

Toyota Tsusho Corporation
Financial Highlights for the Six Months Ended September 30, 2024
[IFRS basis] (Consolidated)

October 31, 2024

Listings	Tokyo Stock Exchange (Prime), Nagoya Stock Exchange (Premier)				
Security code	8015				
URL	https://www.toyota-tsusho.com/english/				
Representative	Ichiro Kashitani, President & CEO				
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Telephone	+81-52-584-5482				
Submission of semi-annual securities report	November 13, 2024				
Scheduled date of dividend payout	November 26, 2024				
Supplementary materials to the quarterly results	Yes				
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 Six Months Ended September 30, 2024
(April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	5,065,920	(1.3)	247,918	6.3	268,109	5.5	196,093	5.7	181,547	2.1	85,374	(78.7)
September 30, 2023	5,135,235	4.6	233,147	12.1	254,110	9.5	185,592	8.6	177,757	17.5	400,229	30.8

	Basic earnings per share	Diluted earnings per share
	yen	yen
Six months ended September 30, 2024	171.98	—
September 30, 2023	168.39	—

Notes: 1. “Basic earnings per share” is calculated based on “Profit attributable to owners of the parent.”

2. The Company conducted a 3-for-1 common stock split on July 1, 2024. Basic earnings per share and diluted earnings per share have been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2024.

(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
	million yen	million yen	million yen	%
As of September 30, 2024	6,930,950	2,625,983	2,485,151	35.9
March 31, 2024	7,059,994	2,620,110	2,467,130	34.9

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, 2024	—	125.00	—	155.00	280.00
Year ending March 31, 2025	—	50.00			
Year ending March 31, 2025 (forecast)			—	50.00	100.00

Notes: 1. No changes were made to the latest release of dividend forecasts.

2. The forecasts for the end-second quarter and fiscal year-end for the fiscal year ending March 31, 2025 are each 50.00 yen, which reflects the 3-for-1 stock split on July 1, 2024. This is equivalent to an annual dividend of 300.00 yen prior to the adjustment for this stock split.

3. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)
(Percentage figures represent year-on-year changes)

	Profit attributable to owners of the parent		Basic earnings per share
	million yen	%	yen
Full year	350,000	5.6	331.56

Notes: 1. No changes were made to the latest release of earnings forecasts.

2. The Company conducted a 3-for-1 common stock split on July 1, 2024. The basic earnings per share forecast for the fiscal year ending March 31, 2025 is adjusted to reflect the stock split.

***Notes**

- (1) Significant changes in scope of consolidations during the period: None
 - (2) Changes in accounting policy and changes in accounting estimates
 - 1) Changes in accounting policy required by IFRS: None
 - 2) Changes other than the above 1): None
 - 3) Changes in accounting estimates: None
 - (3) Number of issued shares (common stock)
 - 1) Number of issued shares at end of period (Treasury shares included):
 - September 30, 2024: 1,062,169,548 shares
 - March 31, 2024: 1,062,169,548 shares
 - 2) Number of shares held in treasury at end of period:
 - September 30, 2024: 6,503,914 shares
 - March 31, 2024: 6,544,647 shares
 - 3) Average number of shares outstanding during the period:
 - Six months ended September 30, 2024: 1,055,640,888 shares
 - Six months ended September 30, 2023: 1,055,608,857 shares
- Note: The Company conducted a 3-for-1 common stock split on July 1, 2024. The number of issued shares at end of period, the number of shares held in treasury at end of period and the average number of shares outstanding during the period have been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2024.

*** Quarterly review status**

This report is exempt from the review by a certified public accountant or an 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, November 1, 2024. 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 six months of the fiscal year (April 1, 2024 – September 30, 2024), economies worldwide continued to grow as inflation declined. The result is a shift in monetary policy that included interest rate cuts in Europe and the U.S. Concerns about slower growth caused by geopolitical risk are increasing due to the growing tension in the Middle East, higher tariffs on imports from China because of surplus output capacity in China, and other reasons.

In the U.S., the economy is growing mainly with the support of consumer spending. There was a shift in monetary policy in response to a slowdown in the labor market and decline in inflation as the FRB cut its benchmark interest rate in September for the first time in four and a half years. In Europe, although there were signs of weakness in some sectors as lower external demand impacted manufacturing, the economy is showing signs of recovery as inflation decreases along with falling energy prices and as service sector exports increase. In China, economic growth is slowing mainly because of soft domestic demand. However, signs of an economic upturn are emerging as the government takes actions to stimulate domestic demand and as interest rates begin to decline. In emerging economies, recoveries have started mainly in Asia as strong internal demand and solid worldwide demand in the IT sector offset the negative effects of slow economic growth in China.

In Japan, the yen began to strengthen as the difference between U.S. and Japanese interest rates narrowed. As the yen appreciated to the highest level since July 2023, the economy continued to recover at a moderate pace. Consumer spending was generally flat as high prices held down purchases but real wages rose for the first time in 27 months.

2) Business Activities by Segment

Effective April 1, 2024, to increase the speed of growth strategy progress, the Toyota Tsusho Group has revised its organizational structure. In addition, the names of business divisions have been changed to more clearly express how they provide value to society and customers based on the missions of these divisions.

(I) Metal+(Plus)

To make the automotive steel sheet business in Japan more competitive, part of the Metals Business was divested and transferred to Toyota Steel Center Co., Ltd. and some other operations of this business were transferred to Prosteel Co., Ltd. in April 2024. Transfer and concentration of the automotive steel sheet business in Japan to subsidiaries are expected to raise efficiency and lead to more growth of this business in Japan.

(II) Circular Economy

Toyotsu Sorting Technology Corporation is building a factory in the city of Ako in Hyogo prefecture for the purpose of expanding the horizontal recycling of aluminum window sashes. Production at the factory is expected to begin in August 2025. The new factory will crush and sort discarded aluminum window sashes collected in the city for the removal of screws and other unwanted items. The sashes are then processed into aluminum that can be reused. Contributing to the recycling of aluminum will enable Toyotsu Sorting Technology Corporation to play an even greater role in helping achieve a circular economy and carbon neutrality.

(III) Supply Chain

Toyota Tsusho established a capital and business alliance with A1A Inc. for providing support to companies with global manufacturing operations and to companies that want to use even more advanced procurement methods. The alliance will be used by Toyota Tsusho to assist with the sale of UPCYCLE, a procurement cost optimization service for the automobile industry developed by A1A Inc. Using this capability is expected to enable Toyota Tsusho to provide fully integrated support to customers extending to the selection and consolidation of suppliers for procurement optimization on a global scale. Toyota Tsusho plans to use this support to play a role in raising the sophistication of the worldwide procurement and other purchasing activities of manufacturers.

(IV) Mobility

Toyota Tsusho Manufacturing (Cambodia) Co., Ltd., which assembles motor vehicles, started in May 2024 the semi knock down production of the Hilux pickup truck and Fortuner SUV of Toyota Motor Corporation at its new factory in the Phnom Penh Special Economic Zone. This new activity is expected to make a contribution to progress of the mobility industry in Cambodia. Production of these vehicles will strengthen the mobility value chain, create jobs and give people opportunities to learn new skills. This company looks forward to continuing to use the growth of the mobility industry to support economic and social progress in Cambodia.

(V) Green Infrastructure

In July 2024, New Chitose Airport started using service vehicles that are powered throughout the year by biodiesel for the reduction of CO2 emissions. This is a joint business of Toyota Tsusho, Japan Airlines Co.,Ltd., Secoma Company Limited and Chitose Airport Motor Service Co., Ltd. The fuel is produced by refining used cooking oil received from HOT CHEF fast food facilities of Seicomart convenience stores in Hokkaido. Using locally produced fuel derived by recycling a waste material will reduce CO2 emissions.

(VI) Digital Solutions

Toyota Tsusho signed a strategic partnership agreement with Keyfactor, Inc., a U.S. cybersecurity company, in September 2024 for the growth of the cybersecurity business. One goal is to further strengthen automotive cybersecurity by using a public key infrastructure (PKI). Providing cybersecurity services that are needed by many industries worldwide is another objective of this partnership. Toyota Tsusho will promote the social implementation of cryptographic technology centered on PKI and contribute to the construction of digital infrastructure that will realize a safe, secure, and friendly future.

(VII) Lifestyle

As part of its PATCHWORKS® project to promote a circular economy in the textile and fashion field, Toyota Tsusho participated in the Experience from the Ocean in Shibuya Project in August 2024. This event was organized by the SWITCH Association of Sustainability to raise awareness of the need to deal with marine and other environmental issues. By using nylon-to-nylon textile recycling and other PATCHWORKS® initiatives, the goal is to create a circular economy system towards the goal providing opportunities and futures for all discarded clothing to be revived as new clothing again.

(VIII) Africa

Toyota Tsusho Group member AEOLUS SAS was established to support green economic progress in Africa by operating a renewable energy business. In August 2024, this company and Scatec ASA, which is based in Norway, announced their participation in independent power producer (IPP) projects to construct, own, operate 100MW solar power plants and sell electricity in Tunisia. This is Toyota Tsusho's first renewable energy business in Tunisia. The completion of construction and start of power sales are scheduled for the second half of 2025. Toyota Tsusho plans to use AEOLUS SAS for increasing the supply of renewable energy in Africa by developing projects that match the conditions and requirements of individual countries.

3) Operating Results

The Toyota Tsusho Group's consolidated revenue for the first six months of the fiscal year decreased 69.3 billion yen (1.3%) year on year to 5,065.9 billion yen, mainly due to the lower trading volume in the food business, despite the depreciation of the yen.

Consolidated operating profit increased 14.8 billion yen (6.3%) year on year to 247.9 billion yen due to an increase in gross profit, which offset higher selling, general and administrative expenses. Profit for the period (attributable to owners of the parent) increased 3.8 billion yen (2.1%) year on year to 181.5 billion yen, largely due to an increase in operating profit, despite a decrease in the share of profit (loss) from investments accounted for using the equity method caused by the worsening resource market conditions.

Segment Information

(I) Metal+(Plus)

Profit for the period (attributable to owners of the parent) increased 4.7 billion yen (25.2%) year on year to 23.4 billion yen, largely due to an increase in trading volume of automobile production-related products mainly in North America.

(II) Circular Economy

Profit for the period (attributable to owners of the parent) decreased 7.3 billion yen (22.1%) year on year to 25.6 billion yen, largely due to the worsening resource market conditions.

(III) Supply Chain

Profit for the period (attributable to owners of the parent) increased 1.0 billion yen (4.2%) year on year to 23.9 billion yen, largely due to an increase in trading volume of automotive parts mainly in North America.

(IV) Mobility

Profit for the period (attributable to owners of the parent) decreased 0.8 billion yen (2.8%) year on year to 29.0 billion yen, largely due to a decrease in overseas automotive sales volume mainly in Europe and Asia/Oceania.

(V) Green Infrastructure

Profit for the period (attributable to owners of the parent) decreased 0.7 billion yen (5.2%) year on year to 12.1 billion yen. This decrease was largely due to the falling electricity prices in Europe and a valuation loss in the North American power generation business.

(VI) Digital Solutions

Profit for the period (attributable to owners of the parent) increased 1.3 billion yen (9.8%) year on year to 15.3 billion yen, largely due to the impact of a year-earlier one-time loss, despite a decrease in trading volume in the electronics business.

(VII) Lifestyle

Profit for the period (attributable to owners of the parent) increased 2.2 billion yen (32.6%) year on year to 8.9 billion yen, largely due to the impact of a one-time gain in the domestic food business, despite the falling market prices in the South American food business.

(VIII) Africa

Profit for the period (attributable to owners of the parent) increased 2.6 billion yen (7.1%) year on year to 39.6 billion yen, largely due to changes in the model mix, despite a decrease in automotive sales volume.

(2) Consolidated Financial Condition

As of September 30, 2024, consolidated assets totaled 6,930.9 billion yen, a 129.0 billion yen decrease from March 31, 2024. The decrease is attributable in part to a 128.9 billion yen decrease in other assets, a 72.2 billion yen decrease in trade and other receivables and a 27.5 billion yen decrease in cash and cash equivalents, despite an 88.4 billion yen increase in inventories and a 19.3 billion yen increase in investments accounted for using the equity method. Consolidated equity as of September 30, 2024 totaled 2,625.9 billion yen, a 5.8 billion yen increase from March 31, 2024. The increase is attributable in part to a 126.8 billion yen increase in retained earnings accruing from consolidated profit for the period (attributable to owners of the parent), despite a 91.7 billion yen decrease in financial assets measured at FVTOCI and a 19.1 billion yen decrease in exchange differences on translation of foreign operations.

(3) Outlook for Fiscal Year Ending March 31, 2025

The consolidated earnings forecast issued on April 26, 2024 remains unchanged.

2. Consolidated Financial Statements

(1) Consolidated Statements of Financial Position

(Unit: Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	878,705	851,223
Trade and other receivables	1,797,818	1,725,640
Other financial assets	108,391	55,700
Inventories	1,203,659	1,292,023
Other current assets	207,998	232,477
Subtotal	4,196,573	4,157,065
Assets held for sale	—	22,215
Total current assets	4,196,573	4,179,280
Non-current assets		
Investments accounted for using the equity method	353,080	372,307
Other investments	835,601	706,752
Trade and other receivables	51,554	56,784
Other financial assets	68,398	60,212
Property, plant and equipment	1,139,178	1,141,749
Intangible assets	275,042	274,963
Investment property	17,007	16,196
Deferred tax assets	49,823	50,045
Other non-current assets	73,733	72,658
Total non-current assets	2,863,420	2,751,669
Total assets	7,059,994	6,930,950

(Unit: Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities:		
Trade and other payables	1,643,777	1,620,409
Bonds and borrowings	626,510	621,632
Other financial liabilities	26,928	28,223
Income taxes payable	57,108	51,552
Provisions	8,271	8,060
Other current liabilities	233,012	227,403
Subtotal	2,595,607	2,557,281
Liabilities directly associated with assets held for sale	—	4,673
Total current liabilities	2,595,607	2,561,954
Non-current liabilities:		
Bonds and borrowings	1,361,558	1,301,466
Trade and other payables	111,982	112,751
Other financial liabilities	9,255	8,442
Retirement benefits liabilities	42,052	40,734
Provisions	75,804	77,470
Deferred tax liabilities	202,353	169,580
Other non-current liabilities	41,270	32,567
Total non-current liabilities	1,844,276	1,743,012
Total liabilities	4,439,884	4,304,967
Equity		
Share capital	64,936	64,936
Capital surplus	43,119	42,309
Treasury shares	(3,774)	(3,764)
Other components of equity	542,830	434,832
Retained earnings	1,820,019	1,946,837
Total equity attributable to owners of the parent	2,467,130	2,485,151
Non-controlling interests	152,979	140,832
Total equity	2,620,110	2,625,983
Total liabilities and equity	7,059,994	6,930,950

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

Consolidated Statements of Profit or Loss

(Unit: Millions of yen)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Revenue		
Sales of goods	5,028,150	4,919,469
Sales of services and others	107,084	146,450
Total revenue	5,135,235	5,065,920
Cost of sales	(4,614,655)	(4,523,384)
Gross profit	520,579	542,536
Selling, general and administrative expenses	(280,747)	(297,496)
Other income (expenses)		
Gain (loss) on sale and disposals of non-current assets, net	841	278
Impairment losses on non-current assets	—	(433)
Other, net	(7,525)	3,034
Total other income (expenses)	(6,684)	2,878
Operating profit	233,147	247,918
Finance income (costs)		
Interest income	15,765	16,831
Interest expenses	(29,579)	(30,312)
Dividend income	17,656	20,209
Other, net	542	1,547
Total finance income (costs)	4,385	8,275
Share of profit (loss) of investments accounted for using the equity method	16,577	11,915
Profit before income taxes	254,110	268,109
Income tax expense	(68,518)	(72,016)
Profit for the period	185,592	196,093
Profit for the period attributable to:		
Owners of the parent	177,757	181,547
Non-controlling interests	7,834	14,545
Earnings per share attributable to owners of the parent		
Basic earnings per share (yen)	168.39	171.98
Diluted earnings per share (yen)	—	—

Note: The Company conducted a 3-for-1 common stock split on July 1, 2024. Basic earnings per share and diluted earnings per share have been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2024.

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Profit for the period	185,592	196,093
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit pension plans	77	159
Financial assets measured at fair value through other comprehensive income	94,561	(93,227)
Share of other comprehensive income of investments accounted for using the equity method	333	1,514
Items that may be reclassified to profit or loss:		
Cash flow hedges	7,957	2,501
Exchange differences on translation of foreign operations	102,362	(29,000)
Share of other comprehensive income of investments accounted for using the equity method	9,344	7,332
Other comprehensive income for the period, net of tax	214,637	(110,718)
Total comprehensive income for the period	400,229	85,374
Total comprehensive income for the period attributable to:		
Owners of the parent	382,509	73,824
Non-controlling interests	17,719	11,549

(3) Consolidated Statements of Changes in Equity

Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(Unit: Millions of yen)

	Total equity attributable to owners of the parent							
	Share capital	Capital surplus	Treasury shares	Other components of equity				
				Remeasurements of defined benefit pension plans	Financial assets measured at FVTOCI*	Cash flow hedges	Exchange differences on translation of foreign operations	Total
Balance at the beginning of the period	64,936	43,812	(3,750)	—	276,191	17,135	(10,613)	282,714
Profit for the period								
Other comprehensive income								
Remeasurements of defined benefit pension plans				159				159
Financial assets measured at FVTOCI*					94,910			94,910
Cash flow hedges						7,287		7,287
Exchange differences on translation of foreign operations							102,393	102,393
Total comprehensive income for the period	—	—	—	159	94,910	7,287	102,393	204,752
Dividends								
Acquisition (disposal) of treasury shares		96	5					
Acquisition (disposal) of non-controlling interests		(795)						
Reclassification to retained earnings				(159)	(1,313)			(1,473)
Other		(4)						
Total transactions with owners	—	(703)	5	(159)	(1,313)	—	—	(1,473)
Balance at the end of the period	64,936	43,109	(3,745)	—	369,788	24,423	91,780	485,992

	Total equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at the beginning of the period	1,526,615	1,914,327	154,201	2,068,529
Profit for the period	177,757	177,757	7,834	185,592
Other comprehensive income				
Remeasurements of defined benefit pension plans		159	(24)	135
Financial assets measured at FVTOCI*		94,910	(73)	94,837
Cash flow hedges		7,287	139	7,426
Exchange differences on translation of foreign operations		102,393	9,843	112,237
Total comprehensive income for the period	177,757	382,509	17,719	400,229
Dividends	(37,320)	(37,320)	(13,521)	(50,841)
Acquisition (disposal) of treasury shares		101		101
Acquisition (disposal) of non-controlling interests		(795)	(1,201)	(1,996)
Reclassification to retained earnings	1,473	—		—
Other	(327)	(331)	(1,637)	(1,968)
Total transactions with owners	(36,173)	(38,345)	(16,360)	(54,705)
Balance at the end of the period	1,668,198	2,258,491	155,561	2,414,052

* "Financial assets measured at FVTOCI" represents "Financial assets measured at fair value through other comprehensive income."

Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Unit: Millions of yen)

	Total equity attributable to owners of the parent							
	Share capital	Capital surplus	Treasury shares	Other components of equity				
				Remeasurements of defined benefit pension plans	Financial assets measured at FVTOCI*	Cash flow hedges	Exchange differences on translation of foreign operations	Total
Balance at the beginning of the period	64,936	43,119	(3,774)	—	414,642	21,346	106,841	542,830
Profit for the period								
Other comprehensive income								
Remeasurements of defined benefit pension plans				438				438
Financial assets measured at FVTOCI*					(91,850)			(91,850)
Cash flow hedges						2,802		2,802
Exchange differences on translation of foreign operations							(19,113)	(19,113)
Total comprehensive income for the period	—	—	—	438	(91,850)	2,802	(19,113)	(107,722)
Dividends								
Acquisition (disposal) of treasury shares		110	9					
Acquisition (disposal) of non-controlling interests		(920)						
Reclassification to retained earnings				(438)	164			(274)
Other								
Total transactions with owners	—	(809)	9	(438)	164	—	—	(274)
Balance at the end of the period	64,936	42,309	(3,764)	—	322,956	24,149	87,727	434,832

	Total equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance at the beginning of the period	1,820,019	2,467,130	152,979	2,620,110
Profit for the period	181,547	181,547	14,545	196,093
Other comprehensive income				
Remeasurements of defined benefit pension plans		438	20	459
Financial assets measured at FVTOCI*		(91,850)	(162)	(92,013)
Cash flow hedges		2,802	(21)	2,781
Exchange differences on translation of foreign operations		(19,113)	(2,833)	(21,947)
Total comprehensive income for the period	181,547	73,824	11,549	85,374
Dividends	(54,573)	(54,573)	(14,693)	(69,267)
Acquisition (disposal) of treasury shares		120		120
Acquisition (disposal) of non-controlling interests		(920)	(9,309)	(10,230)
Reclassification to retained earnings	274	—		—
Other	(430)	(430)	306	(123)
Total transactions with owners	(54,729)	(55,803)	(23,697)	(79,500)
Balance at the end of the period	1,946,837	2,485,151	140,832	2,625,983

* “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)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	254,110	268,109
Depreciation and amortization	66,724	75,398
Impairment losses on non-current assets	—	433
Finance costs (income)	(4,385)	(8,275)
Share of (profit) loss of investments accounted for using the equity method	(16,577)	(11,915)
(Gain) loss on sale and disposals of non-current assets, net	(841)	(278)
(Increase) decrease in trade and other receivables	(43,823)	41,078
(Increase) decrease in inventories	7,820	(128,306)
Increase (decrease) in trade and other payables	(9,000)	32,670
Other	1,040	(63,911)
Subtotal	255,069	205,002
Interest received	15,332	16,814
Dividends received	35,199	37,026
Interest paid	(29,268)	(22,988)
Income taxes paid	(73,055)	(75,179)
Net cash provided by operating activities	203,276	160,675
Cash flows from investing activities		
(Increase) decrease in time deposits	692	67,465
Purchase of property, plant and equipment	(81,524)	(84,651)
Proceeds from sale of property, plant and equipment	7,442	4,614
Purchase of intangible assets	(10,922)	(9,910)
Proceeds from sale of intangible assets	171	37
Purchase of investment property	—	(49)
Proceeds from sale of investment property	114	—
Purchase of investments	(14,750)	(37,096)
Proceeds from sale of investments	4,631	9,616
Proceeds from (payment for) acquisition of subsidiary	(92,071)	(17,974)
Proceeds from (payment for) sale of subsidiary	(94)	(40)
Payments of loans receivable	(3,149)	(16,557)
Collection of loans receivable	9,783	16,336
Subsidy income	6,021	914
Other	(1,500)	3,667
Net cash used in investing activities	(175,155)	(63,626)

(Unit: Millions of yen)

	Six Months Ended September 30, 2023	Six Months Ended September 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(59,550)	20,374
Proceeds from long-term borrowings	140,860	83,600
Repayment of long-term borrowings	(47,849)	(74,262)
Proceeds from issuance of bonds	40,000	10,000
Redemption of bonds	(55,706)	(63,161)
Purchase of treasury shares	(27)	(18)
Dividends paid	(37,320)	(54,573)
Dividends paid to non-controlling interests	(13,521)	(14,693)
Proceeds from non-controlling interests	24	206
Payments for acquisition of subsidiaries' interest from non-controlling interests	(3,996)	(105)
Other	(16,083)	(15,826)
Net cash provided by (used in) financing activities	(53,169)	(108,460)
Net increase (decrease) in cash and cash equivalents	(25,048)	(11,412)
Cash and cash equivalents at the beginning of the year	771,613	878,705
Effect of exchange rate changes on cash and cash equivalents	39,915	(16,070)
Cash and cash equivalents at the end of the period	786,480	851,223

(5) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Segment Information)

Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(Unit: Millions of yen)

	Reportable segment					
	Metal+(Plus)	Circular Economy	Supply Chain	Mobility	Green Infrastructure	Digital Solutions
Revenue						
External	976,666	864,934	610,712	496,617	375,777	609,411
Inter-segment	2,796	4,422	18,821	4,056	1,602	335
Total	979,462	869,356	629,533	500,674	377,379	609,747
Gross profit	47,427	56,132	58,755	79,531	46,403	56,331
Profit for the period attributable to owners of the parent	18,715	32,906	22,969	29,882	12,820	14,004
Segment assets	885,809	992,016	619,958	485,771	1,207,764	538,685

	Reportable segment			Other *1	Adjustments *2	Consolidated
	Lifestyle	Africa	Total			
Revenue						
External	406,472	790,809	5,131,401	3,833	—	5,135,235
Inter-segment	911	49	32,997	2,270	(35,267)	—
Total	407,383	790,859	5,164,398	6,104	(35,267)	5,135,235
Gross profit	31,187	148,463	524,233	62	(3,716)	520,579
Profit for the period attributable to owners of the parent	6,721	37,008	175,028	2,772	(43)	177,757
Segment assets	382,259	975,168	6,087,434	1,358,933	(418,716)	7,027,651

Six Months Ended September 30, 2024 (April 1, 2024 to September 30, 2024)

(Unit: Millions of yen)

	Reportable segment					
	Metal+(Plus)	Circular Economy	Supply Chain	Mobility	Green Infrastructure	Digital Solutions
Revenue						
External	948,439	879,728	607,435	511,787	363,005	663,906
Inter-segment	2,486	4,191	21,515	2,497	1,725	1,156
Total	950,926	883,920	628,950	514,284	364,731	665,062
Gross profit	55,282	54,417	61,923	83,021	46,929	58,433
Profit for the period attributable to owners of the parent	23,434	25,628	23,933	29,037	12,153	15,372
Segment assets	799,719	919,482	620,799	551,385	1,234,979	618,939

	Reportable segment			Other *1	Adjustments *2	Consolidated
	Lifestyle	Africa	Total			
Revenue						
External	287,723	803,281	5,065,310	609	—	5,065,920
Inter-segment	602	13	34,188	3,529	(37,718)	—
Total	288,326	803,295	5,099,499	4,139	(37,718)	5,065,920
Gross profit	30,055	156,837	546,901	191	(4,556)	542,536
Profit for the period attributable to owners of the parent	8,912	39,645	178,118	3,600	(171)	181,547
Segment assets	316,100	959,904	6,021,311	1,313,333	(403,694)	6,930,950

- 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. External revenue of the Africa segment comprises revenues from contracts with customers mainly in the mobility business (sales of new vehicles, after-sales services, production assistance and other related activities), followed by the healthcare business (manufacturing, wholesaling and retailing of pharmaceuticals, and other related activities). Each product and service in the Africa segment is managed and controlled independently from similar products and businesses in other reportable segments.
 5. Effective April 1, 2024, to increase the speed of growth strategy progress, the Toyota Tsusho Group has revised its organizational structure. In addition, the names of business divisions have been changed to more clearly express how they provide value to society and customers based on the missions of these divisions. Figures of six months ended September 30, 2023 have been reclassified into the new segments.

(Material Subsequent Events)

(Tender offer for Shares for Shares of Elematec Corporation)

Toyota Tsusho Corporation (hereinafter referred to as the "Tender Offeror") hereby announces that its board of directors passed a resolution on October 29, 2024 to acquire the common shares of Elematec Corporation (hereinafter referred to as the "Target Company"). Such common shares are hereinafter referred to as the "Target Company Shares" and will be acquired by way of tender offer (hereinafter referred to as the "Tender Offer") as stipulated in the Financial Instruments and Exchange Act, as detailed below.

1. Purpose of Tender Offer

As of today, the Target Company Group, consisting of the Target Company and its 22 subsidiaries (a total of 23 companies) primarily engage in the sale, processing, and assembly, as well as design and contract manufacturing, of electronic materials, electronic components, and equipment across various electronic product sectors, including car electronics, information device terminals such as smartphones, industrial equipment, and medical devices, both domestically and internationally.

In commitment of its basic philosophy and its continuous realization, the Tender Offeror established its "Global Vision" in May 2016, as both a goal and milestone to be achieved, articulating "Be the Right ONE" as its ideal vision. In its medium-term management plan, the Tender Offeror has identified seven areas as priority fields: Next Mobility, Renewable Energy & Energy Management, Africa, Circular Economy, Batteries, Hydrogen & Alternative Fuels, and Economy of Life. The Digital Solutions Division, responsible for expanding synergies and creating new added value with the Target Company in the electronics industry, constantly stays ahead of technological innovation and digital transformation. To further expand its solutions

business that includes addressing challenges related to a next-generation mobility society through the utilization of devices and software. It operates in two fields: Devices & Software and Information and Communications Technology (ICT).

The current environment surrounding the Tender Offeror Group and the Target Company in the electronics industry is rapidly changing due to technological innovation, globalization, and changes in industrial structure. For example, in the automotive and AI server (Note 1) sectors, while medium- to long-term market expansion is expected due to the evolution of electronics-related hardware and increasing software demand, the Tender Offeror recognizes that engineering capabilities in software and IT have become the essential source of value creation and key differentiating factor.

Furthermore, in light of the external environment, we recognize that global mega-distributors (Note 2), who are competitors of the Tender Offeror Group, continuing to make aggressive investments through M&A and are expanding their businesses in response to changes in global supply chains. Additionally, we observe that domestic electronics trading companies are actively consolidating and reorganizing active consolidation and reorganization due to intensifying competition.

Specifically considering measures for the Target Company's medium- to long-term sustainable growth, the Tender Offeror has collaborated with the Target Company on its organic growth strategies and has also worked together to address management issues and implement growth strategies. Meanwhile, in the rapidly changing market environment and amid ongoing structural changes, along with intensifying competition and tightening availability of engineering resources, the Tender Offeror recognizes that for the Target Company to maintain its competitive advantage, and grow sustainably, the existing organic growth strategy alone is insufficient.

The Target Company recognizes that implementing reforms to the business model and achieving rapid, substantial expansion of business sectors and operational capabilities is essential. This will be accomplished through non-organic growth measures (Note 3), which involve the mutual utilization of management resources from the Target Company and the Tender Offeror Group, such as human resources, financial resources, customer base, business intelligence, and functional know-how.

However, in the current situation where the Target Company and the Tender Offeror operate independently management as separate listed companies, it is necessary to carefully consider the usefulness of the mutual utilizing the management resources of the Tender Offeror Group (including the Target Company), and the objective fairness of transactions. This consideration must take into account the interests of stakeholders, including minority shareholders of the Target Company. As a result, certain constraints on the sharing of information regarding business opportunities, personnel exchanges, and other areas arise in the mutual utilization of management resources between the Tender Offeror Group and the Target Company Group when making swift and flexible decisions. In addition, since the providers and beneficiaries of the management resources do not necessarily align, when the Tender Offeror provides management resources to the Target Company that aim to enhance corporate value, there is a possibility that some of the benefits may flow out of the Tender Offeror Group. Therefore, the Tender Offeror acknowledges that there are certain limitations in maximizing the corporate value of the Tender Offeror Group, including the Target Company, through the implementation of flexible and effective measures. Thus, the Tender Offeror believes that maintaining the Target Company's competitive advantage and to achieve sustainable growth, that prompt and flexible decision-making, as well as effective utilization of management resources within the Tender Offeror Group, including the Target Company, are require. By making the Target Company a wholly-owned subsidiary, the Tender Offeror aims to resolve structural conflicts of interest between the Tender Offeror and the Target Company, thereby establishing a system that facilitates the rapid and flexible mutual utilization of management resources within the Tender Offeror Group.

(Note 1) This term refers to high-performance servers equipped with artificial intelligence chips.

(Note 2) Refers to major overseas semiconductor trading companies that have bases all over the world and distribute large volumes of various semiconductors and electronic components.

(Note 3) Non-organic growth refers to growth achieved through capital and business alliances with other companies or through acquisitions (M&A).

2. Target Company's Profile

Name : Elematec Corporation

Location : 3-5-19 Mita, Minato-ku, Tokyo

Title and Name of Representative : Akira Yokode, Chief Executive Officer and Chairman of the Board

Description of Business Activities : Domestic and overseas sales of electronic materials, electronic components, and equipment, as well as processing, assembly, design, and contract manufacturing

3. Overview of Tender Offer

As of October 31, 2024, the Tender Offeror owns 24,005,800 shares of the Target Company Shares, listed on the Prime Market of Tokyo Stock Exchange (ownership ratio (Note 4): 58.63%), and the Target Company is a consolidated subsidiary of the Tender Offeror.

The Tender Offeror decided to commence the Tender Offer in order to acquire all of the Target Company Shares (excluding the Target Company Shares held by the Tender Offeror and the treasury shares held by the Target Company). The Tender Offer is part of a series of transactions for the purpose of making the Tender Offeror the sole shareholder of the Target Company and making the Target Company a wholly-owned subsidiary of the Tender Offeror (hereinafter referred to as the "Transaction").

The Tender Offeror has set the lower limit of shares to be purchased at 3,291,600 shares (Ownership Ratio: 8.04 %), and if the total number of share certificates, etc. tendered in response to the Tender Offer (hereinafter referred to as the "Tendered Share Certificates, etc.") is less than the lower limit of shares to be purchased (3,291,600 shares), the Tender Offeror will not purchase any of the Tendered Share Certificates, etc. On the other hand, the Tender Offeror intends to acquire all shares of the Target Company (excluding shares owned by the Tender Offeror and treasury shares owned by the Target Company), and therefore, no upper limit on the number of shares to be purchased has been set. If the total number of Tendered Share Certificates, etc. is equal to or exceeds the lower limit of shares to be purchased (3,291,600 shares), the Tender Offeror will purchase all of the Tendered Share Certificates, etc.

(Note 4) The "Ownership Ratio" refers to the ratio (rounded to two decimal places; hereinafter the same applies to the calculation of the Ownership Ratio) of the number of shares, calculated by deducting the number of treasury shares owned by the Target Company as of September 30, 2024 (1,358,813 shares) from the total number of issued shares (40,946,133 shares) from the total number of shares issued (42,304,946 shares) stated in the "Financial Results for the Second Quarter of the Fiscal Year Ending March 2025 [IFRS] (Consolidated)" announced by the Target Company on October 29, 2024 (hereinafter referred to as the "Target Company's Financial Results").

Number of shares to be purchased : 16,940,333 shares

Minimum number of shares to be purchased : 3,291,600 shares

Ceiling for the number of shares to be purchased : - shares

Purchase period : Wednesday, October 30, 2024 to Wednesday, December 11, 2024 (30 business days)

Purchase price : 2,400 yen per a share of a common stock

Total purchase price : 40,656,799,200 yen

(Note) Obtained by multiplying the scheduled number of shares to be purchased in Tender Offer (16,940,333 shares) by the purchase price (2,400 yen)

Settlement starting date : Wednesday, December 18, 2024

Funding method of purchase funds : Allocation of cash on hand