Months Ended December 31, 2019 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 180,287 | 184,234 |
| Depreciation and amortization | 57,294 | 76,333 |
| Impairment losses on non-current assets | 2,726 | 331 |
| Finance costs (income) | (10,249) | (19,219) |
| Share of (profit) loss of investments accounted for using the equity method | (4,862) | (946) |
| (Gain) loss on sale and disposals of non-current assets, net | (325) | (1,616) |
| (Increase) decrease in trade and other receivables | (35,642) | 87,810 |
| (Increase) decrease in inventories | (121,193) | (62,086) |
| Increase (decrease) in trade and other payables | 67,150 | (51,498) |
| Other | (20,691) | (8,561) |
| Subtotal | 114,493 | 204,779 |
| Interest received | 7,814 | 9,379 |
| Dividends received | 38,398 | 32,331 |
| Interest paid | (18,198) | (20,550) |
| Income taxes paid | (56,658) | (58,361) |
| Net cash provided by operating activities | 85,848 | 167,578 |
| Cash flows from investing activities | | |
| (Increase) decrease in time deposits | 7,455 | (53,256) |
| Purchase of property, plant and equipment | (45,865) | (69,366) |
| Proceeds from sale of property, plant and equipment | 6,504 | 6,562 |
| Purchase of intangible assets | (9,334) | (8,761) |
| Proceeds from sale of intangible assets | 1,984 | 425 |
| Purchase of investment property | - | (1,208) |
| Proceeds from sale of investment property | 4,286 | 760 |
| Purchase of investments | (40,263) | (16,988) |
| Proceeds from sale of investment | 1,628 | 23,042 |
| Proceeds from (payment for) acquisition of subsidiary | (603) | (22,717) |
| Proceeds from (payment for) sale of subsidiaries | 3,941 | 897 |
| Payments for loans receivable | (7,417) | (4,992) |
| Collection of loans receivable | 10,167 | 5,363 |
| Subsidy income | - | 9,849 |
| Other | 474 | 290 |
| Net cash used in investing activities | (67,041) | (130,099) |

(Unit: million yen)

| | Nine Months Ended December 31, 2018 | Nine Months Ended December 31, 2019 |
|---|--|--|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings, net | 60,510 | (21,565) |
| Proceeds from long-term borrowings | 84,836 | 90,195 |
| Repayment of long-term borrowings | (126,307) | (62,221) |
| Proceeds from issuance of bonds | 56,132 | 53,161 |
| Purchase of treasury shares | (20) | (134) |
| Dividends paid | (34,858) | (38,728) |
| Dividends paid to non-controlling interests | (13,323) | (11,002) |
| Proceeds from non-controlling interests | 1,708 | 4,952 |
| Payments for acquisition of subsidiaries' interest from non-controlling interests | (2,166) | (26,380) |
| Proceeds from sale of subsidiaries' interest to non-controlling interests | 137 | 263 |
| Other | (4,573) | (17,737) |
| Net cash provided by (used in) financing activities | 22,076 | (29,197) |
| Net increase (decrease) in cash and cash equivalents | 40,884 | 8,281 |
| Cash and cash equivalents at the beginning of the period | 423,426 | 465,861 |
| Effect of exchange rate changes on cash and cash equivalents | (5,085) | (4,699) |
| Cash and cash equivalents at the end of the period | 459,225 | 469,443 |

(5) Notes on Consolidated Financial Statements

(Notes on the Going-Concern Assumption)

Not applicable

(Changes in Accounting Policy)

(Leases)

Effective from the first quarter of the fiscal year ending March 31, 2020, the Group has adopted IFRS 16 *Leases* (published January 2016).

IFRS 16 requires lessees to apply a single model of accounting to recognize all leases on the consolidated statement of financial position. At the commencement date of the lease, the lessee recognizes assets representing the right to use the underlying asset (the right-of-use asset) during the lease term and the obligations relating to the lease payments (lease liabilities). Then, the lessee recognizes a depreciation charge for the right-of-use asset and interest on the lease liability separately.

With the adoption of IFRS 16, the following transitional measures and expedients have been applied.

- The Group has elected a method to recognize the cumulative effect of initially applying IFRS 16 at the date of initial application.
- For leases that were entered into on or before the date of initial application, IFRS 16 is applied to the leases that were previously identified as leases applying IAS 17 “Leases” and IFRIC 4 “Determining Whether an Arrangement Contains a Lease.”
- For short-term leases and low-value leases, the right-of-use assets and the lease liabilities are not recognized.
- On initial application, hindsight is used in determining the lease term.

The weighted average of the lessee’s incremental borrowing rate applied to lease liabilities recognized in the statement of financial position at the date of initial application is 2.2%.

In addition, the difference between a) the total of minimum lease payments that are related to non-cancellable operating lease contracts and disclosed applying IAS 17 as of March 31, 2019 and b) lease liabilities recognized on initial application of IFRS 16 is 13,375 million yen. The amount mainly reflects the effects of reviewing the lease term in conjunction with the application of IFRS 16.

Due to this, compared with what it would have been under the previous accounting standards, at the beginning of the period right-of-use assets included in property, plant and equipment increased 92,878 million yen, and lease liabilities included in trade and other payables increased 93,004 million yen.

(Segment Information)

Revenue, Profit/loss and Assets by Reportable Segment

Nine Months Ended December 31, 2018 (April 1, 2018 to December 31, 2018)

(Unit: million yen)

| | Reportable segment | | | | | |
|--|--------------------|--------------------------|------------|-----------------------------|-------------------------|--------------------------|
| | Metals | Global Parts & Logistics | Automotive | Machinery, Energy & Project | Chemicals & Electronics | Food & Consumer Services |
| Revenue | | | | | | |
| External | 1,324,687 | 685,015 | 489,683 | 713,920 | 1,111,955 | 340,430 |
| Inter-segment | 1,470 | 16,619 | 7,447 | 2,313 | 8,134 | 420 |
| Total | 1,326,157 | 701,635 | 497,130 | 716,233 | 1,120,089 | 340,851 |
| Gross profit | 76,554 | 57,576 | 66,326 | 65,114 | 80,480 | 33,522 |
| Profit for the period attributable to owners of the parent | 27,922 | 18,982 | 17,284 | 11,605 | 17,842 | 2,301 |
| Segment assets | 926,064 | 388,927 | 288,609 | 754,674 | 732,119 | 288,667 |

| | Reportable segment | | Other *1 | Adjustments *2 | Consolidated |
|--|--------------------|-----------|----------|----------------|--------------|
| | Africa | Total | | | |
| Revenue | | | | | |
| External | 438,004 | 5,103,696 | 2,316 | - | 5,106,013 |
| Inter-segment | 6,259 | 42,665 | 649 | (43,314) | - |
| Total | 444,263 | 5,146,361 | 2,966 | (43,314) | 5,106,013 |
| Gross profit | 102,994 | 482,570 | 2,302 | (5,168) | 479,705 |
| Profit for the period attributable to owners of the parent | 5,904 | 101,843 | 8,044 | (43) | 109,844 |
| Segment assets | 531,244 | 3,910,307 | 786,730 | (281,433) | 4,415,604 |

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.

Nine Months Ended December 31, 2019 (April 1, 2019 to December 31, 2019)

(Unit: million yen)

| | Reportable segment | | | | | |
|---|--------------------|--------------------------|------------|-----------------------------|-------------------------|--------------------------|
| | Metals | Global Parts & Logistics | Automotive | Machinery, Energy & Project | Chemicals & Electronics | Food & Consumer Services |
| Revenue | | | | | | |
| External | 1,267,680 | 662,946 | 471,831 | 593,199 | 1,114,254 | 330,808 |
| Inter-segment | 1,691 | 18,841 | 1,016 | 4,551 | 3,100 | 460 |
| Total | 1,269,372 | 681,787 | 472,848 | 597,751 | 1,117,355 | 331,268 |
| Gross profit | 70,643 | 56,316 | 63,738 | 65,201 | 76,844 | 34,699 |
| Profit (loss) for the period attributable to owners of the parent | 14,728 | 19,186 | 13,879 | 32,832 | 14,742 | 3,557 |
| Segment assets | 901,223 | 404,518 | 301,072 | 815,216 | 701,840 | 298,114 |

| | Reportable segment | | Other *1 | Adjustments *2 | Consolidated |
|---|--------------------|-----------|----------|----------------|--------------|
| | Africa | Total | | | |
| Revenue | | | | | |
| External | 615,280 | 5,056,002 | 4,139 | - | 5,060,141 |
| Inter-segment | 44 | 29,706 | 1,304 | (31,010) | - |
| Total | 615,324 | 5,085,708 | 5,444 | (31,010) | 5,060,141 |
| Gross profit | 111,824 | 479,267 | (659) | (2,270) | 476,338 |
| Profit (loss) for the period attributable to owners of the parent | 11,205 | 110,132 | 6,465 | (10) | 116,588 |
| Segment assets | 623,116 | 4,045,102 | 919,407 | (277,631) | 4,686,878 |

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 Nine Months ended December 31, 2019 (IFRS)**

| Quarterly changes | 1Q | 2Q | 3Q |
|---|-------|-------|-------|
| Gross profit | 158.6 | 154.4 | 163.1 |
| Operating profit | 55.6 | 52.9 | 55.4 |
| Profit attributable to owners of the parent | 55.6 | 23.5 | 37.4 |

January 31, 2020

Toyota Tsusho Corporation

(Unit: Billion yen)

| Consolidated Operating Results | Nine Months ended Dec. 31, 2018 | Nine Months ended Dec. 31, 2019 | Year-on-year change | |
|--|---------------------------------|---------------------------------|---------------------|--------|
| | | | Amount | % |
| Revenue | 5,106.0 | 5,060.1 | (45.9) | (0.9%) |
| Gross profit | 479.7 | 476.3 | (3.4) | (0.7%) |
| SG&A expenses | (311.3) | (317.5) | (6.2) | — |
| Other income (expenses) | (3.1) | 5.3 | 8.4 | — |
| Operating profit | 165.1 | 164.0 | (1.1) | (0.7%) |
| Interest income (expenses) | (12.0) | (12.5) | (0.5) | — |
| Dividend income | 21.4 | 17.6 | (3.8) | — |
| Other finance income (costs) | 0.8 | 14.1 | 13.3 | — |
| Share of profit of investments accounted for using the equity method | 4.8 | 0.9 | (3.9) | — |
| Profit before income taxes | 180.2 | 184.2 | 4.0 | 2.2% |
| Income tax expense | (54.0) | (50.4) | 3.6 | — |
| Profit for the period | 126.2 | 133.7 | 7.5 | 6.0% |
| Profit attributable to owners of the parent | 109.8 | 116.5 | 6.7 | 6.1% |
| Total comprehensive income (attributable to owners of the parent) | 22.0 | 105.5 | 83.5 | 377.7% |

Main factors behind year-on-year changes

【Gross profit】 -3.4 billion yen

Decreased largely due to decrease in trading volume of automobile production-related products in the Metals Division and lower profit margin in the Chemicals & Electronics Division, which offset growth in automobile sales volume in the Africa Division.

【Operating profit】 -1.1 billion yen

Decreased due to the decrease in gross profit and the increase in SG&A expenses, which offset improvement in foreign exchange gains/losses, etc.

【Profit attributable to owners of the parent】 +6.7 billion yen

Increased largely driven by gain on sale of shares in affiliate in the Machinery, Energy & Project Division, which offset deterioration of share of profit/loss of investments accounted for using the equity method accompanying impairment losses in the Metals Division.

| Divisions | Nine Months ended Dec. 31, 2018 | Nine Months ended Dec. 31, 2019 | Year-on-year change | |
|-----------------------------|---------------------------------|---------------------------------|---------------------|--------|
| | | | Amount | % |
| Metals | 76.5 | 70.6 | (5.9) | (7.7%) |
| Global Parts & Logistics | 57.5 | 56.3 | (1.2) | (2.2%) |
| Automotive | 66.3 | 63.7 | (2.6) | (3.9%) |
| Machinery, Energy & Project | 65.1 | 65.2 | 0.1 | 0.1% |
| Chemicals & Electronics | 80.4 | 76.8 | (3.6) | (4.5%) |
| Food & Consumer Services | 33.5 | 34.6 | 1.1 | 3.5% |
| Africa | 102.9 | 111.8 | 8.9 | 8.6% |
| Total | 479.7 | 476.3 | (3.4) | (0.7%) |

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

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

Decreased largely due to decrease in trading volume of automobile production-related products and impairment loss in the metal resources business.

Remained almost unchanged from the same period in the previous fiscal year.

Decreased largely due to decrease in sales volume handled by overseas auto dealerships

Increased largely due to gain on sale of shares in affiliate in the electric power business and the impact of one-time loss in the previous fiscal year.

Decreased largely due to lower profit margin of the electronics business.

Increased largely due to improvement in share of profit/loss of investments accounted for using the equity method in the food business.

Increased largely driven by growth in automobile sales volume.

| Consolidated Financial Position | As of March 31, 2019 | As of December 31, 2019 | Change over the end of the previous fiscal year | |
|---------------------------------|----------------------|-------------------------|---|-------|
| | | | Amount | % |
| Total assets | 4,441.4 | 4,686.8 | 245.4 | 5.5% |
| (Current assets) | 2,803.2 | 2,874.7 | 71.5 | 2.5% |
| (Non-current assets) | 1,638.2 | 1,812.1 | 173.9 | 10.6% |
| Total equity | 1,389.6 | 1,443.4 | 53.8 | 3.9% |
| Net interest-bearing debt | 988.4 | 1,107.2 | 118.8 | 12.0% |
| Debt-equity ratio (times) | 0.8 | 0.9 | 0.1 | |

Main factors behind year-on-year changes

【Current assets】 +71.5 billion yen

•Inventories: +82.6 billion yen
•Other financial assets: +58.7 billion yen
•Trade and other receivables: -83.2 billion yen

【Non-current assets】 +173.9 billion yen

•Property, plant and equipment: +150.7 billion yen

【Total equity】 +53.8 billion yen

•Retained earnings: +76.5 billion yen
•Financial assets measured at FVTOCI: +18.4 billion yen
•Exchange differences on translation of foreign operations: -29.2 billion yen
•Non-controlling interests: -13.1 billion yen

| Consolidated Cash Flow Position | Nine Months ended Dec. 31, 2018 | Nine Months ended Dec. 31, 2019 | Year-on-year change |
|---|---------------------------------|---------------------------------|---------------------|
| 1. Cash flows from operating activities | 85.8 | 167.5 | 81.7 |
| 2. Cash flows from investing activities | (67.0) | (130.0) | (63.0) |
| 1-2: Free cash flow | 18.8 | 37.5 | 18.7 |
| Cash flows from financing activities | 22.0 | (29.1) | (51.1) |

Main factors behind year-on-year changes

【Cash flows from operating activities】

Profit for the nine months ended December 31, 2019

【Cash flows from investing activities】

Purchase of property, plant and equipment and increase

| Consolidated Financial Results Forecasts | Year ended March 31, 2019 (results) | Year ending March 31, 2020 (forecast revised on Oct. 31) | Year-on-year change | | |
|---|---|--|---------------------|-------|---------|
| | Amount | Amount | Amount | % | |
| D i v i s i o n s | Metals | 99.8 | 102.0 | 2.2 | 2.1% |
| | Global Parts & Logistics | 35.3 | 26.0 | (9.3) | (26.4%) |
| | Automotive | 75.3 | 77.0 | 1.7 | 2.2% |
| | Machinery, Energy & Project | 23.7 | 24.0 | 0.3 | 0.8% |
| | Chemicals & Electronics | 88.7 | 92.0 | 3.3 | 3.7% |
| | Food & Consumer Services | 22.7 | 24.0 | 1.3 | 5.5% |
| | Africa | 89.8 | 93.0 | 3.2 | 3.5% |
| | Gross profit | 18.7 | 37.0 | 18.3 | 97.0% |
| | Operating profit | 107.5 | 110.0 | 2.5 | 2.3% |
| | Profit before income taxes | 18.4 | 23.0 | 4.6 | 24.7% |
| C o r p o r a t e | Profit | 43.9 | 48.0 | 4.1 | 9.3% |
| | Profit attributable to owners of the parent | 1.7 | 5.0 | 3.3 | 183.7% |
| | Gross profit | 137.1 | 141.0 | 3.9 | 2.8% |
| | Operating profit | 10.1 | 11.0 | 0.9 | 8.7% |
| | Profit | 638.4 | 663.0 | 24.6 | 3.8% |
| Operating profit | 215.1 | 237.0 | 21.9 | 10.1% | |
| Profit before income taxes | 229.1 | 251.0 | 21.9 | 9.5% | |
| Profit | 154.7 | 176.0 | 21.3 | 13.7% | |
| Profit attributable to owners of the parent | 132.6 | 150.0 | 17.4 | 13.1% | |

*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, 2018 | Year ended March 31, 2019 | Year ending March 31, 2020 |
|-----------------------------|---------------------------|---------------------------|----------------------------|
| | Interim | 45 yen | 50 yen |
| Full year | 94 yen | 100 yen | 120 yen (forecast) |
| Payout ratio (consolidated) | 25.4% | 26.5% | 28.2% (forecast) |

| Changes in Major Indexes | Nine Months ended December 31, 2018 (As of March 31, 2019) | | Nine Months ended December 31, 2019 | |
|-------------------------------|--|-----------------|-------------------------------------|-----|
| | Exchange rate | Yen / US dollar | 9M average | 111 |
| | Yen / Euro | 9M average | 129 | 121 |
| Interest rate | Yen TIBOR 3M average | End of period | (111) | 110 |
| | US dollar LIBOR 3M average | End of period | (125) | 123 |
| Dubai oil (US dollars / bbl.) | | | 72 | 63 |
| Corn futures (cents / bushel) | | | 369 | 387 |