

Toyota Tsusho Corporation
Financial Highlights
for the Fiscal Year Ended March 31, 2020
[IFRS basis](Consolidated)

April 30, 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:			
Ordinary General Meeting of Shareholders	June 23, 2020		
Dividend payout:	June 24, 2020		
Submission of annual securities report	June 23, 2020		
Supplementary materials to the annual results	Available		
Annual financial results briefings	Yes (targeted at institutional investors and analysts)		

(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Operating Results

(Percentage figures represent year-on-year changes)

Fiscal Year ended	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	%
March 31, 2020	6,694,071	(1.0)	210,370	(2.2)	224,801	(1.9)	155,786	0.7	135,551	2.2	54,167	(23.6)
March 31, 2019	6,762,702	4.2	215,197	17.8	229,193	9.3	154,753	2.9	132,622	1.8	70,897	(59.9)

Fiscal Year ended	Basic earnings (losses) per share	Diluted earnings per share	Return on Equity	Return on assets
	yen	yen	%	%
March 31, 2020	385.25	—	11.3	5.0
March 31, 2019	376.89	—	11.2	5.2

Reference: Share of profit (loss) of entities accounted for using the equity method

Fiscal year ended March 31, 2020: (2,489) million yen Fiscal year ended March 31, 2019: 4,336 million yen

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	Equity per share attributable to owners of the parent
As of	million yen	million yen	million yen	%	Yen
March 31, 2020	4,545,210	1,372,491	1,196,635	26.3	3,401.02
March 31, 2019	4,441,464	1,389,616	1,195,826	26.9	3,398.32

(3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended March 31, 2020	267,809	(173,910)	(53,679)	496,372
Year ended March 31, 2019	210,796	(137,546)	(24,909)	465,861

2. Dividends

Record date or period	Dividend per share					Total dividends paid (total)	Dividend payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the parent company (consolidated)
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total			
	yen	yen	yen	yen	yen	million yen	%	%
Year ended March 31, 2019	—	50.00	—	50.00	100.00	35,210	26.5	3.0
Year ended March 31, 2020	—	60.00	—	50.00	110.00	38,726	28.6	3.2
Year ending March 31, 2021 (forecast)	—	—	—	—	—		—	

Note: Dividends for the fiscal year ending March 31, 2021 have not yet been determined given that it is difficult to reasonably estimate the earnings for the term. For more information, see “Dividends” on page 6.

3. Forecast of Consolidated Earnings for the Fiscal Year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(Percentage figures represent year-on-year changes)

	Profit attributable to owners of the parent		Basic earnings per share
	million yen	%	yen
Full year	—	—	—

Note: Earnings forecasts for the fiscal year ending March 31, 2021 have not yet been determined given that it is difficult to reasonably estimate the earnings for the term. The reasons for this are provided in “(1) Overview of Operating Performance” on page 4.

*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 15.

(3) Number of issued shares (common stock)

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

March 31, 2020: 354,056,516 shares

March 31, 2019: 354,056,516 shares

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

March 31, 2020: 2,210,565 shares

March 31, 2019: 2,169,311 shares

3) Average Number of shares outstanding during the period:

Year ended March 31, 2020: 351,856,020 shares

Year ended March 31, 2019: 351,885,732 shares

(Reference) Non-consolidated Financial Results

Fiscal Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Non-consolidated Operating Results

(Percentage figures represent year-on-year changes)

Fiscal Year ended	Revenue		Operating profit		Ordinary income		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2020	2,939,577	(16.9)	(3,335)	—	116,764	35.4	109,772	87.1
March 31, 2019	3,535,670	(7.4)	(7,986)	—	86,235	3.1	58,684	(17.4)

Fiscal Year ended	Earnings per share	Earnings per share, fully diluted
	yen	yen
March 31, 2020	311.79	—
March 31, 2019	166.67	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	million yen	million yen	%	Yen
March 31, 2020	2,176,958	609,695	28.0	1,731.80
March 31, 2019	2,186,983	559,453	25.6	1,588.90

Total equity: As of March 31, 2020: 609,695 million yen As of March 31, 2019: 559,453 million yen

*Audit Status

This report is exempt from the audit 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 an annual earnings briefing for institutional investors and analysts on Friday, May 1, 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 fiscal year ended March 31, 2020, the global economy as a whole trended toward slower growth because of factors including economic slumps in Europe and China, despite resilience in the U.S. economy through the third quarter. In the fourth quarter, economic activity worldwide stalled due to the impact of the novel coronavirus spreading from country to country.

Through the third quarter, in the U.S. economy the employment environment and personal consumption were strong, and the Federal Reserve Board's interest rate cuts and other financial policies underpinned business conditions. In the European economy, although personal consumption and government consumption remained firm and signs of bottoming out in the manufacturing industry following a prolonged slump appeared, a sense of uncertainty about the future grew stronger in response to Brexit and other factors. The Chinese economy continued to slow in the wake of stagnant infrastructure investment and deterioration in consumer sentiment, despite government efforts to bolster the economy with tax cuts, subsidies, and other financial policies. Emerging market economies continued to decelerate, largely as a result of sharp declines in exports and resource prices in response to China's economic slowdown.

In the fourth quarter, a global economic slowdown trend gained impetus accompanying factors including suspension of economic activity and turmoil in financial markets in countries around the world due to the impact of the novel coronavirus outbreak.

Against this backdrop, the Japanese economy slowed, reflecting cooling of domestic demand following a series of natural disasters and the effects of the consumption tax increase, despite improvement in the employment and income environments. Also, the economy went into recession as inbound tourism demand continued to decline and exports remained weak in the wake of the novel coronavirus outbreak, business sentiment worsened in manufacturing and other sectors of the economy, and consumer sentiment cooled further.

2) Business Activities by Segment

(I) Metals

For the purpose of assisting with commercialization of AST coil technology, an innovative technology that helps boost the performance of electric motors, a key component of electric vehicles, in June 2019 Toyota Tsusho Corporation acquired an equity stake in ASTER Co., Ltd., owner of the technology, through a third-party share allocation.

(II) Global Parts & Logistics

To enter the expanding civilian aircraft MRO (maintenance, repair, and overhaul) market, in November 2019 Toyota Tsusho Corporation entered into a sales representation agreement with A J Walter Aviation Limited, a U.K.-based company engaged in the business of maintenance, repair, and overhaul (MRO) of parts for aircraft bodies and engines, and is pursuing business cooperation.

(III) Automotive

To promote mobility services in emerging nations and business development in the field of MaaS, in December 2019 Toyota Tsusho Corporation invested in a Series A funding round from WhereIsMyTransport Ltd., a U.K.-based company that engages in the public transportation data platform business in emerging nations, and has entered into a business alliance and is pursuing cooperation with WhereIsMyTransport.

(IV) Machinery, Energy & Projects

In December 2019, Toyota Tsusho Corporation, in a consortium with Bolloré Africa Logistics and Nippon Yusen Kabushiki Kaisha, signed an agreement with the General Authority for the Suez Canal Economic Zone to set up and operate Egypt's first dedicated automotive terminal at East Port Said.

(V) Chemicals & Electronics

For the purpose of promoting technology R&D toward realization of connected services, in November 2019 Toyota Tsusho Corporation, together with Toyota Tsusho Asia Pacific Pte. Ltd. and TOYOTA TSUSHO NEXTY ELECTRONICS (THAILAND) CO., LTD., established Toyota Tsusho Mobility Informatics Pte. Ltd. in Singapore. The new company began operations in December.

(VI) Food & Consumer Services

In response to the popularity of the Axia I and Axia II serviced apartments for singles and business travelers in Indonesia, PT. Toyota Tsusho Real Estate Cikarang, which develops and operates serviced apartments for families, began construction of Axia III in December 2019 in order to meet further demand from the growing number of Japanese expatriates in Indonesia.

(VII) Africa

For the purpose of utilizing the services of Sendy Limited, which provides digital logistics platform services in Kenya and elsewhere in eastern Africa, in December 2019 Toyota Tsusho Corporation decided to invest in Sendy through Mobility 54 Investment SAS, which will subscribe to a third-party allotment of Series B shares.

3) Revenue, Profits and Total Assets

(Unit: billions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020	Change
Revenue	6,762.7	6,694.0	(68.7)
Gross profit	638.4	639.8	1.4
Operating profit	215.1	210.3	(4.8)
Profit (attributable to owners of the parent)	132.6	135.5	2.9
Total assets	4,441.4	4,545.2	103.8

4) Operating Results

The Toyota Tsusho Group's consolidated revenue for the fiscal year ended March 31, 2020 decreased 68.7 billion yen (1.0%) year on year to 6,694.0 billion yen, largely as a result of a decrease in the trading volume of crude oil and the foreign exchange impact of yen appreciation.

Consolidated operating profit decreased 4.8 billion yen (2.2%) year on year to 210.3 billion yen due to an increase in selling, general and administrative expenses, which offset an increase in gross profit. Consolidated profit for the year (attributable to owners of the parent) increased 2.9 billion yen (2.2%) year on year to a fourth consecutive annual all-time record of 135.5 billion yen, largely as a result of a decrease in income tax expense, which offset a decrease in operating profit and deterioration of share of profit (loss) of investments accounted for using the equity method.

Segment Information

(I) Metals

Profit for the year (attributable to owners of the parent) decreased 16.4 billion yen (46.2%) year on year to 18.9 billion yen, largely as a result of a decrease in trading volume of automobile production-related products, a decline in metal prices, and impairment losses in the metal resources business.

(II) Global Parts & Logistics

Profit for the year (attributable to owners of the parent) decreased 1.4 billion yen (5.9%) year on year to 22.3 billion yen, largely due to a decrease in dividend income and the effect of currency translation.

(III) Automotive

Profit for the year (attributable to owners of the parent) decreased 3.0 billion yen (13.0%) year on year to 19.7 billion yen, largely as a result of a decrease in sales volume at overseas auto dealerships.

(IV) Machinery, Energy & Projects

Profit for the year (attributable to owners of the parent) increased 16.4 billion yen (87.4%) year on year to 35.1 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 year (attributable to owners of the parent) increased 4.3 billion yen (23.3%) year on year to 22.7 billion yen, largely due to the impact of a one-time loss in the previous fiscal year, which offset profit margin shrinkage in the electronics business.

(VI) Food & Consumer Services

Profit for the year (attributable to owners of the parent) increased 4.1 billion yen (234.1%) year on year to 5.8 billion yen, largely as a result of profitability improvement in the food business and an increase in high-margin business.

(VII) Africa

Profit for the year (attributable to owners of the parent) increased 3.9 billion yen (38.5%) year on year to 14.0 billion yen, largely as a result of growth in automobile sales volume.

Outlook for Fiscal Year Ending March 31, 2021

At this time it would be difficult to reasonably calculate the impact of the novel coronavirus outbreak on the Toyota Tsusho Group. Accordingly, the Company has not yet determined a forecast for the fiscal year ending March 31, 2021.

(2) Consolidated Financial Condition

At March 31, 2020, consolidated assets totaled 4,545.2 billion yen, a 103.8 billion yen increase from March 31, 2019. The increase is attributable in part to a 168.3 billion yen increase in property, plant and equipment. Consolidated equity at March 31, 2020, totaled 1,372.4 billion yen, a 17.2 billion yen decrease from March 31, 2019. The decrease is attributable in part to a 90.1 billion yen decrease in other components of equity and a 17.9 billion yen decrease in non-controlling interests, which offset a 92.3 billion increase in retained earnings accruing from consolidated profit for the year (attributable to owners of the parent).

The Group consequently ended the fiscal year with a ratio of equity attributable to owners of the parent to total assets (equity ratio) of 26.3% and a net debt/equity ratio of 0.9.

(3) Cash Flows

Cash and cash equivalents (“cash”) at March 31, 2020, totaled 496.3 billion yen, a 30.5 billion yen increase from March 31, 2019. The increase, which was 8.1 billion yen smaller than the previous fiscal year’s increase in cash, is attributable to positive cash flow from operating activities, partially offset by negative cash flows from investing and financing activities. The main factors affecting cash flows are as follows.

Cash flows from operating activities

Net cash provided by operating activities was 267.8 billion yen, consisting mainly of profit before income taxes. Cash provided increased by 57.1 billion yen from the previous fiscal year, mainly as a result of a 63.1 billion yen decrease in the size of the increase in inventories.

Cash flows from investing activities

Net cash used by investing activities was 173.9 billion yen, mainly for the purchase of property, plant and equipment. Cash used increased by 36.4 billion yen from the previous fiscal year, mainly as a result of a 48.8 billion decrease in cash due to payment into time deposits.

As a result, free cash flow was a positive 93.9 billion yen, an increase of 26.1 billion yen from the previous fiscal year.

Cash flows from financing activities

Net cash used in financing activities was 53.6 billion yen, consisting mainly of dividends paid. Cash used increased by 28.7 billion yen from the previous fiscal year, mainly because of a 24.7 billion yen decrease in cash due to payments for acquisition of subsidiaries' interest from non-controlling interests.

Dividends

The Company's dividend policy is to endeavor to maintain a stable dividend and increase its dividend per share, with a consolidated dividend payout ratio of 25% or more.

For the fiscal year ended March 31, 2020, the Company plans to pay a year-end dividend of 50 yen per share. Including the previously paid interim dividend of 60 yen per share, dividends for the fiscal year ended March 31, 2020, will total 110 yen per share, an increase of 10 yen per share from the previous fiscal year.

At this time it would be difficult to prepare an earnings forecast. Accordingly, the Company has not yet determined a forecast for dividends.

The Company intends to use internally retained earnings to further enhance and strengthen its operational foundation and invest in business expansion to ensure future shareholder returns.

To enable the Company to flexibly distribute earnings to shareholders in the future, its Articles of Incorporation authorize it to distribute retained earnings and/or additional paid-in capital to shareholders pursuant to a Board of Directors' resolution in accordance with Article 459(1) of the Companies Act. For the time being, however, the Company plans to continue paying dividends twice a year as usual.

2. Basic Approach to Selection of Accounting Standards

The Group has voluntarily adopted International Financial Reporting Standards (IFRS), to enhance its financial information's international comparability in capital markets

3. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Unit: Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and cash equivalents	465,861	496,372
Trade and other receivables	1,397,937	1,252,145
Other financial assets	60,525	147,467
Inventories	745,157	783,606
Other current assets	133,764	135,430
Subtotal	2,803,246	2,815,021
Assets held for sale	—	3,271
Total current assets	2,803,246	2,818,293
Non-current assets		
Investments accounted for using the equity method	285,074	265,643
Other investments	454,647	388,342
Trade and other receivables	27,264	33,841
Other financial assets	40,796	31,787
Property, plant and equipment	612,587	780,826
Intangible assets	157,278	161,107
Investment property	18,628	19,202
Deferred tax assets	15,973	19,443
Other non-current assets	25,967	26,720
Total non-current assets	1,638,217	1,726,917
Total assets	4,441,464	4,545,210

(Unit: Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	1,199,839	1,140,522
Bonds and borrowings	509,924	502,985
Other financial liabilities	15,679	42,597
Income taxes payable	24,627	22,764
Provisions	6,224	6,351
Other current liabilities	133,762	163,057
Total current liabilities	1,890,057	1,878,280
Non-current liabilities:		
Bonds and borrowings	993,122	1,020,322
Trade and other payables	2,302	87,241
Other financial liabilities	20,964	27,907
Retirement benefits liabilities	41,752	41,970
Provisions	26,208	41,045
Deferred tax liabilities	63,661	47,081
Other non-current liabilities	13,779	28,869
Total non-current liabilities	1,161,790	1,294,438
Total liabilities	3,051,847	3,172,719
Equity		
Share capital	64,936	64,936
Capital surplus	150,933	149,807
Treasury shares	(3,596)	(3,735)
Other components of equity	50,394	(39,802)
Retained earnings	933,159	1,025,429
Total equity attributable to owners of the parent	1,195,826	1,196,635
Non-controlling interests	193,789	175,856
Total equity	1,389,616	1,372,491
Total liabilities and equity	4,441,464	4,545,210

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

(Unit: Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Revenue		
Sales of goods	6,668,113	6,578,920
Sales of services and others	94,588	115,150
Total revenue	6,762,702	6,694,071
Cost of sales	(6,124,273)	(6,054,186)
Gross profit	638,428	639,885
Selling, general and administrative expenses	(420,657)	(430,164)
Other income (expenses)		
Gain (loss) on sale and disposals of non-current assets, net	401	1,662
Impairment losses on non-current assets	(4,521)	(1,478)
Other, net	1,546	465
Total other income (expenses)	(2,573)	649
Operating profit	215,197	210,370
Finance income (costs)		
Interest income	10,943	13,180
Interest expenses	(27,033)	(29,880)
Dividend income	24,024	18,530
Other, net	1,724	15,089
Total finance income (costs)	9,658	16,920
Share of profit (loss) of investments accounted for using the equity method	4,336	(2,489)
Profit before income taxes	229,193	224,801
Income tax expense	(74,440)	(69,014)
Profit for the year	154,753	155,786
Profit for the year attributable to:		
Owners of the parent	132,622	135,551
Non-controlling interests	22,130	20,234
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	376.89	385.25
Diluted earnings per share (yen)	—	—

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Profit for the year	154,753	155,786
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	(1,699)	(770)
Financial assets measured at fair value through other comprehensive income	(55,377)	(46,006)
Share of other comprehensive income of investments accounted for using the equity method	(1,317)	(1,125)
Items that may be reclassified to profit or loss:		
Cash flow hedges	2,396	(507)
Exchange differences on translation of foreign operations	(24,637)	(52,805)
Share of other comprehensive income of investments accounted for using the equity method	(3,220)	(403)
Other comprehensive income for the year, net of tax	(83,855)	(101,618)
Total comprehensive income for the year	70,897	54,167
Total comprehensive income for the year attributable to:		
Owners of the parent	51,862	41,297
Non-controlling interests	19,034	12,870

(3) Consolidated Statement of Changes in Equity

Year ended March 31, 2019 (April 1, 2018 to March 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 year	64,936	150,921	(3,578)	—	248,425	(12,961)	(105,520)	129,943	
Profit for the year									
Other comprehensive income									
Remeasurements of defined benefit pension plans				(1,671)				(1,671)	
Financial assets measured at FVTOCI*					(55,504)			(55,504)	
Cash flow hedges						2,734		2,734	
Exchange differences on translation of foreign operations							(26,318)	(26,318)	
Total comprehensive income for the year	—	—	—	(1,671)	(55,504)	2,734	(26,318)	(80,760)	
Dividends									
Acquisition (disposal) of treasury shares		0	(18)						
Acquisition (disposal) of non-controlling interests		11							
Reclassification to retained earnings				1,671	(460)			1,210	
Other									
Transactions with owners	—	11	(18)	1,671	(460)	—	—	1,210	
Balance at the end of the year	64,936	150,933	(3,596)	—	192,460	(10,226)	(131,839)	50,394	

	Total equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at the beginning of the year	832,495	1,174,718	187,468	1,362,187
Profit for the year	132,622	132,622	22,130	154,753
Other comprehensive income				
Remeasurements of defined benefit pension plans		(1,671)	(36)	(1,707)
Financial assets measured at FVTOCI*		(55,504)	(1,181)	(56,686)
Cash flow hedges		2,734	(124)	2,610
Exchange differences on translation of foreign operations		(26,318)	(1,753)	(28,071)
Total comprehensive income for the year	132,622	51,862	19,034	70,897
Dividends	(34,858)	(34,858)	(14,480)	(49,339)
Acquisition (disposal) of treasury shares		(18)		(18)
Acquisition (disposal) of non-controlling interests		11	1,750	1,762
Reclassification to retained earnings	(1,210)	—		—
Other	4,110	4,110	16	4,127
Transactions with owners	(31,958)	(30,754)	(12,713)	(43,468)
Balance at the end of the year	933,159	1,195,826	193,789	1,389,616

* “Financial assets measured at FVTOCI” represents “Financial assets measured at fair Value through Other Comprehensive Income.”

Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(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 year	64,936	150,933	(3,596)	—	192,460	(10,226)	(131,839)	50,394	
Profit for the year									
Other comprehensive income									
Remeasurements of defined benefit pension plans				(896)				(896)	
Financial assets measured at FVTOCI*					(46,828)			(46,828)	
Cash flow hedges						3,783		3,783	
Exchange differences on translation of foreign operations							(50,312)	(50,312)	
Total comprehensive income for the year	—	—	—	(896)	(46,828)	3,783	(50,312)	(94,254)	
Dividends									
Acquisition (disposal) of treasury shares		0	(138)						
Acquisition (disposal) of non-controlling interests		(1,127)							
Reclassification to retained earnings				896	3,160			4,057	
Other									
Transactions with owners	—	(1,126)	(138)	896	3,160	—	—	4,057	
Balance at the end of the year	64,936	149,807	(3,735)	—	148,792	(6,443)	(182,151)	(39,802)	

	Total equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at the beginning of the year	933,159	1,195,826	193,789	1,389,616
Profit for the year	135,551	135,551	20,234	155,786
Other comprehensive income				
Remeasurements of defined benefit pension plans		(896)	(57)	(954)
Financial assets measured at FVTOCI*		(46,828)	(118)	(46,947)
Cash flow hedges		3,783	(1,968)	1,815
Exchange differences on translation of foreign operations		(50,312)	(5,219)	(55,531)
Total comprehensive income for the year	135,551	41,297	12,870	54,167
Dividends	(38,728)	(38,728)	(12,028)	(50,757)
Acquisition (disposal) of treasury shares		(137)		(137)
Acquisition (disposal) of non-controlling interests		(1,127)	(18,756)	(19,884)
Reclassification to retained earnings	(4,057)	—		—
Other	(494)	(494)	(18)	(513)
Transactions with owners	(43,281)	(40,488)	(30,804)	(71,292)
Balance at the end of the year	1,025,429	1,196,635	175,856	1,372,491

* “Financial assets measured at FVTOCI” represents “Financial assets measured at fair Value through Other Comprehensive Income.”

(4) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	229,193	224,801
Depreciation and amortization	76,005	103,558
Impairment losses on non-current assets	4,521	1,478
Finance costs (income)	(9,658)	(16,920)
Share of (profit) loss of investments accounted for using the equity method	(4,336)	2,489
(Gain) loss on sale and disposals of non-current assets, net	(401)	(1,662)
(Increase) decrease in trade and other receivables	(52,505)	124,267
(Increase) decrease in inventories	(94,824)	(31,792)
Increase (decrease) in trade and other payables	100,756	(99,377)
Other	(5,438)	17,818
Subtotal	243,312	324,661
Interest received	10,365	12,640
Dividends received	46,597	35,551
Interest paid	(26,049)	(30,389)
Income taxes paid	(63,428)	(74,655)
Net cash provided by operating activities	210,796	267,809
Cash flows from investing activities		
(Increase) decrease in time deposits	(5,461)	(54,282)
Purchase of property, plant and equipment	(86,970)	(103,808)
Proceeds from sale of property, plant and equipment	9,920	9,062
Purchase of intangible assets	(14,197)	(13,906)
Proceeds from sale of intangible assets	2,067	668
Purchase of investment property	—	(1,578)
Proceeds from sale of investment property	4,286	858
Purchase of investments	(47,831)	(19,445)
Proceeds from sale of investment	2,235	26,086
Proceeds from (payment for) acquisition of subsidiary	(6,204)	(29,235)
Proceeds from (payment for) sale of subsidiary	3,965	2,143
Payments of loans receivable	(11,021)	(7,249)
Collection of loans receivable	12,522	6,211
Subsidy income	—	9,849
Other	(857)	717
Net cash used in investing activities	(137,546)	(173,910)

(Unit: Millions of yen)

	Year ended March 31, 2019	Year ended March 31, 2020
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(28,052)	(31,715)
Proceeds from long-term borrowings	156,860	113,826
Repayment of long-term borrowings	(165,648)	(93,684)
Proceeds from issuance of bonds	66,143	53,161
Purchase of treasury shares	(26)	(139)
Dividends paid	(34,858)	(38,728)
Dividends paid to non-controlling interests	(14,480)	(12,028)
Proceeds from non-controlling interests	2,575	7,061
Payments for acquisition of subsidiaries' interest from non-controlling interests	(2,233)	(26,951)
Proceeds from sale of subsidiaries' interest to non-controlling interests	137	334
Other	(5,326)	(24,814)
Net cash provided by (used in) financing activities	(24,909)	(53,679)
Net increase (decrease) in cash and cash equivalents	48,340	40,219
Cash and cash equivalents at the beginning of the year	423,426	465,861
Effect of exchange rate changes on cash and cash equivalents	(5,905)	(9,707)
Cash and cash equivalents at end of the year	465,861	496,372

(5) Notes on the 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 ended 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 assets) 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 consolidated 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, the right-of-use asset 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 and Other Items by Reportable Segment
Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Unit: Millions of yen)

	Reportable segment					
	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services
Revenue						
External	1,740,139	882,551	649,146	947,586	1,499,984	454,565
Inter-segment	1,919	22,203	7,861	2,961	10,571	583
Total	1,742,058	904,755	657,007	950,547	1,510,556	455,149
Gross profit	99,898	75,369	88,730	89,872	107,531	43,922
Profit (loss) for the year attributable to owners of the parent	35,309	23,799	22,757	18,780	18,441	1,762
Segment assets	933,413	402,007	291,096	771,431	701,543	286,823
Other items						
(1) Investments accounted for using the equity method	49,385	17,446	23,831	80,521	65,608	28,182
(2) Share of profit (loss) of investments accounted for using the equity method	2,210	1,960	2,276	3,410	(939)	(2,945)
(3) Depreciation and amortization	11,532	5,794	8,482	18,510	2,956	3,612
(4) Impairment losses on non-current assets	1,334	—	—	2,673	429	—
(5) Capital expenditure	11,415	6,223	16,824	33,500	4,259	2,239

	Reportable segment		Other *1	Adjustments *2	Consolidated
	Africa	Total			
Revenue					
External	586,124	6,760,097	2,604	—	6,762,702
Inter-segment	6,263	52,364	1,024	(53,389)	—
Total	592,387	6,812,462	3,628	(53,389)	6,762,702
Gross profit	137,167	642,492	2,965	(7,029)	638,428
Profit (loss) for the year attributable to owners of the parent	10,118	130,970	1,693	(41)	132,622
Segment assets	536,662	3,922,976	800,601	(282,113)	4,441,464
Other items					
(1) Investments accounted for using the equity method	2,403	267,379	17,694	—	285,074
(2) Share of profit (loss) of investments accounted for using the equity method	(2,402)	3,571	772	(7)	4,336
(3) Depreciation and amortization	19,971	70,860	5,145	—	76,005
(4) Impairment losses on non-current assets	0	4,437	84	—	4,521
(5) Capital expenditure	16,147	90,610	12,354	—	102,964

- 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.

Year ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Reportable segment					
	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Consumer Services
Revenue						
External	1,657,811	858,699	615,038	790,424	1,473,147	439,406
Inter-segment	2,127	24,721	1,165	5,902	4,037	634
Total	1,659,939	883,421	616,203	796,327	1,477,184	440,040
Gross profit	92,301	73,149	84,393	89,585	102,518	46,695
Profit (loss) for the year attributable to owners of the parent	18,996	22,389	19,798	35,192	22,742	5,888
Segment assets	893,889	388,677	279,548	816,956	668,663	279,356
Other items						
(1) Investments accounted for using the equity method	40,970	17,472	25,385	70,811	63,203	28,190
(2) Share of profit (loss) of investments accounted for using the equity method	(8,978)	1,570	3,004	1,433	3,192	(1,530)
(3) Depreciation and amortization	12,317	8,509	10,857	20,497	4,052	5,551
(4) Impairment losses on non-current assets	—	—	—	1,012	47	—
(5) Capital expenditure	27,285	12,976	15,799	59,080	7,146	11,365

	Reportable segment		Other *1	Adjustments *2	Consolidated
	Africa	Total			
Revenue					
External	853,911	6,688,439	5,631	—	6,694,071
Inter-segment	51	38,640	1,786	(40,426)	—
Total	853,963	6,727,080	7,417	(40,426)	6,694,071
Gross profit	155,181	643,825	(913)	(3,026)	639,885
Profit (loss) for the year attributable to owners of the parent	14,017	139,026	(3,476)	2	135,551
Segment assets	592,046	3,919,138	904,862	(278,790)	4,545,210
Other items					
(1) Investments accounted for using the equity method	1,223	247,257	18,385	—	265,643
(2) Share of profit (loss) of investments accounted for using the equity method	(2,140)	(3,447)	957	0	(2,489)
(3) Depreciation and amortization	28,179	89,964	13,593	—	103,558
(4) Impairment losses on non-current assets	—	1,060	417	—	1,478
(5) Capital expenditure	21,007	154,660	20,284	—	174,945

- 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.
 4. Tax burden related to investment in subsidiaries and associates used to be recognized in profit for the year of each reportable segment at the point of realization. Effective from the fiscal year ended March 31, 2020, however, the timing of recognition has been changed to the point of recognition of temporary differences.

This change has little impact on the financial statements for the fiscal year ended March 31, 2019 and the fiscal year ended March 31, 2020.

(Per Share Information)

Calculation basis for basic earnings per share attributable to owners of the parent is as follows. Diluted earnings per share (attributable to owners of the parent) is not provided herein, as there are no residual securities.

	Year ended March 31, 2019	Year ended March 31, 2020
Profit for the year (attributable to owners of the parent) <i>(million yen)</i>	132,622	135,551
Basic weighted average number of common shares <i>(thousand shares)</i>	351,885	351,856
Basic earnings per share (attributable to owners of the parent) <i>(yen)</i>	376.89	385.25

(Material Subsequent Events)

Not applicable.

Outline of Consolidated Results for the Fiscal Year ended March 31, 2020 (IFRS)

April 30, 2020

Toyota Tsusho Corporation

(Unit: Billion yen)

(For reference)

Quarterly changes	1Q	2Q	3Q	4Q
Gross profit	158.6	154.4	163.1	163.9
Operating profit	55.6	52.9	55.4	46.3
Profit attributable to owners of the parent	55.6	23.5	37.4	18.9

Consolidated Operating Results	Year ended March 31, 2019	Year ended March 31, 2020	Year-on-year change	
			Amount	%
Revenue	6,762.7	6,694.0	(68.7)	(1.0%)
Gross profit	638.4	639.8	1.4	0.2%
SG&A expenses	(420.6)	(430.1)	(9.5)	—
Other income (expenses)	(2.5)	0.6	3.1	—
Operating profit	215.1	210.3	(4.8)	(2.2%)
Interest income (expenses)	(16.0)	(16.7)	(0.7)	—
Dividend income	24.0	18.5	(5.5)	—
Other finance income (costs)	1.7	15.0	13.3	—
Share of profit of investments accounted for using the equity method	4.3	(2.4)	(6.7)	—
Profit before income taxes	229.1	224.8	(4.3)	(1.9%)
Income tax expense	(74.4)	(69.0)	5.4	—
Profit for the period	154.7	155.7	1.0	0.7%
Profit attributable to owners of the parent	132.6	135.5	2.9	2.2%
Total comprehensive income (attributable to owners of the parent)	51.8	41.2	(10.6)	(20.4%)

Main factors behind year-on-year changes

【Gross profit】 +1.4 billion yen
Increased largely due to growth in automobile sales volume in the Africa Division.

【Operating profit】 -4.8 billion yen
Decreased largely due to increase in SG&A expenses, which offset the increase in gross profit.

【Profit attributable to owners of the parent】 +2.9 billion yen
Increased largely due to decrease in income tax expense, which offset the decrease in operating profit and deterioration of share of profit/loss of investments accounted for using the equity method.

Consolidated Financial Position	As of March 31, 2019	As of March 31, 2020	Change over the end of the previous fiscal year	
			Amount	%
Total assets	4,441.4	4,545.2	103.8	2.3%
(Current assets)	2,803.2	2,818.2	15.0	0.5%
(Non-current assets)	1,638.2	1,726.9	88.7	5.4%
Total equity	1,389.6	1,372.4	(17.2)	(1.2%)
Net interest-bearing debt	988.4	1,032.4	44.0	4.5%
Debt-equity ratio (times)	0.8	0.9	0.1	—

Main factors behind year-on-year changes

【Total assets】 +103.8 billion yen
 • Property, plant and equipment +168.3 billion yen
 • Other financial assets +86.9 billion yen
 • Trade and other receivables -145.8 billion yen

【Total equity】 -17.2 billion yen
 • Retained earnings +92.3 billion yen
 • Exchange differences on translation of foreign operations -50.3 billion yen
 • Financial assets measured at FVTOCI -43.7 billion yen
 • Non-controlling interests -17.9 billion yen

Consolidated Cash Flow Position	Year ended March 31, 2019	Year ended March 31, 2020	Year-on-year change	
			Amount	%
1. Cash flows from operating activities	210.7	267.8	57.1	—
2. Cash flows from investing activities	(137.5)	(173.9)	(36.4)	—
1-2: Free cash flow	73.2	93.9	20.7	—
Cash flows from financing activities	(24.9)	(53.6)	(28.7)	—

Main factors behind year-on-year changes

【Cash flows from operating activities】
Profit before income taxes

【Cash flows from investing activities】
Purchase of property, plant and equipment

Note: Earnings forecasts and dividends for the fiscal year ending March 31, 2021 have not yet been determined, given that it is difficult to reasonably estimate the earnings for the term.

Divisions	Year ended March 31, 2019	Year ended March 31, 2020	Year-on-year change	
			Amount	%
Metals	99.8	92.3	(7.5)	(7.6%)
Global Parts & Logistics	75.3	73.1	(2.2)	(2.9%)
Automotive	88.7	84.3	(4.4)	(4.9%)
Machinery, Energy & Project	89.8	89.5	(0.3)	(0.3%)
Chemicals & Electronics	107.5	102.5	(5.0)	(4.7%)
Food & Consumer Services	43.9	46.6	2.7	6.3%
Africa	137.1	155.1	18.0	13.1%
Total	638.4	639.8	1.4	0.2%

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, lower market prices, and impairment loss in the metal resources business.

Decreased largely due to decrease in dividend income and the effect of currency translation.

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 recorded in the previous fiscal year.

Increased largely due to the impact of one-time loss recorded in the previous fiscal year, which offset the lower profit margin of the electronics business.

Increased largely due to improved profitability of the food business and an increase in high-margin business.

Increased largely driven by growth in automobile sales volume.

Consolidated Financial Results Forecasts	Year ended March 31, 2020 (results)	Year ending March 31, 2021 (note)	Year-on-year change	
			Amount	%
Metals	92.3	—	—	—
Global Parts & Logistics	73.1	—	—	—
Automotive	84.3	—	—	—
Machinery, Energy & Project	89.5	—	—	—
Chemicals & Electronics	102.5	—	—	—
Food & Consumer Services	46.6	—	—	—
Africa	155.1	—	—	—
Gross profit	639.8	—	—	—
Operating profit	210.3	—	—	—
Profit before income taxes	224.8	—	—	—
Profit	155.7	—	—	—
Profit attributable to owners of the parent	135.5	—	—	—

Dividend per share	Year ended March 31, 2019	Year ended March 31, 2020	Year ending March 31, 2021 (note)
Interim	50 yen	60 yen	— (TBD)
Full year	100 yen	110 yen (forecast)	— (TBD)
Payout ratio (consolidated)	26.5%	28.6% (forecast)	— (TBD)

Changes in Major Indexes	Year ended March 31, 2019 (as of March 31, 2019)	Year ended March 31, 2020 (as of March 31, 2020)
Exchange rate	111	109
Interest rate	0.07%	0.07%
Dubai oil (US dollars / bbl.)	69	60
Corn futures (cents / bushel)	370	384

Exchange rate	Yen / US dollar	Average during the year	End of period
		Yen / Euro	Average during the year
Interest rate	Yen TIBOR 3M average	0.07%	0.07%
	US dollar LIBOR 3M average	2.50%	2.04%