

FOR IMMEDIATE RELEASE

## **Toyota Tsusho Corporation Reports Earnings for the Year Ended March 31, 2010**

Nagoya, Japan; April 28, 2010—Toyota Tsusho Corporation (TSE: 8015) reported net sales of 5,102.261 billion yen and net income of 27.339 billion yen, or 78.08 yen per share, for the fiscal year ended March 31, 2010.

### **Consolidated Results of Operations**

The fiscal year ended March 31, 2009, began amid a global recession ensuing from the global financial crisis triggered by Lehman Brothers' collapse in autumn 2008. Overall, however, the global economy was starting to slowly recover from the depths of its downturn by virtue of major countries' aggressive economic stimulus. The global recovery was spearheaded by Asian emerging market economies, particularly China, which maintained a robust growth trajectory by virtue of demand creation fueled by wide-ranging infrastructure development and growth in durable goods demand driven by expansion of the middle class. Developed European and American economies also began to recover, but their recoveries were more dependent on monetary and fiscal policy and dampened by lingering concerns about the economic outlook amid recurrent financial jitters and emergent anxieties about Southern European countries' fiscal condition.

Against such a backdrop, the Japanese economy embarked on a gradual recovery driven by growth in exports to Asia and recovery in consumer spending on autos, home electronics, and other big-ticket items targeted by economic stimulus policies. However, with employment environment still adverse, corporate capital spending sluggish, and deflation deepening due to overcapacity and a domestic demand deficit, Japan's economic recovery has yet to gain self-sustaining momentum.

Amid such an environment, the Toyota Tsusho Group saw its consolidated net sales decline 1,184.7 billion yen (18.8%) to 5,102.2 billion yen in the fiscal year ended March 31, 2010. As a result of the decrease in sales, consolidated operating income fell to 55.591 billion yen, down 35.426 billion yen (38.9%) from 91.017 billion yen in the previous fiscal year. Consolidated ordinary income was 67.379 billion yen, down 31.017 billion yen (31.5%) from 98.396 billion yen in the previous fiscal year. Consolidated net income after taxes was 27.339 billion yen, down 12.885 billion yen (32.0%) from 40.224 billion yen in the previous fiscal year.

### *Segment Information*

#### **Metals**

Net sales in the Metals segment totaled 1,530.0 billion yen, down 412.2 billion yen (21.2%) from the previous fiscal year. The steel products business benefited from resurgent sales volumes in the wake of a recovery in auto production in response to economic stimulus in Japan and overseas. The nonferrous metals business continued to

focus on resource development, mainly rare earth elements. The steel raw materials business was hurt by a slump in market prices in the fiscal first half but embarked on a gradual recovery trend in the second half.

#### Machinery & Electronics

Net sales in the Machinery & Electronics segment totaled 1,163.2 billion yen, down 191.8 billion yen (14.2%) from the previous fiscal year. The machinery business established Toyotsu Machinery Corporation to strengthen its sales capabilities and also set up a specialized business unit to step up its presence in the hybrid/electric vehicle market, a future growth market. The information and electronics business achieved solid growth in electronic parts sales by virtue of recovery in semiconductor prices. The automotive parts business saw a recovery in sales, mainly in China and other Asian markets.

#### Automotive

Net sales in the Automotive segment totaled 586.4 billion yen, down 223.1 billion yen (27.6%) from the previous fiscal year. The segment expanded its dealer network while also endeavoring to globally improve the quality of service and customer engagement at existing dealerships.

#### Energy & Chemicals

Net sales in the Energy & Chemicals segment totaled 1,120.3 billion yen, down 279.1 billion yen (19.9%) from the previous fiscal year. In the energy and plant business, the Iraqi Ministry of Electricity awarded the Group a contract to supply portable transformers, the first such export contract financed by a Japanese ODA loan. In the wind power generation business, Eurus Energy Holdings Corporation raised additional capital for business expansion through an equity offering to existing shareholders. The chemical and synthetic resin business commenced construction of a US plant to localize sourcing of highly functional plastics.

#### Produce & Foodstuffs

Net sales in the Produce & Foodstuffs segment totaled 306.9 billion yen, down 59.1 billion yen (16.1%) from the previous fiscal year. The Group increased its equity stake in, and strengthened its operational alliance with, First Baking Co., Ltd., in the aim of expanding the grain and foodstuffs businesses' respective value chains. The grain business established an animal feed raw material sales business in Malaysia as a joint venture with a major local food company. The foodstuffs business branched into xylose manufacturing and sales by establishing a joint venture with South Korea's largest general food company.

#### Consumer Products, Services & Materials

Net sales in the Consumer Products, Services & Materials segment totaled 297.5 billion yen, down 14.0 billion yen (4.5%) from the previous fiscal year. In lifestyle-related businesses, the Group expanded its business domain by expanding its nursing care

product sales and rental operations and branching into e-commerce operations. In the textile business, the Group acquired an additional equity stake in Fukusuke Corporation to gain control of it as a subsidiary in the aim of expanding further in the work apparel market.

### **Outlook for Fiscal Year Ending March 31, 2011**

For the fiscal year ending March 31, 2011, the Group forecasts consolidated net sales of 5,900 billion yen, a 797.8 billion yen (15.6%) increase from the previous fiscal year; consolidated operating income of 75 billion yen, a 19.5 billion yen (34.9%) increase from the previous fiscal year; consolidated ordinary income of 80 billion yen, a 12.7 billion yen (18.7%) increase from the previous fiscal year; and net income after taxes of 40 billion yen, a 12.7 billion yen (46.3%) increase from the previous fiscal year.

The Group forecasts earnings on an annual basis only. It does not issue mid-year earnings forecasts.

### **Consolidated Financial Condition**

#### (1) Assets, Liabilities, and Assets

At fiscal year-end (March 31, 2010), consolidated assets totaled 2,274.5 billion yen, an increase of 144.5 billion yen from March 31, 2009. The increase was largely attributable to growth in trade receivables of 195.8 billion yen and a 59.7 billion yen increase in investment securities, partially offset by a 40.3 billion yen reduction in inventories and 71.8 billion yen decrease in cash and deposits.

Consolidated liabilities totaled 1,624.3 billion yen at fiscal year-end, an 81.3 billion yen increase from March 31, 2009. The increase was mainly the result of a 188.8 billion yen increase in trade payables offset by an 82.7 billion yen reduction in interest-bearing debt.

Consolidated net assets totaled 650.2 billion yen at fiscal year-end, a 63.3 billion yen increase from March 31, 2009. The increase stemmed largely from retained earnings accretion of 20.9 billion yen, mainly from net income, a 19.0 billion yen increase in net unrealized gains on available-for-sale securities holdings, an 8.2 billion yen increase in gains on deferred hedges, and an 8.8 billion yen increase in minority interests.

#### (2) Cash Flows

Cash and cash equivalents (“cash”) totaled 170.714 billion yen at fiscal year-end, a decrease of 71.816 billion yen from March 31, 2009. The decrease in cash was attributable to investing and financing activities. Operating activities generated positive net cash flow.

#### *Cash flows from operating activities*

Operating activities provided net cash of 100.217 billion yen (23.543 billion yen less than in the previous fiscal year) in the fiscal year ended March 31, 2010, largely from net income and reduction in inventories.

#### *Cash flows from investing activities*

Investing activities used net cash of 73.090 billion yen (18.263 billion yen more than in the previous fiscal year), mainly to acquire investment securities and tangible fixed assets.

#### *Cash flows from financing activities*

Financing activities used net cash of 107.623 billion yen (a 112.237 billion yen decrease from the net cash provided in the previous fiscal year), largely to repay interest-bearing debt.

### **Dividends**

The Company's basic policy is to pay dividends linked to consolidated earnings. The Company aims to pay out 20% of consolidated net income as dividends.

In accord with this policy, the Company plans to pay a fiscal-year-end dividend of 8 yen per share in addition to the previously paid interim dividend of 8 yen per share, bringing total dividends for the fiscal year ended March 31, 2010, to 16 yen per share (a 10 yen reduction from the previous fiscal year).

In the fiscal year ending March 31, 2011, the Company expects to pay dividends per share of 24 yen (12 yen interim dividend plus 12 yen year-end dividend), assuming that it earns consolidated net profits of 40 billion yen as currently forecasted.

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

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 accord with Article 459(1) of the Companies Act. For the time being, however, the Company plans to continue paying dividends twice a year per its existing dividend schedule.

**(1) Consolidated Balance Sheets**

	As of March 31, 2009	As of March 31, 2010
Millions of yen		
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	242,537	170,714
Trade notes and accounts receivable	690,646	886,425
Inventories	426,391	386,019
Deferred tax assets	21,458	12,640
Other current assets	88,235	103,080
Less: allowance for doubtful receivables	(9,141)	(4,580)
<b>Total current assets</b>	<b>1,460,128</b>	<b>1,554,301</b>
<b>Fixed assets:</b>		
Property and equipment:		
Buildings and structures	152,569	168,694
Less: accumulated depreciation	(62,596)	(68,040)
Buildings and structures, net	89,973	100,653
Machinery, equipment and vehicles	154,197	160,587
Less: accumulated depreciation	(99,966)	(107,469)
Machinery, equipment and vehicles, net	54,230	53,117
Land	51,111	56,954
Leased assets	22,323	22,506
Less: accumulated depreciation	(3,876)	(6,410)
Leased assets, net	18,447	16,095
Construction in progress	5,330	6,546
Other	15,012	16,718
Less: accumulated depreciation	(9,373)	(11,144)
Other, net	5,639	5,573
<b>Total property and equipment</b>	<b>224,733</b>	<b>238,941</b>
Intangible assets:		
Goodwill	103,423	90,202
Leased assets	749	1,020
Other	14,306	18,187
<b>Total intangible assets</b>	<b>118,479</b>	<b>109,409</b>
Investments and other assets:		
Investment securities	233,388	293,092
Investment in limited liability companies	34,117	33,097
Long-term loans receivables	10,424	5,061
Deferred tax assets	26,923	13,975
Prepaid pension cost	4,351	4,436
Other	37,517	43,122
Less: allowance for doubtful receivables	(19,975)	(20,891)
<b>Total investments and other assets</b>	<b>326,747</b>	<b>371,894</b>
<b>Total fixed assets</b>	<b>669,961</b>	<b>720,245</b>
<b>Total assets</b>	<b>2,130,089</b>	<b>2,274,547</b>

	As of March 31, 2009	As of March 31, 2010
Millions of yen		
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trade notes and accounts payable	492,678	681,456
Short-term debt	331,064	257,997
Commercial paper	20,000	20,000
Lease obligations	4,034	3,679
Income taxes payable	12,943	11,743
Deferred tax liabilities-current	671	762
Reserve for directors' bonuses	696	712
Other current liabilities	182,999	158,542
<b>Total current liabilities</b>	<b>1,045,088</b>	<b>1,134,895</b>
<b>Long-term liabilities:</b>		
Bonds payable, less current portion	95,000	95,000
Long-term debt	350,008	342,141
Lease obligations	16,351	14,963
Deferred tax liabilities-non-current	7,814	7,801
Employees' retirement benefits liabilities	12,406	13,586
Directors' retirement benefits liabilities	765	752
Provision for guarantees	-	7
Provision for loss on withdrawal from business	4,342	4,155
Provision for compensation losses	2,333	2,333
Provision for losses on contracts	430	430
Other long-term liabilities	8,552	8,264
<b>Total long-term liabilities</b>	<b>498,004</b>	<b>489,435</b>
<b>Total liabilities</b>	<b>1,543,092</b>	<b>1,624,331</b>
<b>Net assets</b>		
<b>Shareholders' equity:</b>		
Common stock	64,936	64,936
Capital surplus	154,367	154,367
Retained earnings	365,130	386,084
Treasury stock	(6,749)	(7,144)
<b>Total shareholders' equity</b>	<b>577,685</b>	<b>598,244</b>
<b>Valuation and translation adjustments:</b>		
Net unrealized gains on available-for-sales securities, net of taxes	2,147	21,105
Deferred gain (loss) on futures hedge	(2,300)	5,968
Foreign currency translation adjustments	(46,613)	(40,185)
<b>Total valuation and translation adjustments</b>	<b>(46,766)</b>	<b>(13,111)</b>
<b>Stock warrants</b>	<b>1,089</b>	<b>1,322</b>
<b>Minority interests</b>	<b>54,988</b>	<b>63,760</b>
<b>Total net assets</b>	<b>586,996</b>	<b>650,215</b>
<b>Total liabilities and net assets</b>	<b>2,130,089</b>	<b>2,274,547</b>

## (2) Consolidated Statements of Income

	Year ended March 31, 2009	Millions of yen Year ended March 31, 2010
<b>Net sales</b>	6,286,996	5,102,261
Cost of sales	5,960,317	4,821,470
<b>Gross profit</b>	326,679	280,790
<b>Selling, general and administrative expenses</b>		
Charges and fees	17,045	13,422
Traffic and traveling expenses	12,579	9,332
Communication expenses	3,086	2,945
Provision for doubtful receivables	4,534	1,043
Salaries and wages	95,091	96,117
Retirement benefit expenses	4,682	5,357
Welfare expenses	12,290	12,824
Rental expenses	13,957	15,106
Depreciation and amortization except goodwill	13,402	13,908
Taxes other than income taxes	4,332	4,086
Amortization of goodwill	15,575	14,725
Other	39,083	36,328
Total selling, general and administrative expenses	235,661	225,199
<b>Operating income</b>	91,017	55,591
<b>Other income:</b>		
Interest income	4,068	3,052
Dividend income	13,414	9,354
Equity in the earnings of unconsolidated subsidiaries and affiliates	6,610	7,364
Foreign exchange gain	-	3,675
Other income	9,563	9,280
Total other income	33,656	32,726
<b>Other expenses:</b>		
Interest expense	17,312	14,263
Other expenses	8,965	6,674
Total other expenses	26,277	20,938
<b>Ordinary income</b>	98,396	67,379
<b>Extraordinary income:</b>		
Gain on sale of property and intangible assets	1,052	804
Gain on operating of securities	1,346	2,553
Gain on sale of golf membership	1	-
Gain on reversal of allowance for doubtful receivables	2,252	148
Gain on reversal of provision for loss on withdrawal from business	2,509	112
Gain on change in equity interest	-	1,372
Gain on reversal of stock warrants	-	185
Total extraordinary income	7,162	5,178
<b>Extraordinary losses:</b>		
Loss on disposal of property and intangible assets	1,691	1,032
Impairment of property and intangible assets	1,354	1,846
Loss on sale of securities	424	492
Loss on valuation of securities	5,962	2,889
Loss on sale of golf membership	14	0
Loss on valuation of golf membership	114	23

Loss on disposal of affiliates	2,963	357
Provision for guarantees	-	7
Provision for loss on withdrawal from businesses	1,571	779
Provision for compensation losses	2,333	-
Provision for losses on contracts	430	-
Loss on change in equity interest	-	664
Total extraordinary losses	16,859	8,092
<b>Income before income taxes and minority interests</b>	<b>88,698</b>	<b>64,465</b>
<b>Income tax expenses:</b>		
Current	27,358	23,135
Deferred	13,992	6,603
Total income tax expenses	41,351	29,739
<b>Minority interests in earnings of consolidated subsidiaries and affiliates</b>	<b>7,123</b>	<b>7,386</b>
<b>Net income</b>	<b>40,224</b>	<b>27,339</b>



### (3) Consolidated Statements of Changes in Net Assets

	Year ended March 31, 2009	Millions of yen Year ended March 31, 2010
<b>Shareholders' equity</b>		
Common stock		
Balance at end of previous year	64,936	64,936
Balance at end of year	64,936	64,936
Capital surplus		
Balance at end of previous year	154,367	154,367
Balance at end of year	154,367	154,367
Retained earnings		
Balance at end of previous year	334,950	365,130
Increase (decrease) during the term		
Cash dividends paid	(11,928)	(5,606)
Net income	40,224	27,339
Disposition of treasury stocks	(130)	(1)
Effect from change in scope of consolidated subsidiaries	2,110	(1,371)
Effect from change in scope of companies accounted for by the equity method	619	549
Other	(714)	44
Total increase (decrease)	30,180	20,953
Balance at end of year	365,130	386,084
Treasury stock		
Balance at end of previous year	(5,274)	(6,749)
Increase (decrease) during the term		
Purchase of treasury stocks	(1,912)	(404)
Disposition of treasury stocks	455	4
Other	(16)	5
Total increase (decrease)	(1,474)	(394)
Balance at end of year	(6,749)	(7,144)
Total shareholders' equity		
Balance at end of previous year	548,979	577,685
Increase (decrease) during the term		
Cash dividends paid	(11,928)	(5,606)
Net income	40,224	27,339
Purchase of treasury stocks	(1,912)	(404)
Disposition of treasury stocks	324	3
Effect from change in scope of consolidated subsidiaries	2,110	(1,371)
Effect from change in scope of companies accounted for by the equity method	619	549
Other	(730)	50
Total increase (decrease)	28,706	20,559
Balance at end of year	577,685	598,244

<b>Valuation and translation adjustments</b>		
Net unrealized gain (loss) on available-for-sale securities		
Balance at end of previous year	40,362	2,147
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	(38,214)	18,958
Total increase (decrease)	(38,214)	18,958
Balance at end of year	2,147	21,105
Deferred gain (loss) on futures hedge		
Balance at end of previous year	6,519	(2,300)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	(8,820)	8,269
Total increase (decrease)	(8,820)	8,269
Balance at end of year	(2,300)	5,968
Foreign currency translation adjustments		
Balance at end of previous year	(9,985)	(46,613)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	(36,627)	6,427
Total increase (decrease)	(36,627)	6,427
Balance at end of year	(46,613)	(40,185)
Total valuation and translation adjustments		
Balance at end of previous year	36,896	(46,766)
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	(83,662)	33,654
Total increase (decrease)	(83,662)	33,654
Balance at end of year	(46,766)	(13,111)
<b>Stock warrants</b>		
Balance at end of previous year	581	1,089
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	508	233
Total increase (decrease)	508	233
Balance at end of year	1,089	1,322
<b>Minority interests</b>		
Balance at end of previous year	53,273	54,988
Increase (decrease) during the term		
Net increase (decrease) during the term, except for items under shareholders' equity	1,714	8,771
Total increase (decrease)	1,714	8,771
Balance at end of year	54,988	63,760
<b>Total net assets</b>		
Balance at end of previous year	639,730	586,996
Increase (decrease) during the term		

Cash dividends paid	(11,928)	(5,606)
Net income	40,224	27,339
Purchase of treasury stocks	(1,912)	(404)
Disposition of treasury stocks	324	3
Effect from change in scope of consolidated subsidiaries	2,110	(1,371)
Effect from change in scope of companies accounted for by the equity method	619	549
Other	(730)	50
Net increase (decrease) during the term, except for items under shareholders' equity	(81,439)	42,659
Total increase (decrease)	<u>(52,733)</u>	<u>63,219</u>
Balance at end of year	<u>586,996</u>	<u>650,215</u>

#### (4) Consolidated Statements of Cash Flows

	Year ended March 31, 2009	Millions of yen Year ended March 31, 2010
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	88,698	64,465
Depreciation and amortization	28,634	29,506
Amortization of goodwill	15,575	14,725
Net increase (decrease) in allowance for doubtful receivables	2,290	894
Interest and dividend income	(17,483)	(12,406)
(Increase) decrease in interest payables	17,312	14,263
Equity in (earnings) loss of unconsolidated subsidiaries and affiliates	(6,610)	(7,364)
(Increase) decrease in accounts receivable	382,580	(182,957)
(Increase) decrease in inventories	7,811	49,022
Increase (decrease) in payables	(383,103)	176,453
Other, net	12,614	(27,698)
<b>Sub total</b>	<b>148,321</b>	<b>118,904</b>
Interest and dividends received	23,275	18,823
Interest paid	(17,610)	(14,391)
Income taxes paid	(30,225)	(23,119)
<b>Net cash provided by (used in) operating activities</b>	<b>123,760</b>	<b>100,217</b>
<b>Cash flows from investing activities:</b>		
Net (increase) decrease in time deposits	709	(0)
Payments for purchase of property and equipment	(38,806)	(26,058)
Proceeds from sale of property and equipment	8,462	3,132
Payments for purchase of intangible assets	(5,973)	(7,654)
Proceeds from sale of intangible assets	108	145
Payments for purchase of investment securities	(18,173)	(49,126)
Proceeds from sale of investment securities	5,508	7,279
Payments for sale of shares of subsidiaries excluded from the consolidation scope	(4)	-
Proceeds from sale of shares of subsidiaries excluded from the consolidation scope	-	79
Increase in loans	(15,245)	(8,213)
Collection of loans	12,308	7,546
Payment for purchase of shares of subsidiaries from minority shareholders	(2,235)	-
Other, net	(1,486)	(219)
<b>Net cash provided by (used in) investing activities</b>	<b>(54,827)</b>	<b>(73,090)</b>
<b>Cash flows from financing activities:</b>		
Net increase (decrease) in short-term debt	5,780	(76,366)
Proceeds from long-term debt	49,579	44,799

Repayment of long-term debt	(44,393)	(62,667)
Proceeds from bond issue	20,000	-
Redemption of bonds	(5,400)	-
Payments to acquire treasury stock	(1,912)	(404)
Dividends paid	(11,928)	(5,606)
Dividends paid to minority shareholders	(3,695)	(3,256)
Proceeds from stock issuance to minority shareholders of subsidiaries	454	185
Other, net	(3,869)	(4,306)
<b>Net cash provided by (used in) financing activities</b>	<b>4,614</b>	<b>(107,623)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(11,979)</b>	<b>2,215</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>61,567</b>	<b>(78,281)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>174,197</b>	<b>242,530</b>
<b>Cash and cash equivalents of newly consolidated subsidiaries at beginning of year</b>	<b>6,765</b>	<b>6,464</b>
<b>Cash and cash equivalents at end of year</b>	<b>242,530</b>	<b>170,714</b>

## (5) Notes on the going-concern assumption

Not applicable

## (6) Basis of preparation of consolidated financial statements

### 1) Scope of consolidation

Consolidated subsidiaries: 289 companies (domestic 67, overseas 222)

Toyota Steel Center Co., Ltd., Tomen Electronics Corporation, Tomen Devices Corporation, TDmobile Corporation, Toyotsu Chemiplas Corporation, Toyota Tsusho America, Inc., Toyota Tsusho Europe S.A., Toyota Tsusho (Thailand) Co., Ltd., Toyota Tsusho U.K. Ltd., Toyota Tsusho (Taiwan) Co., Ltd., Toyota Tsusho (Singapore) Pte. Ltd., Toyota Tsusho (Africa) Pty. Ltd., Toyota Tsusho (Shanghai) Co., Ltd., Toyota Tsusho (Guangzhou) Co., Ltd., Toyota Tsusho (Tianjin) Co., Ltd., Toyota Tsusho South Pacific Holdings Pty. Ltd., Business Car, Toyota East Africa Ltd., Toyota de Angola S.A., Tomen Power (Singapore) Pte. Ltd., Toyota Tsusho Petroleum Pte. Ltd., etc.

Unconsolidated subsidiaries: 79 companies (domestic 18, overseas 61)

Toyota Caucasus LLC, Toyota Tsusho Tekhnika LLC, and others.

### 2) Companies accounted for by the equity method

Unconsolidated subsidiaries: 9 companies (domestic 1, overseas 8)

TK Logistica de Mexico S.de R.L.de C.V., TK Logistica do Brasil Ltda., etc.

Affiliated companies: 130 companies (domestic 18, overseas 112)

Sanyo Chemical Industries, Ltd., Eurus Energy Holdings Corporation, KPX Holdings Co., Ltd., etc.

Changes in scope of consolidation and application of the equity method:

Scope of consolidation:

Newly included: 26 companies

Excluded: 11 companies

Application of the equity method:

Newly applied: 14 companies

Discontinued: 10 companies

### 3) Closing date of consolidated subsidiaries and related matters

#### (a) Consolidated subsidiaries with closing dates that differ from the consolidated-account closing date (March 31)

<u>Company name</u>	<u>Closing date</u>
Business Car:	End of December
Toyota Tsusho (Tianjin) Co., Ltd.:	End of December
Toyota Tsusho (Shanghai) Co., Ltd. and other 63 companies:	End of December

#### (b) In preparing the consolidated accounts, consolidated subsidiaries' financial statements as of their closing date were used if the closing date did not differ from the consolidated-account closing date by more than three months. However, necessary adjustments were made for important transactions that took place between the respective subsidiary's closing date and the consolidated-account closing date. For consolidated subsidiaries with closing dates that differ from the consolidated-account closing date by more than three months, reasonable procedures similar to regular book-closing procedures were applied to the respective subsidiary's accounts as of the consolidated-account closing date.

Relevant information other than the above is omitted from this document because no material changes were made to relative to that disclosed in the Company's regulatory securities filing (*yukashokenhokokusho*) for the fiscal year ended March 31, 2009 (submitted June 24, 2009).

## **(7) Material changes to the basis of preparation of consolidated financial statements**

### Changes in accounting policies

#### *Change in method of translating material foreign assets or liabilities into Japanese yen*

Effective the fiscal year ended March 31, 2010, the Company changed the method by which it translates foreign subsidiaries' revenues and expenses into Japanese yen. The Company previously used the spot rate prevailing on the account closing date, but switched to using the average exchange rate during each respective accounting period.

In light of the significance of foreign subsidiaries' impact on consolidated results, the Company switched to the new method to ensure that consolidated financial statements better reflect income/loss accrued in each accounting period by smoothing out the impact of short-term exchange rate fluctuations on income/losses.

Because of this change, compared with what they would have been under the previous accounting method, net sales for the fiscal year ended March 31, 2010, were 11,863 million yen lower; operating income, 368 million yen lower; ordinary income, 285 million yen lower; and income before income taxes and minority interests, 293 million yen lower.

The impact on each business segment is stated in the relevant sections of this document.

### Changes in presentation methods

#### *Consolidated statements of income*

Effective the fiscal year ended March 31, 2010, foreign exchange gain was presented in a separate account item because it exceeded ten one-hundredths of "Other income" for the period. The impact of exchange rates for the previous fiscal year (ended March 31, 2009), a foreign exchange loss of 1,563 million yen, was included in the figure for "Other expenses" in the "Other expenses" category.

## Segment information

### 1. Industry segments

Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

Millions of yen

	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Other	Total	Elimination/corporate	Consolidation
<b>I. Net sales</b>										
Outside customers	1,942,207	1,355,075	809,533	1,399,443	366,054	311,591	103,090	6,286,996	-	6,286,996
Inner-segment	409	12,963	110	1,877	110	1,821	8,224	25,516	(25,516)	-
Total	1,942,616	1,368,038	809,643	1,401,320	366,165	313,413	111,314	6,312,512	(25,516)	6,286,996
Cost of sales, selling, general and administrative expenses	1,922,117	1,349,417	772,790	1,396,790	359,978	308,952	111,353	6,221,400	(25,421)	6,195,978
Operating income (loss)	20,499	18,621	36,853	4,530	6,186	4,460	(39)	91,112	(94)	91,017
<b>II. Assets, depreciation, impairment losses, and capital expenditure</b>										
Total assets	496,425	390,989	186,995	294,562	127,805	165,371	564,000	2,226,150	(96,061)	2,130,089
Depreciation	6,365	7,831	3,768	9,229	4,970	2,805	9,239	44,210	-	44,210
Impairment losses	1	607	140	13	-	16	575	1,354	-	1,354
Capital expenditure	9,181	3,993	9,651	6,143	1,644	1,646	12,234	44,495	-	44,495



Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

Millions of yen

	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Other	Total	Elimination/corporate	Consolidation
<b>I. Net sales</b>										
Outside customers	1,530,009	1,163,234	586,422	1,120,327	306,958	297,520	97,788	5,102,261	-	5,102,261
Inner-segment	487	8,325	22	1,482	114	2,274	8,319	21,026	(21,026)	-
Total	1,530,496	1,171,560	586,445	1,121,810	307,072	299,794	106,108	5,123,288	(21,026)	5,102,261
Cost of sales, selling, general and administrative expenses	1,506,943	1,161,734	569,372	1,119,431	302,194	302,723	105,465	5,067,865	(21,195)	5,046,670
Operating income (loss)	23,553	9,825	17,073	2,378	4,877	(2,928)	642	55,422	168	55,591
<b>II. Assets, depreciation, impairment losses, and capital expenditure</b>										
Total assets	548,666	455,734	197,695	381,256	125,409	174,255	479,969	2,362,987	(88,440)	2,274,547
Depreciation	7,760	7,845	4,335	8,593	5,031	2,457	8,206	44,232	-	44,232
Impairment losses	-	282	-	1,384	31	-	147	1,846	-	1,846
Capital expenditure	6,518	6,042	4,778	2,779	2,360	2,505	10,156	35,141	-	35,141

Notes: 1. Method of categorizing lines of business:

As a rule, business operations are categorized according to similarities in manufacturing processes, usage, and selling methods.

2. As stated in the "Material changes to the basis of preparation of consolidated financial statements," effective the fiscal year ended March 31, 2010, the Company changed the method by which it translates foreign subsidiaries' revenues and expenses into Japanese yen. The Company previously used the spot rate prevailing on the account closing date, but switched to using the average exchange rate during each respective accounting period. Because of this change, compared with what they would have been under the previous accounting method, net sales for the year ended March 31, 2010, in the Metals Division were 3,177 million yen lower; in the Machinery & Electronics Division, 3,418 million yen lower; in the Automotive Division, 2,064 million yen lower; in the Energy & Chemicals Division, 2,071 million yen lower; in the Produce & Foodstuffs Division, 58 million yen lower; in the Consumer Products, Services & Materials Division, 469 million yen lower; and in the Other Division, 604 million yen lower. By the same comparison, operating income for the year ended March 31, 2010, in the Metals Division was 157 million yen lower; in the Machinery & Electronics Division, 81 million yen lower; in the Automotive Division, 91 million yen lower; in the Energy & Chemicals Division, 16 million yen lower; in the Produce & Foodstuffs Division, 6 million yen higher; in the Consumer Products, Services & Materials Division, 10 million yen lower; and in the Other Division, 17 million yen lower.

## 2. Geographic segments

Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

Millions of yen								
	Japan	Asia and Oceania	North America	Europe and the CIS	Other	Total	Elimination/ corporate	Consolidation
<b>I. Net sales</b>								
Outside customers	4,245,957	1,051,066	455,154	371,979	162,838	6,286,996	-	6,286,996
Inner-segment	557,367	114,708	134,121	7,312	4,080	817,590	(817,590)	-
Total	4,803,324	1,165,775	589,276	379,291	166,918	7,104,586	(817,590)	6,286,996
Cost of sales, selling, general and administrative expenses	4,781,542	1,132,967	581,986	368,262	149,649	7,014,408	(818,429)	6,195,978
Operating income	21,781	32,807	7,289	11,029	17,269	90,177	839	91,017
<b>II. Assets</b>	1,650,221	278,852	160,429	140,633	93,986	2,324,122	(194,033)	2,130,089

Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

Millions of yen								
	Japan	Asia and Oceania	North America	Europe and the CIS	Other	Total	Elimination/ corporate	Consolidation
<b>I. Net sales</b>								
Outside customers	3,317,510	1,026,572	357,543	264,880	135,755	5,102,261	-	5,102,261
Inner-segment	467,677	59,397	98,681	9,342	2,456	637,555	(637,555)	-
Total	3,785,188	1,085,970	456,224	274,223	138,211	5,739,817	(637,555)	5,102,261
Cost of sales, selling, general and administrative expenses	3,776,338	1,061,481	447,746	269,043	128,969	5,683,579	(636,908)	5,046,670
Operating income	8,849	24,488	8,478	5,180	9,241	56,238	(647)	55,591
<b>II. Assets</b>	1,785,012	365,380	158,180	120,916	84,302	2,513,791	(239,244)	2,274,547

- Notes:
1. Geographic segmentation is based on geographic proximity.
  2. Major countries or regions except Japan in each category are as follows:
    - (1) Asia and Oceania: China, Taiwan, Singapore, and Thailand
    - (2) North America: U.S.A.
    - (3) Europe and the CIS: U.K., Belgium, and Russia
    - (4) Other: Africa and Central & South America
  3. As stated in the "Material changes to the basis of preparation of consolidated financial statements," effective the fiscal year ended March 31, 2010, the Company changed the method by which it translates foreign subsidiaries' revenues and expenses into Japanese yen. The Company previously used the spot rate prevailing on the account closing date, but switched to using the average exchange rate during each respective accounting period. Because of this change, compared with what they would have been under the previous accounting method, net sales for the year ended March 31, 2010, in Asia & Oceania were 8,640 million yen lower; in North America, 1,318 million yen lower; in Europe & the CIS, 167 million yen higher; and in the Other geographic segment, 2,072 million yen lower. By the same comparison, operating income for the year ended March 31, 2010, in Asia & Oceania was 221 million yen lower; in North America, 89 million yen lower; in Europe & the CIS, 37 million yen higher; and in the Other geographic segment, 95 million yen lower.

### 3. Overseas Trading Transactions

Year ended March 31, 2009 (April 1, 2008 to March 31, 2009)

Millions of yen

	Asia and Oceania	North America	Europe and the CIS	Other	Total
Overseas trading transactions	1,793,019	417,132	440,016	422,863	3,073,031
Consolidation					6,286,996
Overseas trading transactions' share of consolidated net sales	28.5	6.7	7.0	6.7	48.9

Year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

Millions of yen

	Asia and Oceania	North America	Europe and the CIS	Other	Total
Overseas trading transactions	1,762,433	331,383	323,198	337,610	2,754,625
Consolidation					5,102,261
Overseas trading transactions' share of consolidated net sales	34.6	6.5	6.3	6.6	54.0

- Notes:
1. Geographic segmentation is based on geographic proximity.
  2. Major countries or regions except Japan in each category are as follows:
    - (1) Asia and Oceania: China, Taiwan, Singapore, and Thailand
    - (2) North America: U.S.A.
    - (3) Europe and the CIS: U.K., Belgium, and Russia
    - (4) Other: Africa and Central & South America
  3. "Overseas trading transactions" comprises sales by the Company and its consolidated subsidiaries in countries or regions other than Japan.

**Outline of Consolidated Results for the Year Ended March 31, 2010  
(April 1, 2009 to March 31, 2010)**

**1. Operating Results**

Billions of yen

	Consolidated			
	Year ended March 31, 2010	Year ended March 31, 2009	Year-on-year change	
			Amount	%
Net sales	5,102.2	6,286.9	(1,184.7)	(19)
Gross profit	280.7	326.6	(45.9)	(14)
SG & A expenses	225.1	235.6	(10.5)	-
Operating income	55.5	91.0	(35.5)	(39)
Interest income and expense	(11.2)	(13.2)	2.0	-
Dividend income	9.3	13.4	(4.1)	-
Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates	7.3	6.6	0.7	-
Other income (losses)	6.2	0.5	5.7	-
Ordinary income	67.3	98.3	(31.0)	(32)
Extraordinary income (losses)	(2.9)	(9.6)	6.7	-
Income before income taxes and minority interests	64.4	88.6	(24.2)	(27)
Income tax expenses	29.7	41.3	(11.6)	-
Minority interests in earnings of consolidated subsidiaries and affiliates	7.3	7.1	0.2	-
Net income	27.3	40.2	(12.9)	(32)

\*Effective the fiscal year ended March 31, 2010, revenues and expenses of foreign subsidiaries are translated into Japanese yen at the average exchange rate for each respective accounting period.

**Major year-on-year changes**

- Net sales (decrease of 1,184.7 billion yen):
  - Decrease in the Metals and the Energy & Chemicals segments due to decline in market activity; and decrease in the Automotive segment due to decrease in volume handled.
- Gross profit (decrease of 45.9 billion yen):
  - Decrease mainly in the Automotive segment due to decline in net sales; and decrease in the Consumer Products, Services & Materials segment due to effects of the lower-of-cost-or-market method applied to real estate.
- SG & A expenses (decrease of 10.5 billion yen):
  - Decrease due to company-wide cost reductions
- Interest income and expense: (increase of 2.0 billion yen):
  - Improved due to lower interest rates in Japan and overseas
- Dividend income (decrease of 4.1 billion yen):
  - Decrease in dividends received by the Company and overseas subsidiaries
- Other income (losses) (increase of 5.7 billion yen):
  - Increase mainly due to improvement of foreign exchange gains/losses
- Extraordinary income (losses) (increase of 6.7 billion yen):
  - Increase mainly due to decrease in loss on valuation of investment securities

**For reference:**

Billions of yen				
Quarterly changes	1st quarter	2nd quarter	3rd quarter	4th quarter
Net sales	1,055.1	1,224.5	1,391.2	1,431.2
Operating income	7.4	12.6	18.1	17.1
Ordinary income	9.4	15.0	22.6	20.1
Net income	2.6	6.9	9.7	7.9

**2. Financial Position**

Billions of yen				
	Consolidated			
	As of March 31, 2010	As of March 31, 2009	Change versus March 31, 2009	
			Amount	%
Total assets	2,274.5	2,130.0	144.5	7
Current assets	1,554.3	1,460.1	94.2	6
Investment securities	293.0	233.3	59.7	26
Other fixed assets	427.1	436.5	(9.4)	(2)
Net assets	650.2	586.9	63.3	11
Net interest-bearing debt	563.0	573.9	(10.9)	(2)
Debt-equity ratio (times)	1.0	1.1	(0.1)	
Number of consolidated subsidiaries	289	274	15	
Number of companies accounted for by the equity method	139	135	4	

**Major year-on-year changes**

- Current assets (increase of 94.2 billion yen):
  - Decrease of 71.8 billion yen in cash and cash equivalents
  - Increase of 195.8 billion yen in trade notes and accounts receivable
  - Decrease of 40.3 billion yen in inventories
- Investment securities (increase of 59.7 billion yen):
  - Increase due to purchases and market-price appreciation
- Net assets (increase of 63.3 billion yen):
  - Retained earnings: increase of 20.9 billion yen (net income for the year ended March 31, 2010 up 27.3 billion yen, dividends paid down 5.6 billion yen, etc.)
  - Net unrealized gains on available-for-sales securities, net of taxes: increase of 19.0 billion yen
  - Deferred gain (loss) on futures hedge: increase of 8.2 billion yen
  - Minority interests: increase of 8.8 billion yen

### 3. Cash Flow Position

Billions of yen

	Year ended March 31, 2010	Year ended March 31, 2009	Major year-on-year changes
Cash flows from operating activities	100.2	123.7	Net income and decrease in inventories
Cash flows from investing activities	(73.0)	(54.8)	Purchase of property and equipment and investment securities
Less: Free cash flows	27.2	68.9	
Cash flows from financing activities	(107.6)	4.6	Repayment of interest-bearing debt

### 4. Consolidated Net Sales and Operating Income by Industry Segment

\*The first row for each segment indicates net sales, the second indicates operating income.

Billions of yen

	Year ended March 31, 2010	Year ended March 31, 2009	Year-on-year change	Impact of exchange rates	Year-on-year change excluding impact of exchange rates	
			Amount	Amount	Amount	%
Metals	1,530.0	1,942.2	(412.2)	(6.7)	(405.5)	(21)
	23.5	20.4	3.1	0.4	2.7	13
Machinery & Electronics	1,163.2	1,355.0	(191.8)	(1.1)	(190.7)	(14)
	9.8	18.6	(8.8)	0.3	(9.1)	(48)
Automotive	586.4	809.5	(223.1)	6.6	(229.7)	(28)
	17.0	36.8	(19.8)	0.9	(20.7)	(55)
Energy & Chemicals	1,120.3	1,399.4	(279.1)	(9.2)	(269.9)	(19)
	2.3	4.5	(2.2)	1.6	(3.8)	(61)
Produce & Foodstuffs	306.9	366.0	(59.1)	(5.4)	(53.7)	(15)
	4.8	6.1	(1.3)	0.2	(1.5)	(24)
Consumer Products, Services & Materials	297.5	311.5	(14.0)	(0.5)	(13.5)	(4)
	(2.9)	4.4	(7.3)	0.1	(7.4)	(165)
Other	97.7	103.0	(5.3)	1.2	(6.5)	(6)
	0.6	(0.0)	0.6	0.5	0.1	40
Total	5,102.2	6,286.9	(1,184.7)	(15.0)	(1,169.7)	(19)
	55.5	91.0	(35.5)	4.0	(39.5)	(41)

#### Major year-on-year changes

- Metals
  - Net sales: Falling market prices
  - Operating income: Stabilization of scrap market prices, which plunged in second half of the previous fiscal year
- Machinery & Electronics
  - Net sales: Decrease in volume handled of machinery equipment
  - Operating income: Decrease mainly in Japan
- Automotive
  - Net sales: Decrease in export volume handled
  - Operating income: Decrease in export volume handled and overseas sales
- Energy & Chemicals

Net sales: Decline in market prices of crude oil, etc.

Operating income: Decrease in profit of Australian coal project, and decrease in volume handled of crude oil etc.

- Produce & Foodstuffs

Net sales: Decline in market prices of feedstuffs etc.

Operating income: Decrease mainly in Japan and South America

- Consumer Products, Services & Materials

Net sales: Decrease in volume handled of consumer materials and textile related products

Operating income: Decrease mainly due to effects of the lower-of-cost-or-market method applied to real estate.

## 5. Consolidated Financial Results Forecasts for Year Ending March 31, 2011 (April 1, 2010 to March 31, 2011)

\*The first row for each segment indicates net sales, the second indicates operating income.

Billions of yen

		Year ending March 31, 2011 (forecast)	Year ended March 31, 2010 (results)	Year-on-year change	
				Amount	%
Metals		1,720.0	1,530.0	190.0	12
		30.0	23.5	6.5	27
Machinery & Electronics		1,415.0	1,163.2	251.8	22
		14.0	9.8	4.2	42
Automotive		705.0	586.4	118.6	20
		18.0	17.0	1.0	5
Energy & Chemicals		1,360.0	1,120.3	239.7	21
		3.0	2.3	0.7	26
Produce & Foodstuffs		350.0	306.9	43.1	14
		5.0	4.8	0.2	3
Consumer Products, Services & Materials		340.0	297.5	42.5	14
		7.0	(2.9)	9.9	-
Other		10.0	97.7	(87.7)	(90)
		(2.0)	0.6	(2.6)	(411)
Total	Net sales	5,900.0	5,102.2	797.8	16
	Operating income	75.0	55.5	19.5	35
	Ordinary income	80.0	67.3	12.7	19
	Net income	40.0	27.3	12.7	46

## 6. Dividend per share

	Year Ended March 31, 2009	Year Ended March 31, 2010	Fiscal year ending March 31, 2011 (forecast)
Interim	18.00 yen	8.00 yen	12.00 yen
Full year	26.00 yen	16.00 yen (projected)	24.00 yen
Payout ratio (consolidated)	22.7%	20.5%	21.0%

## 5. Changes in major indexes

		Year Ended March 31, 2009	Year Ended March 31, 2010	Fiscal year ending March 31, 2011 (forecast)
Exchange rate (yen / US dollar)	Average during the period	-	92.82	90.00
	End of period	98.23	93.04	90.00
Interest rate	Yen TIBOR 3M average	0.82%	0.53%	0.50%
	US dollar LIBOR 3M average	2.42%	0.44%	0.80%
Hot-rolled steel (yen / ton)		97,000	87,000	95,000
Dubai oil (US dollars / bbl)		82	69	80
Australian thermal coal (US dollars / ton)		118	78	90
Corn futures (cents / bushel)		492	372	370



**For reference:**

## Consolidated Balance Sheets

Billions of yen

	As of March 31, 2010	As of March 31, 2009	Year-on-year changes
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	170.7	242.5	(71.8)
Trade notes and accounts receivable	886.4	690.6	195.8
Inventories	386.0	426.3	(40.3)
Other current assets	115.7	109.6	6.1
Less: allowance for doubtful receivables	(4.5)	(9.1)	4.6
Total current assets	1,554.3	1,460.1	94.2
<b>Fixed assets:</b>			
Property and equipment	238.9	224.7	14.2
Intangible assets:			
Goodwill	90.2	103.4	(13.2)
Other	19.2	15.0	4.2
Total intangible assets	109.4	118.4	(9.0)
Investments and other assets:			
Investment securities	293.0	233.3	59.7
Other	99.6	113.3	(13.7)
Less: allowance for doubtful receivables	(20.8)	(19.9)	(0.9)
Total investments and other assets	371.8	326.7	45.1
Total fixed assets	720.2	669.9	50.3
<b>Total assets</b>	<b>2,274.5</b>	<b>2,130.0</b>	<b>144.5</b>

Billions of yen

	As of March 31, 2010	As of March 31, 2009	Year-on-year changes
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Trade notes and accounts payable	681.4	492.6	188.8
Short-term debt	257.9	331.0	(73.1)
Income taxes payable	11.7	12.9	(1.2)
Allowances	0.7	0.6	0.1
Other current liabilities	182.9	207.7	(24.8)
<i>Of which, interest-bearing debt</i>	<i>23.6</i>	<i>24.0</i>	<i>(0.4)</i>
Total current liabilities	1,134.8	1,045.0	89.8
<b>Long-term liabilities:</b>			
Bonds payable, less current portion	95.0	95.0	-
Long-term debt	342.1	350.0	(7.9)
Allowances	21.2	20.2	1.0
Other long-term liabilities	31.0	32.7	(1.7)
<i>Of which, interest-bearing debt</i>	<i>14.9</i>	<i>16.3</i>	<i>(1.4)</i>
Total long-term liabilities	489.4	498.0	(8.6)
<b>Total liabilities</b>	1,624.3	1,543.0	81.3
<b>Net assets</b>			
<b>Shareholders' equity:</b>			
Common stock	64.9	64.9	-
Capital surplus	154.3	154.3	-
Retained earnings	386.0	365.1	20.9
Treasury stock	(7.1)	(6.7)	(0.4)
Total shareholders' equity	598.2	577.6	20.6
<b>Valuation and translation adjustments:</b>			
Net unrealized gains on available-for-sales securities, net of taxes	21.1	2.1	19.0
Deferred gain (loss) on futures hedge	5.9	(2.3)	8.2
Foreign currency translation adjustments	(40.1)	(46.6)	6.5
Total valuation and translation adjustments	(13.1)	(46.7)	33.6
<b>Stock warrants</b>	1.3	1.0	0.3
<b>Minority interests</b>	63.7	54.9	8.8
<b>Total net assets</b>	650.2	586.9	63.3
<b>Total liabilities and net assets</b>	2,274.5	2,130.0	144.5