

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		
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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)**

(For reference)	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	%	
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
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
	Yen / Euro	9M average End of period	(111)	110
Interest rate	Yen TIBOR 3M average		129	121
	US dollar LIBOR 3M average		(125)	123
Dubai oil (US dollars / bbl.)			0.07%	0.07%
Corn futures (cents / bushel)			2.43%	2.21%
			72	63
			369	387