TOYOTA TSUSHO CORPORATION

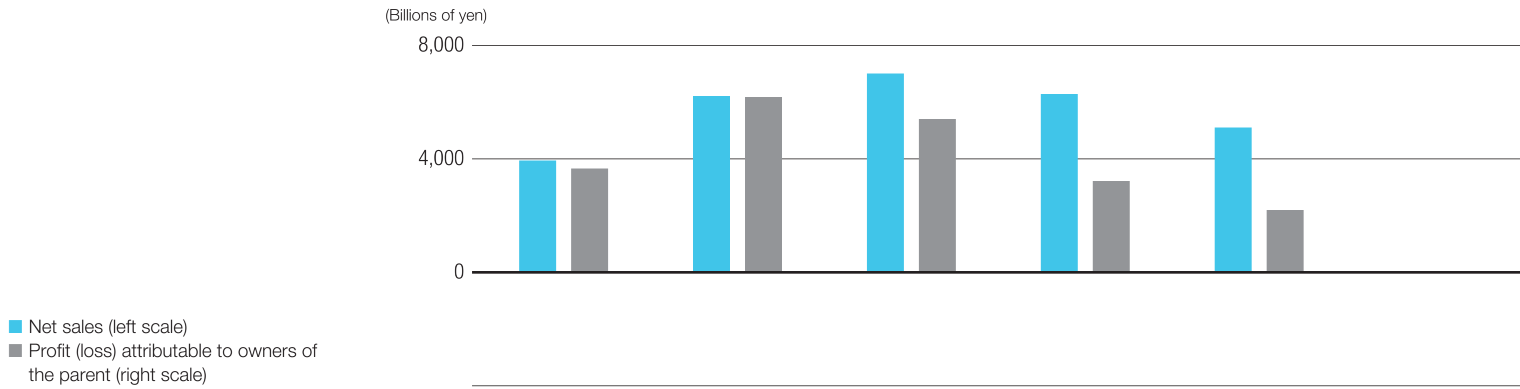
Financial Section 2016

Fiscal year ended March 31, 2016

CONTENTS

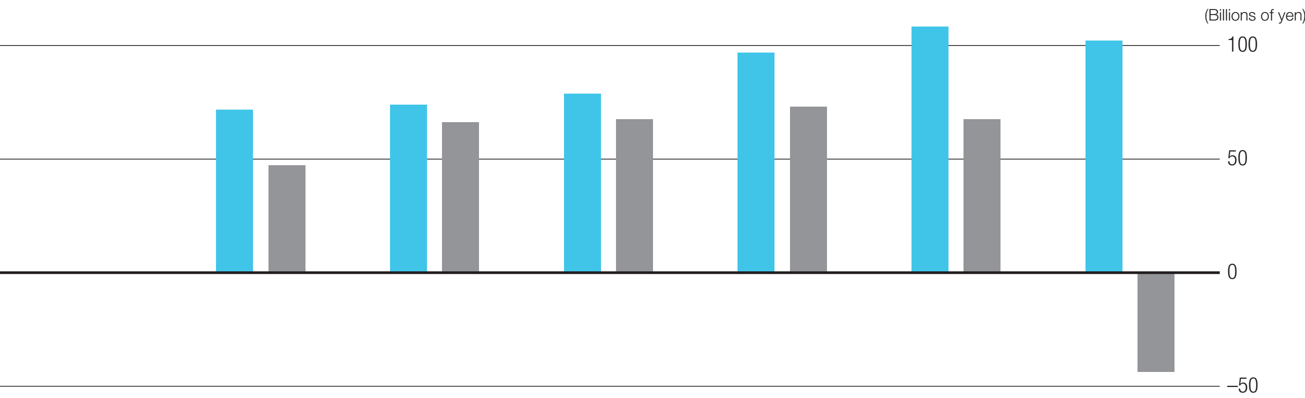
Eleven-Year Financial Summary

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31



	(Note 1) 2006/3	2007/3	2008/3	2009/3	2010/3
Results of Operations:					
Net Sales (Note 3)	¥3,945,319	¥6,212,726	¥7,000,353	¥6,286,996	¥5,102,261
Gross Profit	221,593	328,459	369,524	326,679	280,790
SG&A Expenses	141,536	218,456	237,853	235,661	225,199
Operating Income	80,057	110,003	131,671	91,017	55,591
Share of Profit (loss) of Entities Accounted for Using Equity Method	1,180	7,342	11,065	6,610	7,364
Profit (Loss) Attributable to Owners of the Parent	45,733	77,212	67,506	40,224	27,339
Financial Position at Year-End:					
Total Assets	¥1,602,702	¥2,462,229	¥2,603,207	¥2,130,089	¥2,274,547
Total Net Assets (Note 4)	314,319	626,539	639,731	586,996	650,215
Net Interest-Bearing Debt	431,844	677,580	600,250	573,920	563,066
Cash Flows:					
Net Cash Provided by Operating Activities	¥ 33,089	¥ 44,599	¥ 104,728	¥ 123,760	¥ 100,217
Net Cash Used in Investing Activities	(119,379)	(31,159)	(36,717)	(54,827)	(73,090)
Net Cash Provided by (Used in) Financing Activities	90,453	(46,555)	(23,058)	4,614	(107,623)
Cash and Cash Equivalents at End of Period	75,032	125,603	174,197	242,530	170,714
Per Share:					
Profit (Loss) Attributable to Owners of the Parent:					
Basic	¥161.88	¥231.47	¥192.44	¥114.73	¥78.08
Diluted (Note 5)	160.75	230.30	192.08	114.72	—
Cash Dividends for the Year	18.00	26.00	30.00	26.00	16.00
Dividend Payout Ratio	11.1%	11.2%	15.6%	22.7%	20.5%
Financial Measures:					
ROE	16.6%	15.7%	11.6%	7.2%	4.9%
Shareholders' Equity Ratio	19.6%	23.5%	22.5%	24.9%	25.7%
Net Debt Equity Ratio (times)	1.37	1.17	1.02	1.08	0.96
Common Stock:					
Number of Shares Outstanding at Year-End	282,867	354,056	354,056	354,056	354,056

Notes: 1. Toyota Tsusho Corporation merged with Tomen Corporation on April 1, 2006. The figures for the fiscal year ended March 31, 2006, and before were based on the former Toyota Tsusho Corporation.
2. The U.S. dollar amounts have been translated from the amounts stated in yen, solely for the convenience of the readers, at the rate of ¥112.68 = U.S.$1, the approximate exchange rate prevailing on March 31, 2016, which was the final business day of financial institutions in the fiscal year ended March 31, 2016.
3. Commission income was included in net sales from the fiscal year ended March 31, 2007, as a result of the reconsideration of the presentation of consolidated financial statements.
4. Effective from the fiscal year ended March 31, 2007, the Company and its consolidated subsidiaries adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet."



2011/3	2012/3	2013/3	2014/3	2015/3	Millions of Yen 2016/3	Thousands of U.S. Dollars (Note 2) 2016/3
¥5,743,649	¥5,916,759	¥6,304,354	¥7,743,237	¥8,663,460	¥8,170,237	$72,508,315
330,730	343,999	403,888	582,498	634,572	616,042	5,467,181
245,432	251,596	288,013	421,177	465,115	475,742	4,222,062
85,297	92,403	115,875	161,321	169,456	140,299	1,245,110
13,636	15,396	17,646	13,783	4,060	(5,676)	(50,372)
47,169	66,205	67,432	73,034	67,571	(43,714)	(387,948)
¥2,436,248	¥2,837,428	¥3,592,368	¥4,072,728	¥4,533,693	¥3,952,100	$35,073,659
667,378	751,747	920,043	1,156,080	1,304,483	1,055,777	9,369,692
581,366	672,137	998,626	1,088,974	1,233,559	1,102,786	9,786,883
¥ 79,884	¥ 63,782	¥ 124,156	¥ 133,937	¥ 169,100	¥ 308,338	$ 2,736,403
(74,046)	(58,771)	(323,389)	(135,587)	(199,512)	(170,839)	(1,516,143)
77,751	97,358	223,374	5,356	108,247	(225,202)	(1,998,597)
252,747	354,755	391,352	412,032	499,157	399,191	3,542,696
					Yen	U.S. Dollars (Note 2)
¥134.78	¥189.34	¥192.58	¥208.01	¥192.23	¥(124.26)	$(1.10)
—	—	192.42	207.82	192.10	—	—
28.00	42.00	44.00	50.00	56.00	62.00	0.55
20.8%	22.2%	22.8%	24.0%	29.1%	—	—
8.0%	10.7%	9.6%	8.4%	6.4%	—	—
24.4%	22.6%	21.2%	23.9%	24.8%	22.5 %	—
0.98	1.04	1.31	1.12	1.10	1.24	—
					Thousand of Shares	
354,056	354,056	354,056	354,056	354,056	354,056	—

5. Figures for diluted net income per share are not shown for the fiscal years ended March 31, 2010, 2011, and 2012, as there were no potential stocks with dilution effect during these years.
6. The amount of diluted net income per share for the fiscal year ended March 31, 2016 was omitted from this report because, even though there were potential stocks with dilution effect, the Company recorded a net loss per share for the fiscal year.
7. Return on equity (ROE) for the fiscal year ended March 31, 2016 was omitted from this report because the Company recorded a net loss attributable to owners of the parent for the fiscal year.
8. Net income (loss) was restated as net income (loss) attributable to owners of the parent from the consolidated fiscal year ended March 31, 2016, following the application of the Revised Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013) and related standards.

Management's Discussion and Analysis of Financial Condition and Results of Operations

General Operating Environment

In the fiscal year ended March 31, 2016, global economic growth was subdued. While the U.S. and European economies were resurgent, spearheaded by domestic demand, emerging market economies downshifted in the wake of a Chinese economic slowdown, a sharp decline in crude oil prices, and a policy interest rate increase in the United States. The U.S. economy performed solidly atop robust personal consumption, while exports and industrial production showed a lack of strength, both being dampened by dollar appreciation and the policy interest rate increase. The European economy continued to recover gradually, aided by monetary accommodation, although refugee inflows and terrorism undermined public safety and, in turn, political and social stability. With Chinese growth slowing in response to a clampdown on over-investment amid a transition to a "new normal," emerging market economies continued to slow as their exports to China shrank and commodity prices declined. The Indian economy however, grew briskly, driven mainly by domestic demand against a backdrop of the Modi Government's structural reforms.

Meanwhile, the Japanese economy remained mired in a soft patch marked by sluggish personal consumption and delayed recovery in exports.

Business Performance of Toyota Tsusho Corporation

Amid this environment, the Toyota Tsusho Group's consolidated net sales in the fiscal year ended March 31, 2016, decreased by ¥493.2 billion (5.7%) year on year to ¥8,170.2 billion, largely as result of crude oil prices' decline. Consolidated operating income decreased by ¥29.1 billion (17.2 %) to ¥140.2 billion from ¥169.4 billion in the previous fiscal year, largely because of growth in selling, general and administrative expenses. Consolidated ordinary income was down ¥28.1 billion (18.0 %) to ¥128.0 billion from the previous fiscal year's ¥156.2 billion. One-time impairment losses booked as extraordinary losses resulted in a loss attributable to owners of the parent of ¥43.7 billion, ¥111.2 billion below the previous fiscal year's ¥67.5 billion in profit attributable to owners of the parent.

Future Issues to Address

The global economy has been growing at a subdued pace overall. While advanced economies are in the midst of solid recoveries driven by domestic demand, emerging market economies have downshifted in the wake of a Chinese economic slowdown, sharp declines in commodity prices and a policy interest rate increase in the United States.

The U.S. economy has been holding up well, bolstered by an improving job market, but its growth has been dampened by dollar appreciation and the increase in the policy interest rate. Developments in the U.S. presidential election campaign will be a key focal point heading into November. The European economy has continued to recover gradually, aided by monetary accommodation, although refugee inflows and terrorism have undermined public safety and, in turn, political and societal stability.

The Japanese economy remains mired in a soft patch marked by sluggish personal consumption and delayed recovery in exports. Japan's economic outlook is murky, clouded by numerous concerns including further changes in overseas conditions, a pending consumption tax hike and yen appreciation.

To date, the markets of the Group's core automotive-related businesses have continued to expand, mainly in emerging market economies such as Africa and Asia. Looking ahead, however, the Group expects competition to continue to intensify as a result of new entrants from other sectors and the impact of the steep decline in crude oil prices on emerging market economies.

Amid such an environment, the Group formulated a new Global Vision—for the Next 10 years established in 2016—which is designed to provides a roadmap for continuing evolution as a truly global organization in a changing business environment. Through the vision, the Group will define its three business domains even more clearly and utilize and demonstrate the Toyotsu Core Values in them to increase its corporate value.

In the Mobility domain, the Group will expand its transactions with customers both inside and outside the Toyota Group through a multi-pronged approach revolving around regions, partners, manufacturers and functions cultivated within the Toyota Group, such as logistics and assembly. Moreover, the Group will focus on businesses that contribute to realizing a convenient society in the future, such as an automobile recycling business to reduce environmental burden and next-generation mobility initiatives.

In the Life and Community domain, the Group will develop and expand businesses that contribute a comfortable and healthy society (e.g., medical businesses).

Furthermore, the name of the former Earth and Resources domain has been changed to the Resources and Environment domain in order to express the businesses more definitely. Here, the Group will further develop and expand businesses that help to realize a sustainable society (e.g., renewable energy businesses).

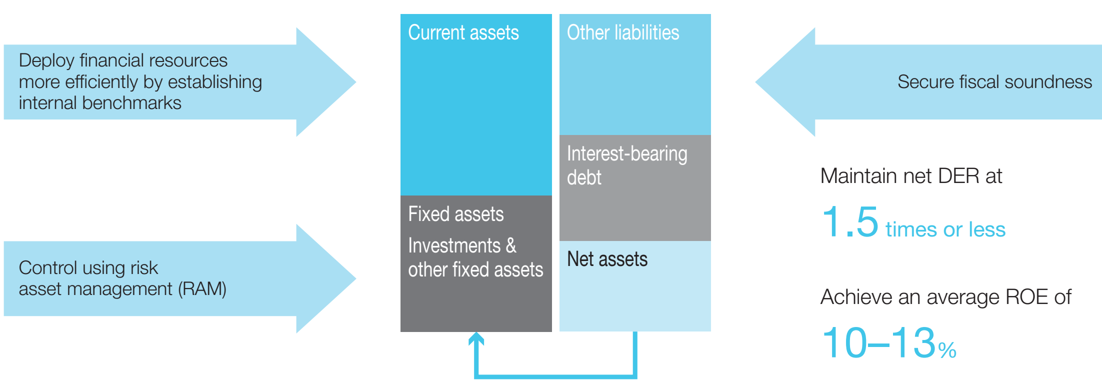
Focusing on these three domains of Mobility, Life and Community, and Resources and Environment, in business domains and regions where it can leverage its knowledge, the Group will fully utilize its resources to expand its businesses, while in domains with innovative technologies, services, and products, it will endeavor to create new businesses. In this way, the Group will aim to achieve its Global Vision.

Overseas, the Group will expand its automotive operations in Africa through its investee CFAO S.A. Additionally, the Group will utilize CFAO's networks in its pharmaceutical, beverage, and retailing businesses in pursuit of synergies to further strengthen its operations in the Life and Community and Earth and Resources domains.

To accelerate global growth, the Group will implement a global diversity and inclusion initiative as a key management strategy. The aim is to create value through diversity based on awareness that human resources are a key asset. The Group will also intensify its focus on hiring, developing and promoting top-caliber personnel not only in Japan but also overseas.

In its investment activities, the Group will endeavor to further strengthen its management systems to optimally allocate its management resources and earn reliable investment returns. To remain financially sound, the Group intends to continue to manage its operations with a focus on ROE, which is highly correlated with cost of shareholders' equity; its net debt/equity ratio, a measure of financial stability; and cash flow.

Financial Risk Management



By carefully choosing and building up strategic investments, ensure strong growth potential and raise investment efficiency.

Assets, Liabilities, and Equity as of March 31, 2016

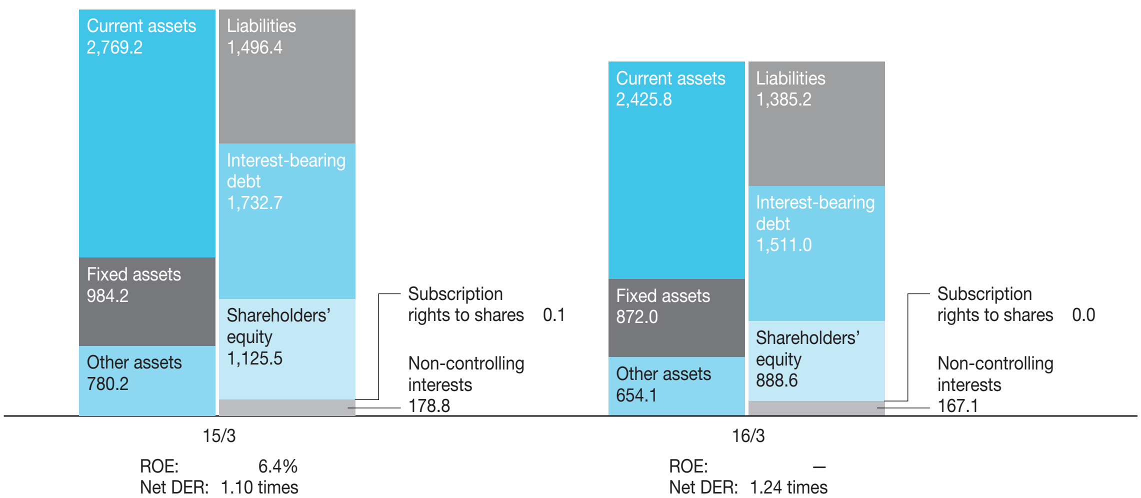
As of March 31, 2016 total assets amounted to ¥3,952.1 billion, a decrease of ¥581.5 billion from March 31, 2015. The decrease was chiefly attributable to a ¥148.1 billion decrease in notes and accounts receivable—trade, a ¥103.3 billion decrease in inventories, a ¥96.1 billion decrease in investment securities and a ¥90.8 billion decrease in cash and deposits.

Total liabilities on March 31, 2016, stood at ¥2,896.3 billion, a decrease of ¥332.8 billion from March 31, 2015. The decrease was mainly attributable to a ¥221.6 billion decrease in interest-bearing debt and a ¥101.7 billion decrease in notes and accounts payable—trade.

As of March 31, 2016, total net assets were ¥1,055.7 billion, a decrease of ¥248.7 billion from March 31, 2015. The decrease was attributable to a ¥65.9 billion decrease in retained earnings derived mainly from loss attributable to owners of the parent, a ¥41.9 billion decrease in valuation difference on available-for-sales securities and ¥107.9 billion decrease in foreign currency translation adjustment.

Balance Sheet Trends

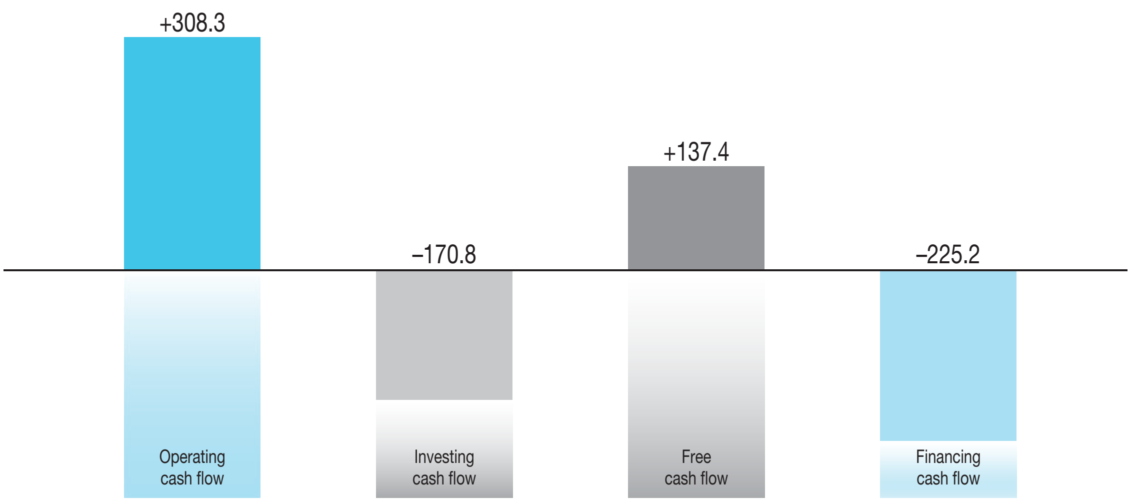
(¥ billion)



Cash Flows in the Fiscal Year Ended March 31, 2016

Cash and cash equivalents totaled ¥399.1 billion as of March 31, 2016, down ¥99.9 billion from a year earlier. The decrease in cash was the net result of positive cash flow from operating activities and negative cash flow from investing and financing activities.

Cash Flow Breakdown
(¥ billion)



Net Cash Provided by Operating Activities

Net cash provided by operating activities amounted to ¥308.3 billion, an increase of ¥139.2 billion from the previous fiscal year. The net cash inflow was largely attributable to a reduction in notes and accounts receivable—trade.

Net Cash Used in Investing Activities

Net cash used in investing activities was ¥170.8 billion, which was ¥28.6 billion less than in the previous fiscal year, mainly for property and equipment purchases.

Net Cash Provided by (Used in) Financing Activities

Net cash used in financing activities was ¥225.2 billion (a change of ¥333.4 billion from cash provided in the previous fiscal year). Cash was used largely for repayment of interest-bearing debt.

Financial Strategy

The financial strategy of the Company and its consolidated subsidiaries is focused on the efficient use of assets and fund procurement commensurate with its asset base. The goal is to achieve stable growth throughout the Group and to maintain a sound financial position.

Aiming to "generate maximum profit with minimum funds," we strive to use funds more efficiently through the efficient use of working capital through such means as collecting sales receivables earlier and reducing inventories, as well as by reducing idle, inefficient fixed assets. We aim both to enhance corporate value and improve our financial position by directing funds generated by the above measures to investments in businesses with higher growth potential and the repayment of interest-bearing debt.

We are also focused on conducting fund procurement commensurate with our asset base. In principle, the Group will finance fixed assets with long-term loans and shareholders' equity, while financing working capital with short-term borrowings. At the same time, we have also adopted a policy of funding the less liquid portion of working capital with long-term debt. In regard to the fund management system on a consolidated basis, we are shifting to a unified group financing system by the parent company in Japan. At the same time, in regard to the fund procurement of overseas subsidiaries, we will conduct group financing utilizing a cash management system for concentrating fund procurement at specific overseas subsidiaries in Asia, Europe, and the United States and for supplying funds to other subsidiaries. In this manner, we will strive to raise funding efficiency on a consolidated basis, as we work to further enhance our fund management system. In addition, we have established a multi-currency revolving credit facility that allows us to respond to unexpected events and safely meet our funding requirements.

Looking ahead, we will strive to enhance the efficient use of assets and secure funding, taking into consideration cash flows generated from operating activities, the condition of assets, economic conditions, and the financial environment.

As of March 31, 2016, the current ratio was 140% on a consolidated basis, meaning that the Company has maintained financial soundness in terms of liquidity. In addition, the Company and its consolidated subsidiaries have established an adequate liquidity mainly through cash and deposits and the aforementioned credit facility.

Business Risks and Uncertainties

The Company and its consolidated subsidiaries (the “Group”) believe that the following risks and accounting policies may have a material impact on the decision-making of investors with regard to data contained in this annual report.

Forward-looking statements contained in this report are based on the judgment of the Group as of the date of publication.

Risk Associated with Operating Activities

1. Dependence on Specific Customers

The Group consists of the Company, its 741 subsidiaries, and 250 affiliates. The main business line of the Group is the sale of automotive-related and other products in the domestic and overseas markets. In the fiscal year ended March 31, 2016 the Company’s sales to the Toyota Group* accounted for 13.4% of net sales, with sales to Toyota Motor Corporation representing 6.8% of net sales. Therefore, trends in the automobile output of Toyota Motor Corporation may affect the operating results of the Company.

* Toyota Motor Corporation, Toyota Industries Corporation, Aichi Steel Corporation, JTEKT Corporation, Toyota Auto Body Co., Ltd., Aisin Seiki Co., Ltd., DENSO Corporation, Toyota Boshoku Corporation, Toyota Motor East Japan, Inc., Toyoda Gosei Co., Ltd., Hino Motors, Ltd., Daihatsu Motor Co., Ltd. and Toyota Motor Kyushu, Inc.

2. Risk Associated with Customers’ Credit

The Group faces a degree of risk arising from the collection of loans and receivables associated with commercial transactions of our domestic and overseas business customers. While the Group retains an allowance for doubtful accounts based on certain assumptions and estimates concerning customers’ creditability, value of pledge, and general economic situation, until customers complete the fulfillment of their obligations there is no guarantee that customers will repay the debts owed to the Group or that customers will be in a sound financial condition to repay debts owed by each due date.

3. Risk Associated with Commodities

Commodities that the Group deals with in its businesses, such as nonferrous metals, crude oil, petroleum products, rubber, food, and textiles, are vulnerable to uncertainties arising from price fluctuations. While the Group takes various measures to reduce such risks, it may not be possible to completely avoid them.

4. Risk Associated with Business Investment

The Group intends to grow existing businesses, enhance functions, and take on new business through the strengthening of current partnerships or establishment of new partnerships with companies within or outside the Group. Therefore, the Group has established new ventures in partnership with other companies and has also invested in existing companies, and may continue to conduct such investing activities. However, the Group may lose all or part of such investments or be obliged to provide additional funds in the event of a decline in the corporate worth or market value of the shares of invested companies. In such cases, the financial condition and / or results of the business operations of the Group may be adversely affected.

5. Risk Associated with Fluctuations in Interest Rates

A portion of interest-bearing debt of the Group is based on variable interest rates. For a considerable portion of such debt, we are able to absorb the effect of changes in interest rates within working capital. However, a certain portion of interest-bearing debt cannot be hedged against the risk of market fluctuations. Thus, we are susceptible to risk associated with fluctuations in interest rates. The results of the business operations of the Group may therefore be affected by changes in future interest rates.

6. Risk Associated with Exchange Rates

Of the product sales, investment, and other business activities conducted by the Group, transactions denominated in U.S. dollars or other foreign currencies may be affected by changes in exchange rates. While the Group takes measures to constrain the impact of such risks, we may be unable to completely avoid them.

7. Risk Associated with Countries

The Group deals with many overseas counterparts in the trade of foreign products or investment. Therefore, the Group is exposed to risks arising from the manufacturing and purchase of foreign products, such as regulations imposed by foreign governments, political uncertainties, and fund transfer restraints, as well as loss on investment or reduced asset value. Furthermore, export and import activities of the Group are generally affected by competitive conditions arising from international trade barriers, trade conflicts, free trade agreements, and multilateral agreements. While the Group endeavors to avoid the concentration of its business on specific regions or countries, there is the possibility that future losses incurred in specific regions or countries may impact the overall performance of the Group.

8. Competition in Export and International Trade

Major export and other international trade of the Group are conducted in a fiercely competitive environment. The Group competes with domestic and overseas manufacturers and trading companies operating in international markets on a global level. Some of these competitors possess merchandise, technologies, and experience superior to that of the Group. Thus, there is no guarantee that the Group will maintain a competitive edge.

9. Environment-Related Risks

The Group is engaged in businesses in Japan and overseas that are exposed to a broad range of environment-related risks. To mitigate these risks, the Group conducts risk management throughout its supply chain. Specific activities include promoting traceability in the food domain, and enforcing compliance with laws and regulations concerning the handling of hazardous chemical substances in the chemical products domain. Furthermore, the Group's businesses in Japan and overseas are susceptible to various environmental risks associated with waste disposal and other factors. The Group could conceivably incur additional costs in these businesses, due to changes in environmental regulations, environmental pollution caused by natural disasters and other events, or other factors. These and other factors may affect the Group's business performance.

Effect of Natural Disasters and Other Events

The Group conducts sufficient reviews and training regarding the establishment and management of disaster response agencies, in order to safely and rapidly deal with natural disasters such as fires, earthquakes, and floods. For example, as an initiative to minimize the impact of earthquakes and other events on the Group's business operations, the Group conducts inspections and surveys of the seismic structure of its facilities and takes other appropriate measures as necessary.

However, a major, large-scale natural disaster may still have an impact on the Group's business operations.

Significant Accounting Policies and Estimates

The consolidated financial statements of the Group have been prepared in accordance with generally accepted accounting principles and practices in Japan. In producing these consolidated financial statements, the Company recognizes the following critical accounting policies can significantly affect important judgments and estimates the Company has employed to produce the consolidated financial statements of the Group.

Forward-looking statements contained in this report are based on the judgment of the Company and its consolidated subsidiaries (the "Group") as of March 31, 2016.

1. Allowance for Doubtful Accounts

The Group records an allowance for doubtful accounts to cover estimated credit losses resulting from the inability of customers to make required payments. Additional provisions may be required in the event a customer's financial position worsens, thereby weakening repayment ability.

2. Inventories

The Group records as write-offs an amount equal to the difference between cost and estimated fair value based on projected future demand and market conditions. The Group may be required to book additional write-offs in the event that declines in future demand and market conditions exceed its projections.

3. Impairment of Tangible and Intangible Fixed Assets

The Group owns tangible and intangible fixed assets in order to enhance its operational capabilities and expand business. Calculation of the impairment of fixed assets is based on reasonable and supportable assumptions and projections of the grouping of assets, total undiscounted cash flows, and recoverable value, with due consideration for the specific condition of each company. Additional write-offs may be required should losses or an uncollectible amount of book value beyond that reflected in the present book value arise due to a reduction in land prices, the impairment of assets, or other causes.

4. Impairment of Marketable Securities

The Group owns the stock of specific customers and financial institutions in order to ensure continued business. Such stock includes listed stock with highly volatile prices and stock of non-listed companies for which it is difficult to determine fair market value.

For listed stock, an impairment loss is recorded when the stock market price at our closing date falls 30% or more below book value and such decline is deemed to be other than temporary. For the stock of non-listed companies, an impairment loss is recorded when the value of our investment as measured by the non-listed company's net assets declines by 50% or more below book value. Furthermore, additional write-offs may be necessary should losses or an uncollectible amount of book value beyond that reflected in present estimates arise due to market decline or poor performance by the invested company.

5. Deferred Tax Assets

The Group records valuation allowances in order to reduce deferred tax assets to realizable values. Future taxable income and prudent, achievable, and sustainable tax payment schedules are considered in determining the appropriate valuation allowances. An adjusted amount for deferred income tax assets is recorded as a cost in the fiscal year in which it is deemed more likely than not that some portion or all of the deferred tax assets will not be realized. Conversely, in the event tax assets exceeding the net values as recorded in the financial statements are expected to be realized, an adjustment in deferred tax assets is recorded as income in the fiscal year in which the tax assets are expected to be realized.

6. Employee Retirement Benefits

Calculation of costs and obligations from employee retirement benefits is based on actuarial assumptions. These assumptions include discount rates, future levels of compensation, and retirement ratios as well as mortality rates using recent statistical data and long-term returns on pension assets. In the pension system applied to the parent company and its domestic subsidiaries, discount rates are calculated by adjusting the market yield of Japanese government bonds by the number of years during which existing employees receive the pension. The expected long-term return on assets is calculated using the weighted average of the expected long-term return on each category of assets in which the pension assets are invested. The extent to which actual results differ from the assumptions, or the extent to which assumptions are revised, will generally affect recognized expenses or recorded obligations in future periods, since such effects are accumulated and regularly recognized in the future. The amortization of the actuarial difference comprising a portion of pension expenses is a regularly recognized expense of the effect of the change in assumptions and the impact of the difference between assumptions and actual results.

Consolidated Balance Sheets

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
March 31, 2016 and 2015

ASSETS	Millions of Yen 2016	Millions of Yen 2015	Thousands of U.S. Dollars (Note 1) 2016
Current Assets:			
Cash and deposits (Notes 3 and 14)	¥ 408,310	¥ 499,190	$ 3,623,624
Notes and accounts receivable—trade (Notes 3 and 14)	1,198,337	1,346,461	10,634,868
Inventories (Notes 3 and 4)	580,051	683,392	5,147,772
Deferred tax assets (Note 8)	11,600	15,739	102,946
Other (Note 3)	260,679	253,594	2,313,445
Allowance for doubtful accounts	(33,086)	(29,169)	(293,627)
Total current assets	2,425,894	2,769,209	21,529,055
Property, Plant and Equipment (Note 19):			
Land (Note 3)	88,752	97,932	787,646
Buildings and structures (Notes 2 (6) and 3)	349,206	337,434	3,099,094
Machinery, equipment and vehicles (Notes 2 (6) and 3)	485,889	429,538	4,312,113
Leased assets	24,616	28,232	218,459
Construction in progress	32,636	66,199	289,634
Other (Note 3)	42,860	40,623	380,369
Accumulated depreciation (Note 2 (6))	(425,676)	(416,141)	(3,777,742)
Total property, plant and equipment	598,286	583,819	5,309,602
Intangible Assets:			
Goodwill	135,948	170,647	1,206,496
Leased assets	16	27	141
Other	137,832	229,717	1,223,216
Total intangible assets	273,797	400,392	2,429,863
Investments and Other Assets:			
Investment securities (Notes 3, 14 and 15):			
Investments in unconsolidated subsidiaries and affiliates	224,125	257,938	1,989,039
Investments in third parties	306,814	375,058	2,722,878
Long-term loans receivable (Note 14)	25,789	30,342	228,869
Net defined benefit asset (Note 17)	9,694	17,223	86,031
Deferred tax assets (Note 8)	22,833	19,533	202,635
Other	75,128	100,268	666,737
Allowance for doubtful accounts	(10,264)	(20,091)	(91,089)
Total investments and other assets	654,122	780,272	5,805,129
Total assets	¥3,952,100	¥4,533,693	$35,073,659

The accompanying notes are an integral part of the consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of Yen 2016	2015	Thousands of U.S. Dollars (Note 1) 2016
Current Liabilities:			
Notes and accounts payable—trade (Notes 3 and 14)	¥ 867,302	¥ 969,099	$ 7,697,035
Short-term loans payable (Notes 3, 6 and 14)	468,903	608,661	4,161,368
Commercial papers (Notes 6 and 14)	40,000	135,000	354,987
Current portion of bonds (Notes 6 and 14)	26,042	10,000	231,114
Lease obligations (Note 6)	2,717	4,750	24,112
Income taxes payable	27,210	26,806	241,480
Deferred tax liabilities (Note 8)	6,206	6,591	55,076
Other (Notes 2 (10) and (15))	298,808	300,818	2,651,828
Total current liabilities	1,737,191	2,061,727	15,417,030
Non-current Liabilities:			
Bonds payable (Notes 6 and 14)	110,000	116,161	976,215
Long-term loans payable (Notes 3, 6 and 14)	860,583	854,927	7,637,406
Lease obligations (Note 6)	2,851	3,249	25,301
Deferred tax liabilities (Note 8)	85,631	101,102	759,948
Provision for contract loss	1,697	1,941	15,060
Net defined benefit liability (Note 17)	36,917	32,355	327,626
Other (Notes 2 (11), (12), (13) and (15))	61,449	57,744	545,340
Total non-current liabilities	1,159,130	1,167,482	10,286,918
Total liabilities	2,896,322	3,229,210	25,703,958
Net Assets:			
Shareholders' equity (Notes 7 and 27)			
Capital stock:			
Authorized: 1,000,000,000 shares			
Issued: 354,056,516 shares in 2016 and 2015 (Note 26)	64,936	64,936	576,286
Capital surplus	153,725	155,021	1,364,261
Retained earnings	562,417	628,399	4,991,276
Treasury shares—2,217,104 shares in 2016 and 2,366,124 shares in 2015 (Note 26)	(3,623)	(3,858)	(32,152)
Total shareholders' equity	777,455	844,499	6,899,671
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	96,043	137,976	852,351
Deferred gains or losses on hedges	(25,983)	(15,797)	(230,591)
Foreign currency translation adjustment	46,993	154,903	417,048
Remeasurements of defined benefit plans	(5,871)	3,930	(52,103)
Total accumulated other comprehensive income	111,180	281,012	986,687
Subscription rights to shares	37	127	328
Non-controlling interests	167,103	178,844	1,482,987
Total net assets	1,055,777	1,304,483	9,369,692
Total liabilities and net assets	¥3,952,100	¥4,533,693	$35,073,659

Consolidated Statements of Income

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Net Sales	¥8,170,237	¥8,663,460	$72,508,315
Cost of Sales (Note 4)	7,554,195	8,028,888	67,041,134
Gross profit	616,042	634,572	5,467,181
Selling, General and Administrative Expenses (Note 9):			
Commission fee	40,360	37,247	358,182
Traveling and transportation expenses	20,118	20,532	178,541
Communication expenses	4,972	5,027	44,124
Provision of allowance for doubtful accounts	7,802	8,128	69,240
Salaries and allowances	184,676	179,497	1,638,942
Retirement benefit expenses	5,014	5,807	44,497
Welfare expenses	33,141	31,452	294,116
Rent expenses	27,461	26,785	243,707
Depreciation	38,403	39,013	340,814
Taxes and dues	7,696	7,044	68,299
Amortization of goodwill	36,399	36,055	323,029
Other	69,696	68,522	618,530
Total selling, general and administrative expenses	475,742	465,115	4,222,062
Operating income	140,299	169,456	1,245,110
Other Income (Expenses):			
Interest income	8,090	5,969	71,796
Interest expenses	(28,247)	(26,842)	(250,683)
Dividend income	19,850	16,912	176,162
Share of profit (loss) of entities accounted for using equity method	(5,676)	4,060	(50,372)
Foreign exchange loss	(11,074)	(19,910)	(98,278)
Other, net (Notes 10 and 12)	(76,708)	5,848	(680,759)
Total	(93,764)	(13,962)	(832,126)
Profit before Income Taxes	46,535	155,494	412,983
Income Taxes (Note 8):			
Current	57,935	61,087	514,155
Deferred	11,840	(1,031)	105,076
Total income taxes	69,776	60,055	619,240
Profit (loss)	(23,240)	95,438	(206,247)
Profit (loss) attributable to non-controlling interests	20,473	27,866	181,691
Profit (loss) attributable to owners of the parent	¥ (43,714)	¥ 67,571	$ (387,948)

	Yen		U.S. Dollars (Note 1)
Amounts per Share (Notes 2 (21), 25 and 27):			
Earnings per share attributable to owners of the parent:			
Basic	¥(124.26)	¥192.23	$(1.10)
Diluted	—	192.10	—
Cash dividends per share	62.00	56.00	0.55

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Comprehensive Income

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Profit (loss)	¥ (23,240)	¥ 95,438	$ (206,247)
Other Comprehensive Income (Note 20):			
Valuation difference on available-for-sale securities	(41,348)	57,688	(366,950)
Deferred gains or losses on hedges	(12,358)	(10,754)	(109,673)
Foreign currency translation adjustment	(109,726)	50,377	(973,784)
Remeasurements of defined benefit plans	(9,833)	4,971	(87,264)
Share of other comprehensive income of entities accounted for using equity method	(6,737)	10,833	(59,788)
Total other comprehensive income	(180,003)	113,116	(1,597,470)
Comprehensive Income	¥(203,244)	¥208,555	$(1,803,727)
Comprehensive Income Attributable to:			
Comprehensive income attributable to owners of the parent	¥(213,576)	¥175,660	$(1,895,420)
Comprehensive income attributable to non-controlling interests	10,332	32,894	91,693

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Net Assets

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2016 and 2015

	Millions of Yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
As of March 31, 2014	¥64,936	¥154,781	¥584,591	¥(4,508)	¥799,801
Cumulative effects of changes in accounting policies			(1,563)		(1,563)
Restated balance	¥64,936	¥154,781	¥583,028	¥(4,508)	¥798,238
Dividends of surplus (Note 27)			(19,341)		(19,341)
Profit attributable to owners of the parent			67,571		67,571
Purchase of treasury shares				(47)	(47)
Disposal of treasury shares		239		689	929
Net increase (decrease) of consolidated subsidiaries			352		352
Net increase (decrease) of entities accounted for using equity method			(3,347)		(3,347)
Other			134	7	142
Net changes of items other than shareholders' equity					
As of March 31, 2015	¥64,936	¥155,021	¥628,399	¥(3,858)	¥844,499
Dividends of surplus (Note 27)			(20,767)		(20,767)
Loss attributable to owners of the parent			(43,714)		(43,714)
Purchase of treasury shares				(38)	(38)
Disposal of treasury shares		33		273	306
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(1,329)			(1,329)
Net increase (decrease) of consolidated subsidiaries			(305)		(305)
Net increase (decrease) of entities accounted for using equity method			(1,172)		(1,172)
Other			(22)	(0)	(22)
Net changes of items other than shareholders' equity					
As of March 31, 2016	¥64,936	¥153,725	¥562,417	¥(3,623)	¥777,455

	Millions of Yen							
	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
As of March 31, 2014	¥ 78,553	¥ (6,515)	¥ 101,926	¥(1,025)	¥ 172,938	¥371	¥182,968	¥1,156,080
Cumulative effects of changes in accounting policies							152	(1,410)
Restated balance	¥ 78,553	¥ (6,515)	¥ 101,926	¥(1,025)	¥ 172,938	¥371	¥183,120	¥1,154,670
Dividends of surplus (Note 27)								(19,341)
Profit attributable to owners of the parent								67,571
Purchase of treasury shares								(47)
Disposal of treasury shares								929
Net increase (decrease) of consolidated subsidiaries								352
Net increase (decrease) of entities accounted for using equity method								(3,347)
Other								142
Net changes of items other than shareholders' equity	59,423	(9,282)	52,976	4,956	108,074	(244)	(4,276)	103,553
As of March 31, 2015	¥137,976	¥(15,797)	¥ 154,903	¥ 3,930	¥ 281,012	¥127	¥178,844	¥1,304,483
Dividends of surplus (Note 27)								(20,767)
Loss attributable to owners of the parent								(43,714)
Purchase of treasury shares								(38)
Disposal of treasury shares								306
Change in treasury shares of parent arising from transactions with non-controlling shareholders								(1,329)
Net increase (decrease) of consolidated subsidiaries								(305)
Net increase (decrease) of entities accounted for using equity method								(1,172)
Other								(22)
Net changes of items other than shareholders' equity	(41,933)	(10,185)	(107,910)	(9,802)	(169,831)	(89)	(11,740)	(181,662)
As of March 31, 2016	¥ 96,043	¥(25,983)	¥ 46,993	¥(5,871)	¥ 111,180	¥ 37	¥167,103	¥1,055,777

	Thousands of U.S. Dollars (Note 1)				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
As of March 31, 2015	$576,286	$1,375,763	$5,576,845	$(34,238)	$7,494,666
Dividends of surplus (Note 27)			(184,300)		(184,300)
Loss attributable to owners of the parent			(387,948)		(387,948)
Purchase of treasury shares				(337)	(337)
Disposal of treasury shares		292		2,422	2,715
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(11,794)			(11,794)
Net increase (decrease) of consolidated subsidiaries			(2,706)		(2,706)
Net increase (decrease) of entities accounted for using equity method			(10,401)		(10,401)
Other			(195)	(0)	(195)
Net changes of items other than shareholders' equity					
As of March 31, 2016	$576,286	$1,364,261	$4,991,276	$(32,152)	$6,899,671

	Thousands of U.S. Dollars (Note 1)							
	Accumulated other comprehensive income							
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
As of March 31, 2015	$1,224,494	$(140,193)	$1,374,716	$ 34,877	$ 2,493,894	$1,127	$1,587,184	$11,576,881
Dividends of surplus (Note 27)								(184,300)
Loss attributable to owners of the parent								(387,948)
Purchase of treasury shares								(337)
Disposal of treasury shares								2,715
Change in treasury shares of parent arising from transactions with non-controlling shareholders								(11,794)
Net increase (decrease) of consolidated subsidiaries								(2,706)
Net increase (decrease) of entities accounted for using equity method								(10,401)
Other								(195)
Net changes of items other than shareholders' equity	(372,142)	(90,388)	(957,667)	(86,989)	(1,507,197)	(789)	(104,188)	(1,612,193)
As of March 31, 2016	$ 852,351	$(230,591)	$ 417,048	$(52,103)	$ 986,687	$ 328	$1,482,987	$ 9,369,692

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cash Flows

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2016 and 2015

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2016	2015	2016
Cash Flows from Operating Activities:			
Profit before income taxes	¥ 46,535	¥ 155,494	$ 412,983
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:			
Depreciation	81,073	73,354	719,497
Amortization of goodwill	36,399	36,055	323,029
Increase (decrease) in allowance for doubtful accounts	7,830	12,622	69,488
Interest and dividend income	(27,941)	(22,882)	(247,967)
Interest expenses	28,247	26,842	250,683
Share of (profit) loss of entities accounted for using equity method	5,676	(4,060)	50,372
Decrease (increase) in notes and accounts receivable—trade	99,947	2,349	886,998
Decrease (increase) in inventories	67,194	(7,152)	596,325
Increase (decrease) in notes and accounts payable—trade	(61,038)	(46,532)	(541,693)
Other, net	68,063	(8,725)	604,037
Subtotal	351,987	217,367	3,123,775
Interest and dividend income received	45,957	50,026	407,854
Interest expenses paid	(27,910)	(26,558)	(247,692)
Income taxes paid	(61,696)	(71,735)	(547,532)
Net cash provided by (used in) operating activities	308,338	169,100	2,736,403
Cash Flows from Investing Activities:			
Decrease (increase) in time deposits	(8,747)	24	(77,626)
Purchase of property, plant and equipment	(107,221)	(115,842)	(951,553)
Proceeds from sales of property, plant and equipment	21,196	11,508	188,107
Purchase of intangible assets	(17,101)	(22,307)	(151,766)
Proceeds from sales of intangible assets	704	460	6,247
Payment for purchase of investment securities and investments in capital	(27,459)	(51,313)	(243,690)
Proceeds from sales of investment securities and investments in capital	8,467	8,557	75,141
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(33,099)	(923)	(293,743)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	12	100	106
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(17)	(60)	(150)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	368	1,494	3,265
Payments of loans receivable	(23,740)	(27,712)	(210,685)
Collection of loans receivable	16,008	14,402	142,066
Purchase of shares of subsidiaries	—	(18,517)	—
Other, net	(210)	617	(1,863)
Net cash provided by (used in) investing activities	(170,839)	(199,512)	(1,516,143)
Cash Flows from Financing Activities:			
Net increase (decrease) in short-term loans payable	(206,487)	14,986	(1,832,507)
Proceeds from long-term loans payable	159,802	213,002	1,418,193
Repayments of long-term loans payable	(141,420)	(113,745)	(1,255,058)
Proceeds from issuance of bonds	20,000	31,998	177,493
Redemption of bonds	(10,000)	(1,144)	(88,746)
Purchase of treasury shares	(38)	(47)	(337)
Proceeds from share issuance to non-controlling shareholders	509	2,512	4,517
Cash dividends paid	(20,767)	(19,341)	(184,300)
Dividends paid to non-controlling interests	(16,078)	(15,524)	(142,687)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(5,197)	—	(46,121)
Other, net	(5,524)	(4,450)	(49,023)
Net cash provided by (used in) financing activities	(225,202)	108,247	(1,998,597)
Effect of exchange rate change on cash and cash equivalents	(17,632)	7,999	(156,478)
Net increase (decrease) in cash and cash equivalents	(105,336)	85,834	(934,824)
Cash and cash equivalents at beginning of period	499,157	412,032	4,429,863
Cash and cash equivalents from newly consolidated subsidiaries at the beginning of the year	5,370	1,290	47,657
Cash and cash equivalents at end of period	¥ 399,191	¥ 499,157	$ 3,542,696
Reconciliation Between Cash and Cash Equivalents and Cash and Deposits in the Consolidated Balance Sheets:			
Cash and deposits in the consolidated balance sheets	¥ 408,310	¥ 499,190	$ 3,623,624
Time deposits over 3 months	(9,119)	(32)	(80,928)
Cash and cash equivalents in the consolidated statements of cash flows	¥ 399,191	¥ 499,157	$ 3,542,696

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries

NOTE 1. BASIS OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements of TOYOTA TSUSHO CORPORATION ("the Company") and its consolidated subsidiaries have been prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the original consolidated financial statements in Japanese prepared by the Company as required by the Financial Instruments and Exchange Law of Japan. Certain items presented in the original consolidated financial statements in Japanese have been reclassified for the convenience of readers outside Japan. The account reclassification, however, has no effect on shareholders' equity, net sales or profit (loss) attributable to owners of the parent.

In the accompanying consolidated financial statements, which are stated in Japanese yen, the currency of the country in which the Company is incorporated and principally operates, amounts less than ¥1 million are rounded down, consistent with the original consolidated financial statements in Japanese. The translations of Japanese yen amounts into U.S. dollar amounts with respect to the year ended March 31, 2016 are included solely for the convenience of readers outside Japan and have been made at the rate of ¥112.68 = U.S.$1, the rate prevailing on March 31, 2016, which was the final business day of financial institutions in fiscal 2016. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its significant domestic and overseas subsidiaries. All significant inter-company transactions and accounts have been eliminated. Investments in principal unconsolidated subsidiaries and affiliates are accounted for by the equity method. The Company determined its unconsolidated subsidiaries and affiliates in conformity with the accounting principles and practices under the control and influence approach in addition to determination by share of ownership. The difference between the cost of investments in subsidiaries and the equity in the fair value of their net assets at dates of acquisition is amortized over periods of 20 years or less using the straight-line method, with minor exceptions.

The number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates at March 31, 2016 was as follows:

Information regarding the Company's principal consolidated subsidiaries and affiliates accounted for using equity method is listed under "Principal Consolidated Subsidiaries and Affiliates by Equity Method."

	2016
Consolidated subsidiaries	698
Unconsolidated subsidiaries and affiliates, accounted for using equity method	233
Unconsolidated subsidiaries and affiliates, stated at cost	60

For the year ended March 31, 2016, 54 subsidiaries were newly added to the scope of consolidation and 18 subsidiaries were excluded from the scope of consolidation. In addition, 20 unconsolidated subsidiaries and affiliates were newly added to the scope of consolidation under the equity method and 23 unconsolidated subsidiaries and affiliates were excluded from the scope of consolidation under the equity method.

Investments in unconsolidated subsidiaries and affiliates not accounted for using equity method are stated at cost due to their insignificant effect on the consolidated financial statements.

Of the Company's consolidated subsidiaries, fiscal year-ends of 371 subsidiaries in 2016 are different from the Company's fiscal year-end. If the fiscal year-ends of these subsidiaries are three months or less prior to the Company's fiscal year-end, the Company uses the financial statements of the subsidiaries as of their fiscal year-ends and for the years then ended for consolidated accounting purposes and significant transactions occurring between subsidiaries' year-ends and the Company's year-end are adjusted upon consolidation. As for subsidiaries whose fiscal year-ends are more than three months prior to the Company's fiscal year-end, the Company uses the preliminary financial statements, with reasonable adjustments that would have been made to conform to financial statements as of the Company's fiscal year-end and for the year then ended, for consolidated accounting purposes.

For consolidated subsidiaries whose fiscal years ended on December 31, the Company previously used the financial statements of these subsidiaries as of their respective fiscal year-ends with significant transactions occurring between the subsidiaries' fiscal year-ends and the Company's fiscal year-end adjusted upon consolidation. For the year ended March 31, 2016, the Company has changed the basis of consolidation for Elematec (Shanghai) Trading Co., Ltd. and eight other consolidated subsidiaries by adopting preliminary financial statements prepared based on a provisional closing of their accounts as of the Company's fiscal year-end, in order to disclose financial information more appropriately. In line with this change, in the fiscal year ended March 31, 2016, the accounts of these subsidiaries have been consolidated for the 15-month period from January 1, 2015 to March 31, 2016 and adjusted in the consolidated statements of income accordingly.

For consolidated subsidiaries whose fiscal years ended on January 31, the Company previously used the financial statements of these subsidiaries as of their respective fiscal year-ends with significant transactions occurring between the subsidiaries' fiscal year-ends and the Company's fiscal year-end adjusted upon consolidation. For the year ended March 31, 2016, Fukusuke Corporation and two other consolidated subsidiaries whose fiscal year-ends were January 31 changed their fiscal year-ends to March 31. In line with this change, in the fiscal year ended March 31, 2016, the accounts of these subsidiaries have been consolidated for the 14-month period from February 1, 2015 to March 31, 2016 and adjusted in the consolidated statements of income accordingly.

As a result, for the fiscal year ended March 31, 2016, net sales increased by ¥16,294 million ($144,604 thousand), gross profit increased by ¥2,131 million ($18,911 thousand), operating income increased by ¥161 million ($1,428 thousand) and profit before income taxes decreased by ¥737 million ($6,540 thousand).

Overseas consolidated subsidiaries adopt accounting principles generally accepted in their respective countries, but the necessary adjustments have been made to their financial statements in consolidation to conform with accounting principles generally accepted in Japan.

(2) Cash equivalents

The Company considers time deposits with maturity of three months or less at the time of acquisition and short-term, highly liquid investments that are readily convertible to be cash equivalents.

(3) Investments and marketable securities

The accounting standard for financial instruments requires that securities be classified into three categories: trading, held-to-maturity or available-for-sale. However, due to the fact that the Company shall not hold securities for the purpose of trading, trading is not applicable.

Held-to-maturity securities

Amortized cost method

Available-for-sale securities

Securities with market price

Fair value based on the market price on balance sheet dates (Valuation difference on these securities are reported as a separate item in net assets, net of applicable income taxes. Sales costs are principally determined by the moving average method)

Securities without market price

At cost, determined principally by the moving average method

(4) Derivatives

Derivatives are mainly valued at fair value, if hedge accounting is not appropriate or where there is no hedging designation, and the gains and losses on derivatives are recognized in current earnings.

(5) Inventories

Inventories held for sale in the ordinary course of business

Principally stated at cost, determined by the moving average method (for the book value of inventories on the balance sheet, by writing the inventories down based on their decrease in profitability of assets); however, the cost of merchandise for export and import is principally determined by the identified cost method

Inventories held for trading

At fair value

(6) Depreciation method for depreciable assets

Property, plant and equipment other than leased assets are principally depreciated by the straight-line method.

As stated in "Changes in accounting policy not easily distinguished from changes in accounting estimates," effective the fiscal year ended March 31, 2016, the Company and its consolidated subsidiaries in Japan have changed their depreciation method from the declining balance method to straight-line method.

Details of accumulated depreciation on the accompanying consolidated balance sheets are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Buildings and structures	¥152,174	¥148,604	$1,350,496
Machinery, equipment and vehicles	231,782	225,574	2,056,993
Leased property	13,856	14,490	122,967
Other property, plant and equipment	27,862	27,471	247,266
Total accumulated depreciation	¥425,676	¥416,141	$3,777,742

The number of years over which the asset is depreciated and the treatment of residual value are principally determined according to the same standards set out in the Corporation Tax Act of Japan. Expenditure on maintenance and repairs is charged to expense as incurred. Upon the disposal of property, plant and equipment, the cost and accumulated depreciation are removed from the related accounts and any gain or loss is recorded as income or expense.

Certain property, plant and equipment were acquired using subsidies received from the national treasury. The amounts deducted from the cost of property, plant and equipment as of March 31, 2016 and 2015 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Buildings and structures	¥ 2,520	¥ 2,674	$ 22,364
Machinery, equipment and vehicles	32,399	34,411	287,531
Total	¥34,920	¥37,085	$309,904

Intangible assets other than leased assets are amortized by the straight-line method.

Leased assets under the finance lease transactions without ownership transfer is depreciated over the lease term by the straight-line method with no salvage value.

(7) Impairment on non-current assets

Calculation of the impairment on non-current assets is based on reasonable and supportable assumptions and projections of the grouping of assets, total undiscounted cash flows and recoverable value, with due consideration for the specific condition of each group of assets.

The recoverable amount of assets is calculated mainly based on the appraisal or the publicly assessed value of land.

(8) Bond issue costs

Bond issue costs are charged to expense as incurred.

(9) Allowance for doubtful accounts

Allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss for doubtful or troubled receivables and a general reserve for other receivables calculated based on the historical loss experienced for a certain past period.

(10) Provision for directors' bonuses

To prepare for the payment of bonuses to directors and corporate auditors, the provision which should be attributable to this fiscal year of expectable payment amounts was recognized.

Accordingly, ¥328 million ($2,910 thousand) and ¥748 million were included in current liabilities—other on the accompanying consolidated balance sheets as of March 31, 2016 and 2015, respectively.

(11) Directors' and corporate auditors' retirement benefits

To prepare for the payment of retirement benefits for directors and corporate auditors, the provision is recognized on the accompanying consolidated balance sheets in accordance with internal rules.

Accordingly, ¥678 million ($6,017 thousand) and ¥528 million were included in non-current liabilities—other on the accompanying consolidated balance sheets as of March 31, 2016 and 2015, respectively.

(12) Provision for loss on guarantees

To cover possible losses associated with acceptances and guarantees that the Company provided to third parties, the Company assesses the financial standing of each guaranteed party and records an estimated allowance for such losses based on the estimated exposure.

Accordingly, ¥55 million ($488 thousand) and ¥756 million were included in non-current liabilities—other on the accompanying consolidated balance sheets as of March 31, 2016 and 2015, respectively.

(13) Provision for loss on allowance for liquidation of affiliated companies

To cover possible losses for the liquidation and the sale of its subsidiaries and affiliates, the Company records an estimated allowance for such losses.

Accordingly, ¥523 million ($4,641 thousand) and ¥3,104 million were included in non-current liabilities—other on the accompanying consolidated balance sheets as of March 31, 2016 and 2015, respectively.

(14) Provision for contract loss

To cover possible losses for the future performance of contract, the Company records an estimated allowance for such losses.

(15) Provision for loss on litigation

To cover possible future losses for litigation, the Company records an estimated allowance for such losses.

Accordingly, ¥616 million ($5,466 thousand) and ¥1,007 million were included in current liabilities—other and ¥380 million ($3,372 thousand) and ¥727 million were included in non-current liabilities—other on the accompanying consolidated balance sheets as of March 31, 2016 and 2015, respectively.

(16) Employee retirement benefits

To calculate retirement benefit obligations, the benefit formula is used for attributing expected retirement benefits to periods through March 31, 2016.

Past service costs are mainly charged to expense as incurred.

The actuarial difference is mainly amortized using the straight-line method mainly over 12 years, within the average number of years remaining before retirement of the Company's and its consolidated subsidiaries' employees, and is recorded as an expense from the subsequent year in which it arises.

(17) Translation of foreign currency assets and liabilities

Foreign currency assets and liabilities are translated into Japanese yen at the prevailing rate in the foreign currency market on the balance sheet dates, and the translation difference is accounted for as a gain or loss.

The assets and liabilities of overseas subsidiaries and affiliates are also translated into Japanese yen at the prevailing rate in the foreign currency market on the respective balance sheet dates, shareholders' equity is translated at the historical rates and income and expenses are translated at the average exchange rates during the year. The resulting translation difference is accounted for as foreign currency translation adjustment and non-controlling interests in consolidated subsidiaries.

(18) Accounting methods for hedges

1. Accounting methods for hedges

Hedges are principally accounted for by the deferred hedge method.

2. Hedge methods and targets

Hedge methods

a. Forward exchange contracts
b. Interest rate swap contracts
c. Commodity future and forward contracts

Hedge targets

a. Foreign currency transactions
b. Interest on deposits and loans
c. Commodity transactions in the nonferrous metal, crude oil, petroleum products, foodstuffs, cotton and other markets

3. Hedge policy

The implementation and management of hedge transactions are carried out to hedge risk fluctuation based on internal regulations that specify transaction limits. In addition to monthly reports on hedge transaction balances made directly to the Company management, reports are also submitted to the Administrative Division.

4. Method of evaluating the effectiveness of hedges

The effectiveness of a hedge is determined by comparing the movement in market prices for the hedge method and hedge target instruments and by comparing the changes in cumulative cash flow to determine the degree of correlation between the two instruments in order to qualify for such deferred hedge accounting.

5. Others

The Company believes that, due to its selection of foreign and domestic exchanges and financial institutions with high credit ratings as its counter parties in hedge transactions, there is almost no credit risk involved.

(19) Consumption taxes

The consumption taxes withheld by the Company and its consolidated subsidiaries on sales of goods and services is not included in the amount of net sales in the accompanying consolidated statements of income, and the consumption taxes paid by the Company and its consolidated subsidiaries on purchases of goods and services and expenses is not included in the related amount.

(20) Income taxes

Income taxes are accounted for in accordance with the accounting standard for income taxes, which requires recognizing the deferred taxes under the asset and liability method. Under the accounting standard, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases, and measured using the statutory tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date.

(21) Per share data

Basic earnings per share is computed by dividing profit (loss) available to common shareholders by the weighted average number of shares of common stock outstanding during the respective years. Diluted earnings per share is computed as if warrants or stock options were exercised at the beginning of the relevant year or (if later) on their first exercise date and as if the funds obtained thereby were used to purchase common stock at the average market price during the respective years under the treasury stock method.

Cash dividends per share shown for each fiscal year in the accompanying consolidated statements of income represent dividends declared as applicable to the respective years.

(22) Changes in accounting policies

(Accounting standards for business combinations)

Effective the fiscal year ended March 31, 2016, the Company has adopted the "Accounting Standard for Business Combinations" (the Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and other applicable standards. In line with this, accounting method for change in the Company's equity interests in a subsidiary was changed to a new method under which, when the Company still holds control over the subsidiary even after the change in equity interests, gains or losses resulting from the change in equity interests are recorded in capital surplus; and the acquisition-related costs are expensed in the fiscal year when it is incurred. In addition, for business combination implemented on or after the beginning of the year ended March 31, 2016, the Company changed to a new method under which adjustments to provisional values of allocated acquisition costs are reflected in the financial statements for the fiscal year which encompasses the effective date of business combination. Furthermore, some changes were made to presentation of net income for the fiscal year, and the accounting title of minority interests was changed to non-controlling interests. Financial statements for the year ended March 31, 2015 have been recast to reflect these presentation changes.

Also from the fiscal year ended March 31, 2016, payments for purchase or proceeds from sales of shares of subsidiaries that do not result in change in scope of consolidation have been presented in cash flows from financing activities, and cash out flows from acquisition related costs for acquisitions of shares of subsidiaries with change of scope of consolidation and cash out flows from acquisition or sale related costs for shares of subsidiaries without change of scope of consolidation have been presented in cash flows from operating activities on consolidated statements of cash flows.

These accounting standards were adopted at the beginning of the fiscal year ended March 31, 2016, and are applied to the transactions took place on and after the adoption date with transitional treatments stipulated in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures.

As a result, operating income and profit before income taxes decreased by ¥266 million ($2,360 thousand) and ¥300 million ($2,662 thousand) for the year ended March 31, 2016, respectively, while capital surplus as of March 31, 2016 decreased by ¥1,329 million ($11,794 thousand).

The effect on net assets per share and earnings per share for the year ended March 31, 2016 was immaterial.

There is no effect on diluted earnings per share for the year ended March 31, 2016, though there have been dilutive potential shares, because a loss attributable to owners of the parent was recorded for the period.

(23) Changes in accounting policy not easily distinguished from changes in accounting estimates

(Changes in depreciation of property, plant and equipment)

The Company and its consolidated subsidiaries in Japan previously depreciated property, plant and equipment mainly using the declining balance method. Effective the fiscal year ended March 31, 2016, however, the depreciation method was changed to the straight-line method.

Property, plant and equipment held by overseas subsidiaries and those depreciated using the straight-line method have been relatively increasing as a result of promoting strategic partnering aiming at realizing the GLOBAL 2020 VISION formulated in 2011. In light of this, the Company reviewed the depreciation method for property, plant and equipment in the context of alignment of the Group accounting policies and higher appropriateness in periodic accounting of profit and loss.

As a result, the Company recognized that depreciation with the straight-line method would reflect the actual condition of the Group operations further accurately, as the property, plant and equipment held by the Company and its consolidated subsidiaries in Japan are constantly utilized over useful life. Consequently, the Company and its consolidated subsidiaries in Japan changed the main depreciation method for property, plant and equipment to the straight-line method.

The effect of this change on operating income and profit before income taxes for the year ended March 31, 2016, was ¥659 million ($5,848 thousand) higher compared with what would have been under the previous method.

(24) Accounting standard issued but not yet adopted

Revised Implementation Guidance on Recoverability of Deferred Tax Assets

1. Overview

The "Revised Implementation Guidance on Recoverability of Deferred Tax Assets" (ASBJ Guidance No. 26, March 28, 2016, hereinafter, the "Revised Guidance on Recoverability of Deferred Tax Assets") was set forth by the ASBJ upon transfer of the "Implementation Guidance on Tax Effect Accounting and the Audit Implementation Guidance on Tax Effect Accounting (sections on accounting treatment)" from the Japanese Institute of Certified Public Accountants ("JICPA") to the ASBJ.

The Revised Guidance on Recoverability of Deferred Tax Assets provides guidance on the recoverability of deferred tax assets when implementing the "Accounting Standard for Tax Effect Accounting" (the Business Accounting Council), in conformity with the guidance on recoverability as set forth in "The Auditing Treatment on Determining the Recoverability of Deferred Tax Assets" (JICPA Audit Committee Report No. 66), which provides a framework for dividing companies into five categories and the accounting treatment when determining the amount to record for deferred tax assets by each category.

To conform to this framework, the ASBJ guideline was revised to provide the criteria for categorizing the companies and update part of the accounting treatment for determining the amount to record for tax deferred assets as necessary.

(Revised categorization criteria and accounting treatment of the amount to record for tax deferred assets)

- Accounting treatment of companies that do not fulfill any of the sorting criteria for Category 1 through Category 5
- Sorting criteria for Category 2 and Category 3
- Accounting treatment of the temporary differences on unschedulable future impairment losses for companies that fall into Category 2
- Accounting treatment of the rationally estimable period of taxable income before gain or loss on temporary differences and other adjustments for companies that fall into Category 3
- Accounting treatment of companies fulfilling the sorting criteria for Category 4 that also fall into Category 2 or Category 3

2. Expected adoption date

The Company will adopt this guidance as of April 1, 2016, from the beginning of the consolidated fiscal year ending March 31, 2017.

3. Effects of adopting the revised accounting standards and guidance

The effect of the Revised Implementation Guidance on Recoverability of Deferred Tax Assets on the consolidated financial statements is currently being evaluated.

NOTE 3. PLEDGED ASSETS

Pledged assets as collateral as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Cash and deposits	¥ 19,061	¥ 6,733	$ 169,160
Notes and accounts receivable—trade	6,538	5,655	58,022
Inventories	2,000	2,310	17,749
Current assets—other	15,875	17,814	140,885
Buildings and structures	25,004	15,984	221,902
Machinery, equipment and vehicles	126,620	71,653	1,123,713
Land	1,388	2,290	12,318
Property, plant and equipment—other	11,341	31,834	100,647
Investment securities	9,954	8,340	88,338
Total	¥217,785	¥162,618	$1,932,774

Collateral secured obligations as of March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Notes and accounts payable—trade	¥ 224	¥ 221	$ 1,987
Short-term loans payable	13,999	10,269	124,236
Long-term loans payable	143,379	108,983	1,272,444
Total	¥157,603	¥119,474	$1,398,677

NOTE 4. INVENTORIES

Inventories by major classification were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Merchandise and finished goods	¥549,587	¥643,461	$4,877,413
Work in process	5,821	8,524	51,659
Raw materials and supplies	24,643	31,407	218,698
Total	¥580,051	¥683,392	$5,147,772

The book value of inventories as of March 31, 2016 and 2015 is stated after the write-downs of inventories due to decrease in profitability of assets. The loss on write-downs of inventories of ¥648 million ($5,750 thousand) and ¥806 million was included in cost of sales for the years ended March 31, 2016 and 2015, respectively.

NOTE 5. MULTI-CURRENCY REVOLVING FACILITIES AND COMMITMENT LINES

The Company maintains a line of credit in the form of multi-currency revolving facilities provided by ten financial institutions in order to obtain required funds should unexpected events arise.

As of March 31, 2016 and 2015, the unused line of credit of the multi-currency revolving facilities was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Maximum line of credit of the multi-currency revolving facilities	¥50,000	¥20,000	$443,734
Less: outstanding drawdown on revolving facilities	—	—	—
Balance	¥50,000	¥20,000	$443,734

In addition, certain consolidated subsidiaries enter into commitment line contracts with financial institutions for the flexibility and safety of their funding activities. The unused balances of commitment lines at March 31, 2016 and 2015 were as follows:

	Millions of Currency		Thousands of U.S. Dollars
	2016	2015	2016
Maximum line of credit of the commitment line contracts	¥10,000 and Euro 400	¥10,000 and Euro 400	$ 88,746 453,319
Less: outstanding drawdown on commitment line contracts	Euro 130	Euro 35	147,328
Balance	¥10,000 and Euro 270	¥10,000 and Euro 365	$ 88,746 305,990

NOTE 6. INTEREST-BEARING DEBT

Short-term loans payable

The average annual interest rates applicable to short-term loans, principally from banks, outstanding at March 31, 2016 and 2015 were 2.49% and 1.86%, respectively.

Commercial papers

The average annual interest rates applicable to commercial papers outstanding at March 31, 2016 and 2015 were 0.08% and 0.10%, respectively.

Summary of bonds payable, long-term loans payable and lease obligations

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
1.09% straight bonds due 2015	¥ —	¥ 10,000	$ —
Floating rate straight bonds due 2016 (Note 1)	10,000	10,000	88,746
2.26% straight bonds due 2016	15,000	15,000	133,120
1.35% straight bonds due 2021	30,000	30,000	266,240
0.81% straight bonds due 2023	15,000	15,000	133,120
1.01% straight bonds due 2025	15,000	15,000	133,120
0.95% straight bonds due 2026	15,000	15,000	133,120
1.27% straight bonds due 2029	15,000	15,000	133,120
0.74% straight bonds due 2025	10,000	—	88,746
1.57% straight bonds due 2033	10,000	—	88,746
3.98% private placement bonds due 2016 (Note 2)	1,042 (RMB59,970)	1,161 (RMB59,974)	9,255
Long-term loans payable, principally from commercial and trust banks and insurance companies, maturing serially through 2036 (Note 3)	964,169	965,032	8,556,700
Lease obligations maturing serially through 2024	5,569	8,000	49,423
Total	1,105,781	1,099,194	9,813,462
Less: current portion (Note 4)	(132,345)	(124,855)	(1,174,520)
	¥ 973,435	¥ 974,338	$ 8,638,933

Notes: 1. The annual rate was 2.20% for the 1st year and 20-year swap rate minus 2-year swap rate plus 0.20% for the 2nd year and after. In case the result of the above calculation is below zero, it should be zero percentage.
2. Toyota Tsusho (Shanghai) Co.,Ltd., overseas consolidated subsidiary, issued the bond offered through private placement in China.
3. The average annual interest rates applicable to long-term loans payable (current portion) outstanding at March 31, 2016 and 2015 were 1.33% (1.81%) and 1.45% (2.08%), respectively.
4. The average annual interest rate of lease obligations was not presented because the lease obligations were booked on the consolidated balance sheets before deducting the interest amount included in the aggregate lease payments.

The aggregate annual maturities of bonds payable, long-term loans payable and lease obligations at March 31, 2016 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2016	2016
2017	¥ 132,345	$1,174,520
2018	132,029	1,171,716
2019	139,078	1,234,274
2020	108,535	963,214
2021	127,193	1,128,798
2022 and thereafter	466,599	4,140,921
Total	¥1,105,781	$9,813,462

NOTE 7. SHAREHOLDERS' EQUITY

Under the Companies Act of Japan, which came into force on May 1, 2006, amounts equal to at least 10% of dividends made as an appropriation of retained earnings must be set aside as a legal reserve until a total amount of additional paid-in capital and such reserve equals 25% of common stock.

In consolidation, the legal reserves of consolidated subsidiaries are accounted for as retained earnings. And, the legal reserves of the parent company are included in consolidated retained earnings in the current term in accordance with the consolidated financial statement regulations.

Dividends are approved by the shareholders at an annual general shareholders' meeting held subsequent to the fiscal year to which the dividend is applicable.

In addition, an interim dividend may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Corporate Law of Japan.

NOTE 8. INCOME TAXES

As of March 31, 2016 and 2015, tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Deferred tax assets:			
Unrealized profit	¥ 2,467	¥ 3,599	$ 21,893
Allowance for doubtful accounts	7,480	7,582	66,382
Net defined benefit liability	7,921	8,529	70,296
Directors' and corporate auditors' retirement benefits	231	238	2,050
Provision for employees' bonuses	5,309	5,766	47,115
Write-down of investment securities	9,997	7,163	88,720
Write-down of investment in subsidiaries and affiliates	16,963	5,098	150,541
Net operating loss carryforward	34,544	24,145	306,567
Others	37,249	33,781	330,573
Subtotal	122,164	95,905	1,084,167
Valuation allowance	(69,406)	(29,393)	(615,956)
Total deferred tax assets	52,758	66,512	468,210
Deferred tax liabilities:			
Valuation of assets and liabilities of consolidated subsidiaries on acquisition	(24,637)	(30,781)	(218,645)
Gain on valuation of investment securities	(4,019)	(4,487)	(35,667)
Valuation difference on available-for-sale securities	(40,346)	(60,872)	(358,058)
Depreciation of property, plant and equipment	(9,350)	(9,877)	(82,978)
Others	(31,809)	(32,915)	(282,294)
Total deferred tax liabilities	(110,162)	(138,933)	(977,653)
Net deferred tax liabilities	¥ (57,403)	¥ (72,421)	$ (509,433)

Net deferred tax liabilities are included in the consolidated balance sheets as of March 31, 2016 and 2015 as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Current assets—deferred tax assets	¥ 11,600	¥ 15,739	$ 102,946
Investments and other assets—deferred tax assets	22,833	19,533	202,635
Current liabilities—deferred tax liabilities	(6,206)	(6,591)	(55,076)
Non-current liabilities—deferred tax liabilities	(85,631)	(101,102)	(759,948)

Reconciliation items of difference between the Japanese statutory effective tax rate and actual effective income tax rate for the year ended March 31, 2016 and 2015 were as follows:

	Percentage of pretax income	
	2016	2015
Japanese statutory effective tax rate	32.8%	35.3%
Increase (decrease) due to:		
Permanently nondeductible expenses	2.8	1.6
Permanently nontaxable income	(4.6)	(1.0)
Equity in earnings of unconsolidated subsidiaries and affiliates	4.5	0.6
Differences of tax rates for overseas consolidated subsidiaries	(2.0)	(5.3)
Valuation allowance	81.5	(1.3)
Amortization of goodwill	29.4	8.7
Others	5.5	0.0
Actual effective income tax rate	149.9%	38.6%

(Revision of amounts of deferred tax assets and deferred tax liabilities due to change in corporate tax rate)

Following the enactment of the law “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 15 of 2016) and “Act for Partial Revision of the Local Taxation Act, etc.” (Act No. 13 of 2016) by the National Diet of Japan on March 29, 2016, revised corporation tax rate will be imposed from the consolidated fiscal years beginning on or after April 1, 2016.

Accordingly, the effective tax rate applied to the calculation of deferred tax assets and liabilities was lowered from 32.8% to 30.7% for temporary differences expected to be reversed in the fiscal year that began April 1, 2016, as well as in the fiscal year beginning April 1, 2017. The rate applied to temporary differences expected to be reversed from the fiscal year beginning April 1, 2018 onward will be lowered to 30.5%.

As a result, the amount of deferred tax liabilities (the amount remaining after deducting deferred tax assets) and deferred gains or losses on hedges decreased by ¥1,919 million yen ($17,030 thousand) and ¥62 million yen ($550 thousand), respectively, while income taxes—deferred, investment securities and valuation difference on available-for-sale securities increased by ¥37 million yen ($328 thousand), ¥73 million yen ($647 thousand) and ¥2,092 million yen ($18,565 thousand), respectively, for the current consolidated fiscal year.

NOTE 9. RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2016 and 2015 were ¥478 million ($4,242 thousand) and ¥537 million, respectively.

NOTE 10. OTHER INCOME (EXPENSES)

Details of Other, net, included in Other Income (Expenses) for the years ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Gain on sales of non-current assets	¥ 4,227 (Note 1)	¥ 2,917 (Note 4)	$ 37,513
Loss on disposal of non-current assets	(2,462) (Note 2)	(1,659) (Note 5)	(21,849)
Impairment loss (Note 12)	(64,859)	(3,942)	(575,603)
Gain on sales of investment securities and investments in capital	5,557	6,257	49,316
Loss on sales of investment securities and investments in capital	(1,427)	(270)	(12,664)
Loss on valuation of investment securities and investments in capital	(8,502)	(3,723)	(75,452)
Loss on valuation of memberships	(99)	(21)	(878)
Gain on sales of golf memberships	2	—	17
Gain on liquidation of subsidiaries and associates	421	276	3,736
Loss on liquidation of subsidiaries and associates	(7)	(661)	(62)
Bad debts written off	(4,398)	—	(39,030)
Allowance for doubtful accounts	—	(4,486)	—
Gain on reversal of provision for loss on guarantees	7	12	62
Provision for loss on guarantees	(22)	(441)	(195)
Gain on reversal of allowance for liquidation of affiliated companies	743	30	6,593
Loss on provision for liquidation of affiliated companies	(242)	(3,010) (Note 6)	(2,147)
Provision for loss on litigation	—	(528)	—
Provision for contract loss	(77)	—	(683)
Gain on bargain purchase	262	10,856 (Note 7)	2,325
Gain on reversal of subscription rights to shares	17	87	150
Loss on change in equity	—	(247)	—
Loss on cancellation of contract	(8,288) (Note 3)	(580)	(73,553)
Customs duties for prior periods	—	(1,635)	—
Special retirement expenses	(2,409)	—	(21,379)
Other, net	4,851	6,621	43,051
Total	¥(76,708)	¥ 5,848	$(680,759)

Notes: 1. The Company and its consolidated subsidiaries recorded mainly gain on sales of land and buildings.
2. The Company and its consolidated subsidiaries recorded mainly loss on sales of intangible assets—other.
3. The Company and its consolidated subsidiaries recorded the estimated amount of loss arising from contract cancellation at a subsidiary in North America.
4. The Company and its consolidated subsidiaries recorded mainly gain on sales of land.
5. The Company and its consolidated subsidiaries recorded mainly loss on disposal of machinery and equipment.
6. The Company has primarily recorded the amount of losses it expects to incur in connection with the withdrawal of a subsidiary from a business in Oceania.
7. Represents the lump-sum amortization of a gain on bargain purchase arising from the conversion of a domestic subsidiary into a wholly owned subsidiary.

NOTE 11. CONTINGENT LIABILITIES

Contingent liabilities as of March 31, 2016 and 2015 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2016	2016
Discounted exports bills	¥17,768	$157,685
For guarantees of indebtedness to:		
Sales de Jujuy S.A.	¥22,910	$203,319
P.T. Astra Auto Finance	2,737	24,290
Kobe Aluminum Automotive Products, LLC	1,790	15,885
Goreway Station Partnership	1,692	15,015
Nippon Mobile Hydrogen Station Services, LLC	1,636	14,518
Other 59 companies	20,875	185,259
Subtotal	51,643	458,315
Provision for guarantees	(55)	(488)
Total	¥51,588	$457,827

	Millions of Yen
	2015
Discounted exports bills	¥26,091
For guarantees of indebtedness to:	
Sales de Jujuy S.A.	¥25,627
Kobe Aluminum Automotive Products, LLC	8,419
P.T. Astra Auto Finance	6,729
Greencol Taiwan Corporation	4,205
Chengdu Kobelco Construction Machinery Financial Leasing Ltd.	1,606
Other 62 companies	27,059
Subtotal	73,647
Provision for guarantees	(756)
Total	¥72,891

NOTE 12. IMPAIRMENT LOSS

In calculating impairment loss, the assets are grouped at the smallest identifiable unit that generates cash flows that are largely independent of the cash flows of other assets and liabilities.

1. For the year ended March 31, 2016

During the year ended March 31, 2016, the Company and its consolidated subsidiaries recognized impairment loss amounting to ¥64,859 million ($575,603 thousand) as other expense in the consolidated statements of income by devaluating the book value of the business-use and other assets whose profitability significantly declined, and the business-use assets and the other assets whose disposal were decided to their recoverable amounts.

The details of impairment loss for the year ended March 31, 2016 were as follows:

			Millions of Yen	Thousands of U.S. Dollars
Location	Use	Type of assets	2016	2016
Kyushu area	2 Business-use assets	Land and buildings, etc.	¥ 5,171	$ 45,891
Australia	3 Business-use assets	Intangible assets—other, etc.	46,340	411,253
Canada	1 Business-use asset	Intangible assets—other	7,009	62,202
India	2 Business-use assets	Machinery and equipment, etc.	4,756	42,208
Malaysia	1 other asset	Goodwill	773	6,860
Kazakhstan	1 other asset	Goodwill	681	6,043
Other areas	15 Business-use assets	Land and buildings, etc.	126	1,118
Total			¥64,859	$575,603

In measuring impairment loss, the Company and its consolidated subsidiaries used value in use of the business-use assets and others for the recoverable amounts of them, with the application of discount rates rationally reflecting profit margins adjusted for inherent cash flow risks.

2. For the year ended March 31, 2015

During the year ended March 31, 2015, the Company and its consolidated subsidiaries recognized impairment loss amounting to ¥3,942 million as other expense in the consolidated statements of income by devaluating the book value of the business-use and idle assets whose profitability significantly declined, and the business-use assets and the idle assets whose disposal were decided to their recoverable amounts.

The details of impairment loss for the year ended March 31, 2015 were as follows:

			Millions of Yen
Location	Use	Type of assets	2015
Kanto area	16 Business-use assets and 1 Idle asset	Land and buildings, etc.	¥ 439
Tokai area	6 Business-use assets and 1 Idle asset	Land and buildings, etc.	278
Australia	1 Business-use asset	Land and machinery & equipment, etc.	2,738
France	1 Business-use asset	Buildings, etc.	387
Other areas	10 Business-use assets and 1 Idle asset	Land and buildings, etc.	98
Total			¥3,942

In measuring impairment loss, the Company and its consolidated subsidiaries used the net selling value for the recoverable amounts of the business-use assets and the idle assets based on the expected selling price.

NOTE 13. LEASE TRANSACTIONS

Noncancelable Operating Leases

Lease payments for noncancelable operating lease transactions as of March 31, 2016 and 2015 were as follows:

Lessee

	Millions of Yen		Thousands of U.S. Dollars
Future minimum lease payments	2016	2015	2016
Within one year	¥11,699	¥12,363	$103,824
More than one year	21,271	33,255	188,773
Total	¥32,971	¥45,618	$292,607

Lessor

	Millions of Yen		Thousands of U.S. Dollars
Future minimum lease payments to be received	2016	2015	2016
Within one year	¥1,224	¥ 789	$10,862
More than one year	1,377	1,731	12,220
Total	¥2,602	¥2,521	$23,091

NOTE 14. FINANCIAL INSTRUMENTS

(a) Overview of financial instruments

1. Policies on financial instruments

The Company and its consolidated subsidiaries (the "Group") manage excess funds only by investing in short-term deposits, etc., and finance by debt from financial institutions such as banks, etc. The Group utilizes derivative transactions mainly to avoid adverse effects of the market risks such as foreign exchange rate fluctuation risk, interest rate fluctuation risk and commodity price fluctuation risk that are generated along with the usual activities of the Group's business, and these derivative transactions are restrictively used to acquire earnings.

2. Description and associated risks of financial instruments and risk management

Trade receivables such as notes and accounts receivable—trade are exposed to customer credit risk. Regarding the risk, in accordance with the management regulations of the Group, the Group periodically monitors the collecting due dates and the receivable balances and checks creditability of customers.

Although the trade receivables denominated in foreign currencies are exposed to the risk affected by fluctuation in exchange rates, the Group hedges the net position of trade receivables and trade payables by using forward exchange contracts as a general rule.

Investment securities are exposed to the risk affected by fluctuation in market price which are mainly for expansion or functional enhancement of existing business or for entry into new business. The Group periodically manages the fair value of the investment securities.

Trade payables such as notes and accounts payable—trade are payable within one year. The trade payables denominated in foreign currencies, which are exposed to the risk affected by fluctuation in exchange rates, are within the range of the receivables balances denominated in foreign currencies. Short-term loans payable are mainly for fund-raising for business transactions, while long-term loans payable and bonds payable are mainly for fund-raising for capital investments or business investments. The loans based on variable interest rates are exposed to the risk associated with fluctuation in interest rates. To hedge the risk, interest rate swap contracts and interest rate and currency swap contracts are utilized for some of the loans based on variable interest rates.

The Group utilizes foreign exchange contracts, foreign currency options and foreign currency swap contracts, interest rate swap contracts and interest rate and currency swap contracts and commodity-related futures, forwards, swaps and options as the derivative transactions. As the Group selects highly ranked financial institutions, exchanges and brokers as counter parties to minimize credit risk exposure associated with these derivative transactions, we believe that the credit risks are mostly avoided. Derivative transactions are mainly utilized to hedge the risk, and the market risks of the derivative transactions are offset against the market fluctuations in physical transactions whose risk is hedged by derivative transactions. Derivative transactions are entered into and managed by the Group in accordance with the internal regulations on derivative transactions that regulate the limits of transactions, etc. Under these regulations, each Business Division which enters into and executes derivative transactions and also manages the positions by itself directly reports to the Company's management and to the Administrative Division, which is in charge of risk management.

Regarding hedge transactions, please refer to "2. Summary of Significant Accounting Policies (18) Accounting methods for hedges."

3. Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, the fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, values may vary depending on the assumptions used. The contract or notional amounts of derivative instruments which are shown in "(b) Fair value of financial instruments" or "16. Derivative Instruments" do not represent the amounts of the Group's exposure to credit or market risks.

(b) Fair value of financial instruments

The carrying amount, fair value and unrealized gain (loss) of the financial instruments at March 31, 2016 and 2015 were as follows:

Financial instruments whose fair values are difficult to measure are excluded from the table below.

	Millions of Yen			Thousands of U.S. Dollars		
	2016			2016		
	Carrying amount	Fair value	Unrealized gain (loss)	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and deposits	¥ 408,310	¥ 408,310	¥ —	$ 3,623,624	$ 3,623,624	$ —
(2) Notes and accounts receivable—trade	1,198,337			10,634,868		
Less: allowance for doubtful accounts (Note 1)	(33,086)			(293,627)		
	1,165,251	1,165,251	—	10,341,240	10,341,240	—
(3) Investment securities	283,692	276,520	(7,172)	2,517,678	2,454,029	(63,649)
(4) Long-term loans receivable	25,789			228,869		
Less: allowance for doubtful accounts (Note 1)	(1,980)			(17,571)		
	23,809	24,235	426	211,297	215,078	3,780
Total Assets	¥1,881,063	¥1,874,318	¥ (6,745)	$16,693,849	$16,633,990	$ (59,859)
(1) Notes and accounts payable—trade	¥ 867,302	¥ 867,302	¥ —	$ 7,697,035	$ 7,697,035	$ —
(2) Short-term loans payable	468,903	468,903	—	4,161,368	4,161,368	—
(3) Commercial papers	40,000	40,000	—	354,987	354,987	—
(4) Current portion of bonds	26,042	26,042	—	231,114	231,114	—
(5) Bonds payable	110,000	116,926	6,926	976,215	1,037,681	61,466
(6) Long-term loans payable	860,583	874,006	13,422	7,637,406	7,756,531	119,116
Total Liabilities	¥2,372,832	¥2,393,181	¥20,348	$21,058,146	$21,238,738	$180,582
Derivative Instruments (Note 2)	¥ 7,678	¥ 7,678	¥ —	$ 68,139	$ 68,139	$ —

	Millions of Yen		
	2015		
	Carrying amount	Fair value	Unrealized gain (loss)
(1) Cash and deposits	¥ 499,190	¥ 499,190	¥ —
(2) Notes and accounts receivable—trade	1,346,461		
Less: allowance for doubtful accounts (Note 1)	(29,169)		
	1,317,292	1,317,292	—
(3) Investment securities	350,721	347,845	(2,875)
(4) Long-term loans receivable	30,342		
Less: allowance for doubtful accounts (Note 1)	(4,853)		
	25,488	25,627	139
Total Assets	¥2,192,692	¥2,189,956	¥(2,736)
(1) Notes and accounts payable—trade	¥ 969,099	¥ 969,099	¥ —
(2) Short-term loans payable	608,661	608,661	—
(3) Commercial papers	135,000	135,000	—
(4) Current portion of bonds	10,000	10,000	—
(5) Bonds payable	116,161	120,471	4,310
(6) Long-term loans payable	854,927	860,373	5,445
Total Liabilities	¥2,693,849	¥2,703,605	¥ 9,755
Derivative Instruments (Note 2)	¥ 38,907	¥ 38,907	¥ —

Notes: 1. The amount of individual reserve of allowance for doubtful accounts is deducted from notes and accounts receivable—trade and long-term loans receivable.

2. Debts and credits occurred from derivatives are presented at net price, and net debts in total is presented as ( ).

(a) Method of estimating fair value for financial instruments and information for securities and derivatives

Assets

(1) Cash and deposits, (2) Notes and accounts receivable—trade

The fair value of the above approximates book value due to the short maturity of these instruments.

(3) Investment securities

The fair value of securities is estimated based on the market price at securities exchanges.

For more information about securities, please refer to "Note 15. Information of Securities."

(4) Long-term loans receivable

The fair value of long-term loans receivable is estimated by discounting expected future cash flows using the rates at which loans under similar conditions with the same remaining years would be made as of March 31, 2016 and 2015, respectively.

Liabilities

(1) Notes and accounts payable—trade, (2) Short-term loans payable, (3) Commercial papers, and (4) Current portion of bonds

The fair value of the above approximates book value due to the short maturity of these instruments.

(5) Bonds payable

The fair value of bonds payable is estimated based on the market price on the respective balance sheet dates.

(6) Long-term loans payable

The fair value of long-term loans payable is estimated by discounting expected future cash flows using the rates at which loans under similar conditions with the same remaining years would be made as of March 31, 2016 and 2015, respectively.

Derivative instruments

Please refer to "16. Derivative Instruments."

(b) Financial instruments whose fair values are difficult to measure

	Millions of Yen		Thousands of U.S. Dollars
Carrying amount	2016	2015	2016
Unlisted securities and others	¥193,081	¥222,205	$1,713,533

Note: The above, which have no market price, are not included in "(3) Investment securities."

(c) The term of redemption for money, debt and securities with maturity after March 31, 2016

	Millions of Yen				Thousands of U.S. Dollars			
	2016				2016			
	Within one year	Between one and five years	Between five and ten years	After ten years	Within one year	Between one and five years	Between five and ten years	After ten years
Cash and deposits	¥ 408,310	¥ —	¥ —	¥ —	$ 3,623,624	$ —	$ —	$ —
Notes and accounts receivable—trade	1,198,337	—	—	—	10,634,868	—	—	—
Investment securities								
Held-to-maturity debentures								
(1) National bonds, local bonds and others	—	—	—	100	—	—	—	887
(2) Bonds	—	—	—	—	—	—	—	—
Available-for-sale securities with maturity								
(1) Bonds	—	—	—	—	—	—	—	—
(2) Others	—	—	—	2	—	—	—	17
Long-term loans receivable	—	11,361	3,346	11,081	—	100,825	29,694	98,340
Total	¥1,606,648	¥11,361	¥3,346	¥11,183	$14,258,501	$100,825	$29,694	$99,245

	Millions of Yen			
	2015			
	Within one year	Between one and five years	Between five and ten years	After ten years
Cash and deposits	¥ 499,190	¥ —	¥ —	¥ —
Notes and accounts receivable—trade	1,346,461	—	—	—
Investment securities				
Held-to-maturity debentures				
(1) National bonds, local bonds and others	—	—	—	—
(2) Bonds	—	—	—	—
Available-for-sale securities with maturity				
(1) Bonds	—	—	—	—
(2) Others	1	—	—	2
Long-term loans receivable	—	14,280	7,971	8,090
Total	¥1,845,654	¥14,280	¥7,971	¥8,092

(d) Amount of repayment scheduled for bonds payable and long-term loans payable after March 31, 2016

	Millions of Yen						Thousands of U.S. Dollars					
	2016						2016					
	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years
Bonds payable	¥26,042	¥ –	¥ –	¥ –	¥ –	¥110,000	$231,114	$ –	$ –	$ –	$ –	$ 976,215
Long-term loans payable	–	130,465	138,402	108,225	127,060	356,430	–	1,157,836	1,228,274	960,463	1,127,618	3,163,205
Total	¥26,042	¥130,465	¥138,402	¥108,225	¥127,060	¥466,430	$231,114	$1,157,836	$1,228,274	$960,463	$1,127,618	$4,139,421

	Millions of Yen					
	2015					
	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	After five years
Bonds payable	¥10,000	¥ 26,161	¥ –	¥ –	¥ –	¥ 90,000
Long-term loans payable	–	111,055	128,788	114,600	114,757	385,724
Total	¥10,000	¥137,216	¥128,788	¥114,600	¥114,757	¥475,724

NOTE 15. SECURITIES

(a) Securities with market price

Original cost, carrying amount and valuation difference on available-for-sale securities with market price at March 31, 2016 and 2015 were as follows:

	Millions of Yen			Thousands of U.S. Dollars		
	2016			2016		
	Carrying amount	Original cost	Valuation difference	Carrying amount	Original cost	Valuation difference
Fair value in excess of original cost amount:						
Equity securities	¥236,831	¥103,643	¥133,188	$2,101,801	$919,799	$1,182,002
Fair value less than original cost amount:						
Equity securities	6,014	6,343	(329)	53,372	56,292	(2,919)
Total	¥242,845	¥109,986	¥132,859	$2,155,173	$976,091	$1,179,082

	Millions of Yen		
	2015		
	Carrying amount	Original cost	Valuation difference
Fair value in excess of original cost amount:			
Equity securities	¥297,058	¥102,558	¥194,499
Fair value less than original cost amount:			
Equity securities	9,478	11,254	(1,775)
Total	¥306,537	¥113,812	¥192,724

Note: Impairment losses of ¥8,223 million ($72,976 thousand) and ¥3,451 million were recognized in the consolidated statements of income for available-for-sale securities with market price for the years ended March 31, 2016 and 2015, respectively.

(b) Securities without market price

Book value of securities not measured at fair value at March 31, 2016 and 2015 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Available-for-sale securities:			
Unlisted securities	¥47,551	¥50,320	$422,000

(c) Sale of available-for-sale securities

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Total amount of sold	¥6,241	¥8,450	$55,386
Gain on sales of investment securities	4,339	4,903	38,507
Loss on sales of investment securities	(685)	(105)	(6,079)

NOTE 16. DERIVATIVE INSTRUMENTS

1. For the year ended March 31, 2016

(a) Transactions for derivative financial instruments to which hedge accounting is not applied

	Millions of Yen				Thousands of U.S. Dollars			
	2016				2016			
Commodity Related:	Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)	Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)
Exchange-traded								
Future contracts:								
Nonferrous Metal								
(Sell)	¥ 34,698	¥1,165	¥ 6	¥ 6	$ 307,933	$10,339	$ 53	$ 53
(Buy)	48,216	4,705	(1,818)	(1,818)	427,902	41,755	(16,134)	(16,134)
Produce & Foodstuffs								
(Sell)	23,225	—	(1,280)	(1,280)	206,114	—	(11,359)	(11,359)
(Buy)	9,927	—	813	813	88,099	—	7,215	7,215
Natural Rubber								
(Sell)	220	—	(14)	(14)	1,952	—	(124)	(124)
(Buy)	358	—	25	25	3,177	—	221	221
Raw Cotton								
(Sell)	2,964	—	76	76	26,304	—	674	674
(Buy)	2,332	—	(19)	(19)	20,695	—	(168)	(168)
Exchange-traded								
Commodity option contracts:								
Raw Cotton								
(Sell)								
Call	¥ 505	¥ —	¥ (50)	¥ (50)	$ 4,481	$ —	$ (443)	$ (443)
Over-the-counter								
Forward contracts:								
Nonferrous Metal								
(Sell)	¥131,961	¥5,185	¥ 37	¥ 37	$1,171,112	$46,015	$ 328	$ 328
(Buy)	103,926	—	(4,242)	(4,242)	922,310	—	(37,646)	(37,646)
Raw Cotton								
(Sell)	3,180	32	(38)	(38)	28,221	283	(337)	(337)
(Buy)	4,394	107	61	61	38,995	949	541	541
Over-the-counter								
Commodity option contracts:								
Produce & Foodstuffs								
(Buy)								
Call	¥ 19	¥ —	¥ 26	¥ 26	$ 168	$ —	$ 230	$ 230
Over-the-counter								
Commodity swap contracts:								
Produce & Foodstuffs								
Receipt—fixed/Payment—variable	¥ 3,057	¥ —	¥ (436)	¥ (436)	$ 27,129	$ —	$ (3,869)	$ (3,869)
Petroleum Products								
Receipt—variable/Payment—fixed	1,531	—	(109)	(109)	13,587	—	(967)	(967)
Receipt—fixed/Payment—variable	3,054	—	265	265	27,103	—	2,351	2,351
Nonferrous Metal								
Receipt—variable/Payment—fixed	851	—	(22)	(22)	7,552	—	(195)	(195)
Total				¥(6,719)				$(59,629)

Notes: 1. The estimated fair value amounts of future contracts except for Raw Cotton and commodity option contracts and commodity swap contracts for Produce & Foodstuffs were determined using market information on the Tokyo Commodity Exchange or other exchanges.

2. The estimated fair value amounts of future contracts, commodity option contracts and forward contracts for Raw Cotton were determined using market information on the Intercontinental Exchange.

3. The estimated fair value amounts of forward contracts and commodity swap contracts for Nonferrous Metal were determined using the value calculated by major transaction partners.

4. The estimated fair value amounts of commodity swap contracts for Petroleum Products were determined using quotes obtained from financial institutions.

5. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Currency Related:	Millions of Yen 2016 Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)	Thousands of U.S. Dollars 2016 Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)
Over-the-counter								
Forward exchange contracts:								
Selling:								
U.S. Dollars	¥137,176	¥295	¥4,348	¥4,348	$1,217,394	$2,618	$38,587	$38,587
Other currencies	26,354	85	68	68	233,883	754	603	603
Buying:								
U.S. Dollars	86,731	786	(774)	(774)	769,710	6,975	(6,869)	(6,869)
Other currencies	45,918	—	784	784	407,507	—	6,957	6,957
Over-the-counter								
Currency option contracts:								
Selling:								
Put	¥ 987	¥ —	¥ (1)	¥ (1)	$ 8,759	$ —	$ (8)	$ (8)
Buying:								
Call	5,590	—	3	3	49,609	—	26	26
Over-the-counter								
Currency swap contracts:								
Receipt—Euro/Payment—Japanese Yen	¥ 76	¥ —	¥ 1	¥ 1	$ 674	$ —	$ 8	$ 8
Receipt—Euro/Payment—U.S. Dollars	611	—	(6)	(6)	5,422	—	(53)	(53)
Receipt—Pounds/Payment—Euro	57	—	0	0	505	—	0	0
Total				¥4,424				$39,261

Notes: 1. The estimated fair value amounts of forward exchange contracts were determined using the forward exchange rate at the end of the fiscal year.
2. The estimated fair value amounts of currency option contracts and currency swap contracts were determined using quotes obtained from financial institutions.
3. Option premiums are not received or paid because these currency option contracts are zero cost option contracts in which the premiums of the written options are the same as those paid for the options that are purchased.
4. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Interest Rate Related:	Millions of Yen 2016 Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)	Thousands of U.S. Dollars 2016 Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)
Over-the-counter								
Interest rate swap contracts:								
Receipt—variable/Payment—fixed	¥102	¥—	¥102	¥102	$905	$—	$905	$905
Total				¥102				$905

Notes: 1. The estimated fair value amounts of interest rate swap contracts were determined using quotes obtained from financial institutions.
2. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

(b) Transactions for derivative financial instruments to which hedge accounting is applied

Commodity Related:	Millions of Yen 2016 Contract or notional	Millions of Yen 2016 Contract or notional over one year	Millions of Yen 2016 Estimated fair value	Thousands of U.S. Dollars 2016 Contract or notional	Thousands of U.S. Dollars 2016 Contract or notional over one year	Thousands of U.S. Dollars 2016 Estimated fair value
(Deferred hedge accounting method)						
Future contracts:						
Produce & Foodstuffs						
(Sell)	¥18,163	¥—	¥ (25)	$161,190	$—	$ (221)
(Buy)	19,508	—	(169)	173,127	—	(1,499)
Petroleum Products						
(Sell)	267	—	(5)	2,369	—	(44)
(Buy)	68	—	(1)	603	—	(8)
Forward contracts:						
Nonferrous Metal						
(Sell)	¥ 4,163	¥—	¥(260)	$ 36,945	$—	$(2,307)
Commodity swap contracts:						
Petroleum Products						
Receipt—variable/Payment—fixed	¥ 2,272	¥—	¥(413)	$ 20,163	$—	$(3,665)
Receipt—fixed /Payment—variable	2,247	—	412	19,941	—	3,656
Total			¥(463)			$(4,108)

Notes: 1. The estimated fair value amounts of future contracts were determined using market information on the Tokyo Commodity Exchange or other exchanges.
2. The estimated fair value amounts of forward contracts were determined using the value calculated by major transaction partners.
3. The estimated fair value amounts of commodity swap contracts were determined using quotes obtained from financial institutions.
4. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Currency Related:	Millions of Yen 2016 Contract or notional	Millions of Yen 2016 Contract or notional over one year	Millions of Yen 2016 Estimated fair value	Thousands of U.S. Dollars 2016 Contract or notional	Thousands of U.S. Dollars 2016 Contract or notional over one year	Thousands of U.S. Dollars 2016 Estimated fair value
(Deferred hedge accounting method)						
Forward exchange contracts:						
Selling:						
U.S. Dollars	¥60,777	¥ —	¥ 1,545	$539,376	$ —	$ 13,711
Other currencies	23,680	—	489	210,152	—	4,339
Buying:						
U.S. Dollars	72,500	—	(1,426)	643,414	—	(12,655)
Other currencies	30,689	14,194	97	272,355	125,967	860
Currency option contracts:						
Selling:						
Put	¥ 4,349	¥ —	¥ (12)	$ 38,596	$ —	$ (106)
Buying:						
Call	4,349	—	32	38,596	—	283
Currency swap contracts:						
Receipt—U.S. Dollars/Payment—Canadian Dollars	¥22,357	¥22,357	¥ 4,737	$198,411	$198,411	$ 42,039
Receipt—Japanese Yen/Payment—Canadian Dollars	2,280	2,280	312	20,234	20,234	2,768
Receipt—Japanese Yen/Payment—Australian Dollars	4,051	4,051	392	35,951	35,951	3,478
(Replacement equivalent method for forward exchange contracts)						
Forward exchange contracts:						
Buying:						
U.S. Dollars	¥ 2,220	¥ —	¥ 164	$ 19,701	$ —	$ 1,455
Other currencies	1,101	—	(4)	9,771	—	(35)
Total			¥ 6,330			$ 56,176

Notes: 1. The estimated fair value amounts of forward exchange contracts and currency option contracts were determined using the forward exchange rate at the end of the fiscal year.
2. The estimated fair value amounts of currency swap contracts were determined using quotes obtained from financial institutions.
3. Option premiums are not received or paid because these currency option contracts are zero cost option contracts in which the premiums of the written options are the same as those paid for the options that are purchased.
4. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Interest Rate Related:	Millions of Yen			Thousands of U.S. Dollars		
	2016			2016		
	Contract or notional	Contract or notional over one year	Estimated fair value	Contract or notional	Contract or notional over one year	Estimated fair value
(Deferred hedge accounting method)						
Interest rate swap contracts:						
Receipt—variable/Payment—fixed	¥193,107	¥161,694	¥(12,827)	$1,713,764	$1,434,984	$(113,835)
Total			¥(12,827)			$(113,835)

Notes: 1. The estimated fair value amounts of interest rate swap contracts were determined using quotes obtained from financial institutions.
2. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Interest Rate and Currency Related:	Millions of Yen			Thousands of U.S. Dollars		
	2016			2016		
	Contract or notional	Contract or notional over one year	Estimated fair value	Contract or notional	Contract or notional over one year	Estimated fair value
(Deferred hedge accounting method)						
Interest rate and currency swap contracts:						
Receipt—U.S. Dollars variable/Payment—Japanese Yen fixed	¥241,606	¥241,606	¥15,013	$2,144,178	$2,144,178	$133,235
Receipt—U.S. Dollars variable/Payment—Australian Dollars fixed	13,011	13,011	1,818	115,468	115,468	16,134
Total			¥16,831			$149,369

Notes: 1. The estimated fair value amounts of interest rate and currency swap contracts were determined using quotes obtained from financial institutions.
2. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

2. For the year ended March 31, 2015

(a) Transactions for derivative financial instruments to which hedge accounting is not applied

	Millions of Yen			
	2015			
Commodity Related:	Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)
Exchange-traded				
Future contracts:				
Nonferrous Metal				
(Sell)	¥ 55,502	¥ 93	¥ 2,606	¥ 2,606
(Buy)	67,228	3,708	(1,560)	(1,560)
Produce & Foodstuffs				
(Sell)	59,902	—	10,377	10,377
(Buy)	52,878	—	(6,839)	(6,839)
Natural Rubber				
(Sell)	271	—	7	7
(Buy)	482	—	(15)	(15)
Raw Cotton				
(Sell)	4,049	—	51	51
(Buy)	2,888	—	15	15
Petroleum Products				
(Sell)	95	—	(0)	(0)
Exchange-traded				
Commodity option contracts:				
Produce & Foodstuffs				
(Buy)				
Put	¥ 2	¥ —	¥ 1	¥ 1
Raw Cotton				
(Sell)				
Call	1,427	—	(110)	(110)
(Buy)				
Put	668	—	(73)	(73)
Over-the-counter				
Forward contracts:				
Nonferrous Metal				
(Sell)	¥147,099	¥3,820	¥ (4,770)	¥ (4,770)
(Buy)	97,401	—	4,379	4,379
Raw Cotton				
(Sell)	3,090	67	(74)	(74)
(Buy)	5,811	811	(24)	(24)
Over-the-counter				
Commodity swap contracts:				
Petroleum Products				
Receipt—variable/Payment—fixed	¥ 5,827	¥ —	¥ 531	¥ 531
Receipt—fixed/Payment—variable	7,587	—	(742)	(742)
Total				¥ 3,756

Notes: 1. The estimated fair value amounts of future contracts except for Raw Cotton were determined using market information on the Tokyo Commodity Exchange or other exchanges.
2. The estimated fair value amounts of future contracts, commodity option contracts and forward contracts for Raw Cotton were determined using market information on the Intercontinental Exchange.
3. The estimated fair value amounts of forward contracts for Nonferrous Metal were determined using the value calculated by major transaction partners.
4. The estimated fair value amounts of commodity swap contracts for Petroleum Products were determined using quotes obtained from financial institutions.
5. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Currency Related:	Millions of Yen 2015 Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)
Over-the-counter				
Forward exchange contracts:				
Selling:				
U.S. Dollars	¥179,638	¥293	¥(5,020)	¥(5,020)
Other currencies	29,962	—	(330)	(330)
Buying:				
U.S. Dollars	96,115	—	2,924	2,924
Other currencies	53,323	—	(1,001)	(1,001)
Over-the-counter				
Currency option contracts:				
Selling:				
Put	¥ 796	¥ —	¥ (2)	¥ (2)
Buying:				
Call	5,500	—	11	11
Over-the-counter				
Currency swap contracts:				
Receipt—Euro/Payment—U.S. Dollars	¥ 583	¥ —	¥ (21)	¥ (21)
Receipt—Pounds/Payment—Euro	69	—	0	0
Total				¥(3,440)

Notes: 1. The estimated fair value amounts of forward exchange contracts were determined using the forward exchange rate at the end of the fiscal year.
2. The estimated fair value amounts of currency option contracts and currency swap contracts were determined using quotes obtained from financial institutions.
3. Option premiums are not received or paid because these currency option contracts are zero cost option contracts in which the premiums of the written options are the same as those paid for the options that are purchased.
4. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Interest Rate Related:	Millions of Yen 2015 Contract or notional	Contract or notional over one year	Estimated fair value	Valuation gain (loss)
Over-the-counter				
Interest rate swap contracts:				
Receipt—variable/Payment—fixed	¥308	¥92	¥216	¥216
Total				¥216

Notes: 1. The estimated fair value amounts of interest rate swap contracts were determined using quotes obtained from financial institutions.
2. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

(b) Transactions for derivative financial instruments to which hedge accounting is applied

Commodity Related:	Millions of Yen 2015 Contract or notional	Contract or notional over one year	Estimated fair value
(Deferred hedge accounting method)			
Future contracts:			
Produce & Foodstuffs			
(Sell)	¥ 9,188	¥—	¥ 306
(Buy)	35,831	—	(1,032)
Petroleum Products			
(Sell)	57	—	0
(Buy)	147	—	(2)
Forward contracts:			
Nonferrous Metal			
(Sell)	¥ 5,787	¥—	¥ 362
(Buy)	0	—	1
Commodity swap contracts:			
Petroleum Products			
Receipt—variable/Payment—fixed	¥ 42	¥—	¥ 45
Total			¥ (319)

Notes: 1. The estimated fair value amounts of future contracts were determined using market information on the Tokyo Commodity Exchange or other exchanges.
2. The estimated fair value amounts of forward contracts were determined using the value calculated by major transaction partners.
3. The estimated fair value amounts of commodity swap contracts were determined using quotes obtained from financial institutions.
4. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Currency Related:	Millions of Yen 2015 Contract or notional	Contract or notional over one year	Estimated fair value
(Deferred hedge accounting method)			
Forward exchange contracts:			
Selling:			
U.S. Dollars	¥67,654	¥ 355	¥(1,640)
Other currencies	18,094	2,807	(187)
Buying:			
U.S. Dollars	83,847	337	1,973
Other currencies	9,588	1,469	28
Currency swap contracts:			
Receipt—U.S. Dollars/Payment—Canadian Dollars	¥23,843	¥23,843	¥ 4,595
Receipt—Japanese Yen/Payment—Canadian Dollars	445	445	16
Receipt—Japanese Yen/Payment—Australian Dollars	4,224	4,224	127
(Replacement equivalent method for forward exchange contracts)			
Forward exchange contracts:			
Selling:			
U.S. Dollars	¥ 8,371	¥ —	¥ (69)
Buying:			
U.S. Dollars	2,024	—	431
Other currencies	1,375	—	(57)
Total			¥ 5,217

Notes: 1. The estimated fair value amounts of forward exchange contracts were determined using the forward exchange rate at the end of the fiscal year.
2. The estimated fair value amounts of currency swap contracts were determined using quotes obtained from financial institutions.
3. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Interest Rate Related:	Millions of Yen 2015 Contract or notional	Contract or notional over one year	Estimated fair value
(Deferred hedge accounting method)			
Interest rate swap contracts:			
Receipt—variable/Payment—fixed	¥223,734	¥187,852	¥(7,460)
Total			¥(7,460)

Notes: 1. The estimated fair value amounts of interest rate swap contracts were determined using quotes obtained from financial institutions.
2. For the purpose of improving representation of status of derivative transaction, effective from the year ended March 31, 2015, the accounting method for interest rate swaps subject to hedge accounting has been changed mainly from exceptional accounting to deferral hedge accounting. However, given that this change had only a negligible impact, it has not been retrospectively applied to the previous fiscal year. There was no impact for the year ended March 31, 2015.
3. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

Interest Rate and Currency Related:	Millions of Yen 2015 Contract or notional	Contract or notional over one year	Estimated fair value
(Deferred hedge accounting method)			
Interest rate and currency swap contracts:			
Receipt—U.S. Dollars variable/Payment—Japanese Yen fixed	¥218,475	¥218,475	¥39,071
Receipt—U.S. Dollars variable/Payment—Australian Dollars fixed	14,471	14,471	1,865
Total			¥40,937

Notes: 1. The estimated fair value amounts of interest rate and currency swap contracts were determined using quotes obtained from financial institutions.
2. The contract or notional amounts of swap contracts are just notional contract amounts or hypothetical principal amounts under derivative transactions which do not represent market risk or credit risk of derivative transactions by themselves.

NOTE 17. EMPLOYEE RETIREMENT BENEFITS

The Company and its consolidated subsidiaries have defined benefit plans, including a pension plan pursuant to the Japanese Welfare Pension Insurance Law, a qualified retirement benefits plan and a lump-sum severance benefits plan.

The Company has established a retirement benefits trust.

Certain consolidated subsidiaries have multi-employer welfare pension funds. Notes to the multi-employer welfare pension funds are included in "a. Defined benefit plan."

Certain domestic consolidated subsidiaries adopted the simplified method (which assumes benefit obligation to be equal to benefits payable assuming the voluntary retirement of all employees at fiscal year-end) in calculating of net defined benefit asset and net retirement benefit expenses.

a. Defined benefit plan not applied the simplified method

(1) Adjustment table for the balances of retirement benefit obligations during March 31, 2016 and 2015 was as follows:

	Millions of Yen 2016	Millions of Yen 2015	Thousands of U.S. Dollars 2016
Balance as of March 31, 2015	¥ 96,140	¥88,386	$853,212
Cumulative effects of changes in accounting policies	—	2,350	—
Restated balance	96,140	90,737	853,212
Service expenses	4,501	3,975	39,944
Interest expenses	1,917	2,136	17,012
Actuarial difference incurred	5,391	1,867	47,843
Retirement benefits paid	(4,241)	(3,528)	(37,637)
Foreign currency translation difference	(118)	635	(1,047)
Other	902	317	8,004
Balance as of March 31, 2016	¥104,493	¥96,140	$927,342

(2) Adjustment table for the balances of pension plan assets during March 31, 2016 and 2015 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Balance as of March 31, 2015	¥85,110	¥73,647	$755,324
Expected return on pension plan assets	2,265	2,303	20,101
Actuarial differences incurred	(6,180)	8,925	(54,845)
Employer's contribution	2,537	2,325	22,515
Retirement benefits paid	(2,178)	(2,153)	(19,329)
Foreign currency translation difference	739	258	6,558
Other	259	(196)	2,298
Balance as of March 31, 2016	¥82,552	¥85,110	$732,623

(3) Adjustment table for the balances of retirement benefit obligations and pension plan assets and net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Retirement benefit obligations (funded)	¥ 73,792	¥ 66,960	$ 654,881
Pension plan assets	(82,552)	(85,110)	(732,623)
	(8,760)	(18,150)	(77,742)
Retirement benefit obligations (unfunded)	30,701	29,180	272,461
Net balance of liabilities and assets recorded on the consolidated balance sheets	¥ 21,940	¥ 11,030	$ 194,710
Net defined benefit liability	¥ 31,615	¥ 28,239	$ 280,573
Net defined benefit asset	(9,674)	(17,209)	(85,853)
Net balance of liabilities and assets recorded on the consolidated balance sheets	¥ 21,940	¥ 11,030	$ 194,710

(4) The components of net retirement benefit expenses for the year ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Service expenses	¥ 4,501	¥ 3,975	$ 39,944
Interest expenses	1,917	2,136	17,012
Expected return on pension plan assets	(2,265)	(2,303)	(20,101)
Recognized actuarial loss	(583)	593	(5,173)
Amortization of past service costs	19	20	168
Amortization of transition obligation	(0)	(5)	(0)
Net periodic benefit costs for defined benefit plan	3,590	4,415	31,860
Other	(271)	(389)	(2,405)
Total	¥ 3,318	¥ 4,026	$ 29,446

(5) The components of remeasurements of defined benefit plans in other comprehensive income (before applicable tax effects) for the year ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Amortization of past service costs	¥ 18	¥ (67)	$ 159
Recognized actuarial difference	(12,291)	7,514	(109,078)
Amortization of transition obligation	(35)	(132)	(310)
Total	¥(12,308)	¥7,314	$(109,229)

(6) The components of remeasurements of defined benefit plans in accumulated other comprehensive income (before applicable tax effects) for the year ended March 31, 2016 and 2015 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Unrecognized amortization of past service costs	¥ (280)	¥ (299)	$ (2,484)
Unrecognized actuarial difference	(5,996)	6,294	(53,212)
Amortization of transition obligation	(155)	(120)	(1,375)
Total	¥(6,433)	¥5,875	$(57,090)

(7) Pension plan assets

(i) Components of pension plan assets as of March 31, 2016 and 2015 were as follows:

	2016	2015
Equity securities (Japan)	26%	32%
Equity securities (Overseas)	8	9
Debt securities (Japan)	31	28
Debt securities (Overseas)	7	6
Cash and deposits	1	1
Life insurance general accounts	19	17
Other	8	7
Total	100%	100%

Note: 19% (25% in 2015) of total pension plan assets was comprised of the retirement benefits trust for the corporate pension fund plan.

(ii) Method of determining the expected long-term rate of return on pension plan assets

The expected rate of return on pension plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used in determining the retirement benefit obligations for the year ended March 31, 2016 and 2015 were as follows:

	2016	2015
Discount rate	mainly 0.5%	mainly 0.8%
Expected long-term rate of return on pension plan assets	mainly 2.0%	mainly 2.0%

b. Defined benefit plan applied the simplified method

(1) Adjustment table for the balances of net defined benefit liability during March 31, 2016 and 2015 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Balance as of March 31, 2015	¥5,656	¥5,214	$50,195
Retirement benefit expenses	715	817	6,345
Retirement benefits paid	(500)	(416)	(4,437)
Other	686	41	6,088
Balance as of March 31, 2016	¥6,557	¥5,656	$58,191

(2) Adjustment table for the balances of retirement benefit obligations and pension plan assets and net defined benefit liability and net defined benefit asset recorded on the consolidated balance sheets was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Retirement benefit obligations (funded)	¥ 650	¥ 1,332	$ 5,768
Pension plan assets	(805)	(1,554)	(7,144)
	(154)	(221)	(1,366)
Retirement benefit obligations (unfunded)	5,435	4,323	48,233
Net balance of liabilities and assets recorded on the consolidated balance sheets	¥5,281	¥ 4,101	$46,867
Net defined benefit liability	¥5,302	¥ 4,115	$47,053
Net defined benefit asset	(20)	(14)	(177)
Net balance of liabilities and assets recorded on the consolidated balance sheets	¥5,281	¥ 4,101	$46,867

(3) Retirement benefit expenses calculated through the simplified method for the year ended March 31, 2016 and 2015 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Retirement benefit expenses	¥738	¥876	$6,549

c. Defined contribution plan

The Company and its consolidated subsidiaries were required to contribute ¥1,688 million ($14,980 thousand) and ¥1,359 million to the defined contribution plan for the year ended March 31, 2016 and 2015, respectively.

NOTE 18. BUSINESS COMBINATION

Business combination through acquisition

1. Overview of business combination

(1) Name of acquired company and description of the business

Name of the acquired company: NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agrícola S.A. ("NovaAgri")

Description of the business: Grain accumulation, storage, logistics, sales, imports and exports.

(2) Purpose of the business combination

The grain business has long been a key field for the Company, which established its grain silo business in 1968. Currently, the Company operates four grain silos in Japan, counting long experience in the business and the expertise acquired from handling one of the top trading volumes in Japan among its strengths. The acquisition of all shares of NovaAgri as a subsidiary will enable the Company to strengthen customer service beginning with grain collection, and work on establishing a supply chain ranging in scope from upstream to downstream operations. This will be accomplished by leveraging NovaAgri's grain infrastructure business encompassing grain storage and railway reloading facilities to export terminals in Brazil, one of the largest grain producers in the world. Moving forward, the Company will strive to ensure the stable supply of grain and expand further in the business.

(3) Date of the business combination

May 29, 2015

(4) Legal form of the business combination

Acquisition of shares for cash consideration

(5) Name of the company after the business combination

NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agrícola S.A.

(6) Acquired voting rights

100%

(7) Grounds of determination the acquiring company

It is because the Company paid cash to acquire the shares.

2. Period for which the results of operation of the acquired company is included in the consolidated financial statements

July 1, 2015 to December 31, 2015

3. Acquisition cost and breakdown

	Millions of Yen	Thousands of U.S. Dollars
	2016	2016
Cash payment for acquisition	¥27,491	$243,974
Total acquisition cost	¥27,491	$243,974

4. Acquisition-related costs and breakdown

	Millions of Yen	Thousands of U.S. Dollars
	2016	2016
Advisory cost and other	¥491	$4,357
Total acquisition-related costs	¥491	$4,357

5. Goodwill

	Millions of Yen	Thousands of U.S. Dollars
	2016	2016
Goodwill	¥16,490	$146,343

Goodwill is recognized for the difference of acquisition cost and the Company's share on the acquired company.

Goodwill is amortized over 10 years using the straight-line method.

6. Assets and liabilities acquired on the day of the business combination

	Millions of Yen	Thousands of U.S. Dollars
	2016	2016
Current assets	¥ 2,783	$ 24,698
Non-current assets	20,211	179,366
Total assets	¥22,995	$204,073
Current liabilities	¥ 3,039	$ 26,970
Non-current liabilities	7,802	69,240
Total liabilities	¥10,842	$ 96,219

7. Amount allocated to intangible assets other than goodwill and amortization period

	Millions of Yen	Thousands of U.S. Dollars	Weighted average amortization period
	2016	2016	2016
Contract-related assets	¥3,629	$32,206	21 years
Customer-related assets	661	5,866	8 years
Total	¥4,290	$38,072	19 years

8. Estimated effect on the consolidated statement of income assuming the business combination completed at the beginning of the fiscal year ended March 31, 2016 and method of estimating the effect

Disclosure is omitted as it is immaterial.

Estimated effect on the consolidated statement of income is unaudited.

NOTE 19. INVESTMENT PROPERTY

The Company and certain consolidated subsidiaries own rental properties such as office buildings and commercial facilities including land in Tokai and other areas. The net of rental income and operating expenses for those rental properties was ¥1,872 million ($16,613 thousand) and ¥1,818 million for the fiscal years ended March 31, 2016 and 2015, respectively.

The carrying amounts, changes in such balances and market prices of such properties are as follows:

	Millions of Yen				Thousands of U.S. Dollars			
	Carrying amount			Fair value	Carrying amount			Fair value
2016	April 1, 2015	Increase/ Decrease	March 31, 2016	March 31, 2016	April 1, 2015	Increase/ Decrease	March 31, 2016	March 31, 2016
Investment property	¥42,973	¥(11,436)	¥31,537	¥32,812	$381,372	$(101,490)	$279,881	$291,196

Notes: 1. The carrying amount recognized in the balance sheet is net of accumulated depreciation and accumulated impairment losses, if any.
2. Decrease during the fiscal year ended March 31, 2016 primarily represents impairment loss and the sales of real estate, which were ¥5,169 million ($45,873 thousand) and ¥4,946 million ($43,894 thousand), respectively.
3. The fair value of main properties is measured by a licensed third-party real estate appraisal agent and that of the remaining properties is measured by the Group in accordance with the Real Estate Appraisal Standard (including adjustments made using indexes).

2015	Millions of Yen Carrying amount April 1, 2014	 Increase/ Decrease	 March 31, 2015	 Fair value March 31, 2015
Investment property	¥46,413	¥(3,440)	¥42,973	¥40,283

Notes: 1. The carrying amount recognized in the balance sheet is net of accumulated depreciation and accumulated impairment losses, if any.
2. Decrease during the fiscal year ended March 31, 2015 primarily represents the sales of real estate, which was ¥3,519 million.
3. The fair value of main properties is measured by a licensed third-party real estate appraisal agent and that of the remaining properties is measured by the Group in accordance with the Real Estate Appraisal Standard (including adjustments made using indexes).

NOTE 20. OTHER COMPREHENSIVE INCOME

Reclassification adjustments and tax effects for each component of other comprehensive income for the years ended March 31, 2016 and 2015 are as follows:

	Millions of Yen 2016	 2015	Thousands of U.S. Dollars 2016
Net valuation difference on available-for-sale securities, net of taxes:			
Gains (losses) arising during the year	¥ (65,864)	¥ 80,311	$ (584,522)
Reclassification adjustments	3,608	(1,319)	32,019
Before income tax effects	(62,255)	78,991	(552,493)
Income tax effects	(20,906)	21,303	(185,534)
Net valuation difference on available-for-sale securities, net of taxes	(41,348)	57,688	(366,950)
Net deferred gains or losses on hedges, net of taxes:			
Gains (losses) arising during the year	(11,255)	(13,965)	(99,884)
Reclassification adjustments	2,798	(1,142)	24,831
Before income tax effects	(8,457)	(15,108)	(75,053)
Income tax effects	3,900	(4,353)	34,611
Net deferred gains or losses on hedges, net of taxes	(12,358)	(10,754)	(109,673)
Foreign currency translation adjustment:			
Adjustments arising during the year	(109,558)	49,536	(972,293)
Reclassification adjustments	(168)	840	(1,490)
Foreign currency translation adjustment	(109,726)	50,377	(973,784)
Remeasurements of defined benefit plans:			
Gains (losses) arising during the year	(11,507)	6,706	(102,121)
Reclassification adjustments	(801)	608	(7,108)
Before income tax effects	(12,308)	7,314	(109,229)
Income tax effects	(2,475)	2,342	(21,964)
Remeasurements of defined benefit plans	(9,833)	4,971	(87,264)
Share of other comprehensive income of entities accounted for using equity method:			
Gains (losses) arising during the year	(6,522)	11,124	(57,880)
Reclassification adjustments	(214)	(290)	(1,899)
Share of other comprehensive income of entities accounted for using equity method	(6,737)	10,833	(59,788)
Total other comprehensive income	¥(180,003)	¥113,116	$(1,597,470)

NOTE 21. SUPPLEMENTAL CASH FLOW INFORMATION

Breakdown of assets and liabilities of newly acquired consolidated subsidiaries during the year ended March 31, 2016

Breakdown of assets and liabilities at start of consolidation due to the acquisition of shares of NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agrícola S.A. and other consolidated subsidiaries and relation between acquisition costs and net payments for these companies were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2016	2016
Current assets	¥ 6,229	$ 55,280
Non-current assets	24,661	218,858
Goodwill	16,868	149,698
Current liabilities	(4,368)	(38,764)
Non-current liabilities	(8,409)	(74,627)
Non-controlling interests	(1,798)	(15,956)
Total acquisition costs	33,181	294,471
Cash and cash equivalents held by acquired companies	(82)	(727)
Net payment for acquisition	¥33,099	$293,743

NOTE 22. SEGMENT INFORMATION

Description of reportable segments

The Group's reportable segments are components of the Group about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The main business of the Group is buying and selling of various goods in Japan and overseas. The Group is also engaged in a wide range of business including manufacturing, processing and selling products, investments, and providing services. The Group's operations are segmented based on product and service categories into seven segments, namely Metals, Global Parts & Logistics, Automotive, Machinery, Energy & Project, Chemicals & Electronics, Food & Agribusiness, and Consumer Products & Services. These segments correspond to the Group's seven business divisions. The business of each segment is conducted by the Company's business divisions and affiliates directly supervised by each business division.

The businesses of each division are listed below.

Effective April 1, 2016, the Food & Agribusiness Division and the Consumer Products & Services Division have been integrated into the Food & Consumer Services Division.

Metals Division

The Metals Division mainly handles steel products, steel specialty products, steel construction materials, non-ferrous metal ingots, precious metals, aluminum products, copper alloy products, scrap iron, nonferrous metals scrap, ferro-alloy products, pig iron, recycling of end-of-life vehicles (ELVs) and auto parts, waste catalysts, rare earth resources and rare metals. The Division manufactures, processes, sells and disposes of the products listed above.

Global Parts & Logistics Division

The Global Parts & Logistics Division mainly manufactures, sells and provides services for component parts for automotive production, as well as running a logistics business and a tire assembly business.

Automotive Division

The Automotive Division mainly handles passenger vehicles, commercial vehicles, motorcycles, trucks, buses, and automotive parts. The Division sells and provides services for the products listed above.

Machinery, Energy & Project Division

The Machinery, Energy & Project Division mainly handles machine tools, testing and measuring instruments, environmental equipment, coal, crude oil, natural gas products, petroleum products, liquefied petroleum gas (LPG), water treatment, infrastructure projects, construction machinery, and industrial machinery. The Division sells and provides services relevant to the products listed above, as well as running an energy and electric power supply business.

Chemicals & Electronics Division

The Chemicals & Electronics Division sells and provides services for component parts for automobile production, semiconductors, modular product, automotive embedded software development, network integration and support, electronic equipment, overseas IT infrastructure exports, PCs, PC peripherals and software, and ITS (Intelligent Transport Systems). The Division also handles plastics, rubber, batteries and electronic materials, specialty and inorganic chemicals, fat and oil products, chemical additives, and pharmaceuticals and pharmaceutical ingredients. The Division processes, manufactures, sells and provides services relevant to the products listed above.

Food & Agribusiness Division

The Food & Agribusiness Division mainly handles feed and oilseeds, grains, processed foods, food ingredients, agricultural, marine and livestock products, and alcoholic beverages. The Division manufactures, processes, sells, and provides services relevant to the products listed above.

Consumer Products & Services Division

The Consumer Products & Services Division mainly handles property, casualty and life insurance, brokered securities, textile products, apparel, nursing care and medical products, construction and housing materials, and office furniture. The Division sells and provides services relevant to the products listed above, as well as operates general hospitals and hotel residences.

Reportable segment information

The accounting policies of each reportable segment are consistent with those disclosures in "Note 2. Summary of Significant Accounting Policies."

	Millions of Yen											
	Reportable segment											
2016	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Agribusiness	Consumer Products & Services	Total	Other	Total	Adjustments	Consolidation
Net sales:												
External customers	¥1,817,408	¥ 999,011	¥1,252,333	¥1,600,311	¥1,923,778	¥416,058	¥158,240	¥8,167,142	¥ 3,094	¥8,170,237	¥ –	¥8,170,237
Inter-segment	801	3,122	30	427	5,962	181	681	11,205	533	11,739	(11,739)	–
Total	1,818,210	1,002,133	1,252,364	1,600,738	1,929,740	416,239	158,921	8,178,348	3,628	8,181,976	(11,739)	8,170,237
Segment income (loss)	¥ 37,445	¥ 21,692	¥ 37,968	¥ 21,374	¥ 24,950	¥ 3,639	¥ 5,016	¥ 152,087	¥ (11,803)	¥ 140,284	¥ 15	¥ 140,299
Segment assets	¥ 745,751	¥ 320,896	¥ 652,814	¥ 638,748	¥ 733,652	¥221,278	¥ 98,911	¥3,412,052	¥689,454	¥4,101,507	¥(149,407)	¥3,952,100
Other items												
Depreciation	¥ 11,664	¥ 6,959	¥ 23,461	¥ 20,367	¥ 6,523	¥ 4,309	¥ 1,831	¥ 75,118	¥ 6,012	¥ 81,130	¥ –	¥ 81,130
Amortization of goodwill	117	220	12,133	4,961	11,388	6,464	742	36,029	369	36,399	–	36,399
Impairment losses	4,756	773	759	53,350	8	–	5,211	64,859	–	64,859	–	64,859
Goodwill	475	300	79,026	3,788	24,208	28,087	47	135,935	12	135,948	–	135,948
Investment in affiliates accounted for using equity method	15,037	19,511	27,782	56,079	57,399	17,682	8,809	202,302	14,560	216,862	–	216,862
Increase in property, plant and equipment and intangible assets	12,929	4,929	31,192	47,855	7,992	6,656	3,888	115,443	6,545	121,989	–	121,989

	Thousands of U.S. Dollars											
	Reportable segment											
2016	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Agribusiness	Consumer Products & Services	Total	Other	Total	Adjustments	Consolidation
Net sales:												
External customers	$16,128,931	$8,865,912	$11,114,066	$14,202,263	$17,072,932	$3,692,385	$1,404,330	$72,480,848	$ 27,458	$72,508,315	$ –	$72,508,315
Inter-segment	7,108	27,706	266	3,789	52,910	1,606	6,043	99,440	4,730	104,179	(104,179)	–
Total	16,136,048	8,893,619	11,114,341	14,206,052	17,125,843	3,693,991	1,410,374	72,580,298	32,197	72,612,495	(104,179)	72,508,315
Segment income (loss)	$ 332,312	$ 192,509	$ 336,954	$ 189,687	$ 221,423	$ 32,294	$ 44,515	$ 1,349,724	$ (104,747)	$ 1,244,976	$ 133	$ 1,245,110
Segment assets	$ 6,618,308	$2,847,852	$ 5,793,521	$ 5,668,690	$ 6,510,933	$1,963,773	$ 877,804	$30,280,901	$6,118,690	$36,399,600	$(1,325,940)	$35,073,659
Other items												
Depreciation	$ 103,514	$ 61,758	$ 208,209	$ 180,750	$ 57,889	$ 38,241	$ 16,249	$ 666,648	$ 53,354	$ 720,003	$ –	$ 720,003
Amortization of goodwill	1,038	1,952	107,676	44,027	101,064	57,365	6,585	319,746	3,274	323,029	–	323,029
Impairment losses	42,208	6,860	6,735	473,464	70	–	46,246	575,603	–	575,603	–	575,603
Goodwill	4,215	2,662	701,331	33,617	214,838	249,263	417	1,206,380	106	1,206,496	–	1,206,496
Investment in affiliates accounted for using equity method	133,448	173,154	246,556	497,683	509,398	156,922	78,177	1,795,367	129,215	1,924,582	–	1,924,582
Increase in property, plant and equipment and intangible assets	114,740	43,743	276,819	424,698	70,926	59,069	34,504	1,024,520	58,084	1,082,614	–	1,082,614

Notes: 1. "Other" comprises businesses, such as a professional division that supports Groupwide operations, that are not included in reportable segments.
2. Figures in "Adjustments" for the "Segment income (loss)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
3. "Segment income (loss)" is based on operating income reported on the consolidated statements of income for the corresponding period.
4. Change in accounting policies

Effective the fiscal year ended March 31, 2016, the Company adopted the Accounting Standard for Business Combinations and other related standards. In line with this, accounting method for change in the Company's equity interests in a subsidiary was changed to a new method under which, when the Company still holds control over the subsidiary even after the change in equity interests, gains or losses resulting from the change in equity interests are recorded in capital surplus; and the acquisition-related costs are expensed in the fiscal year when it is incurred. In addition, for business combinations implemented on or after the beginning of the fiscal year ended March 31, 2016, the Company changed to a new method under which adjustments to provisional values of allocated acquisition costs are reflected in the financial statements for the fiscal year which encompasses the effective date of business combination.

Due to this change, compared with what would have been under the previous accounting method, for the year ended March 31, 2016, segment income in the Chemicals & Electronics increased by ¥204 million ($1,810 thousand) and segment income in the Food & Agribusiness decreased by ¥471 million ($4,179 thousand).

5. Changes in accounting policy not easily distinguished from changes in accounting estimates

As stated in "Changes in accounting policy not easily distinguished from changes in accounting estimates," effective the fiscal year ended March 31, 2016, the Company and its consolidated subsidiaries in Japan have changed their depreciation method from the declining balance method to the straight-line method.

Due to this change, compared with what would have been under the previous method, segment income for the year ended March 31, 2016, increased by ¥174 million ($1,544 thousand) in Metals, ¥25 million ($221 thousand) in Global Parts & Logistics, ¥0 million ($0 thousand) in Automotive, ¥1 million ($8 thousand) in Machinery, Energy & Project, ¥17 million ($150 thousand) in Chemicals & Electronics, ¥148 million ($1,313 thousand) in Food & Agribusiness, ¥79 million ($701 thousand) in Consumer Products & Services and ¥211 million ($1,872 thousand) in Other.

	Millions of Yen											
	Reportable segment											
2015	Metals	Global Parts & Logistics	Automotive	Machinery, Energy & Project	Chemicals & Electronics	Food & Agribusiness	Consumer Products & Services	Total	Other	Total	Adjustments	Consolidation
Net sales:												
External customers	¥1,961,003	¥927,515	¥1,306,528	¥1,948,123	¥1,947,515	¥410,409	¥160,144	¥8,661,240	¥ 2,220	¥8,663,460	¥ –	¥8,663,460
Inter-segment	943	3,308	169	1,304	5,845	130	739	12,441	507	12,949	(12,949)	–
Total	1,961,947	930,824	1,306,697	1,949,427	1,953,360	410,540	160,883	8,673,681	2,728	8,676,409	(12,949)	8,663,460
Segment income (loss)	¥ 54,332	¥ 22,876	¥ 36,451	¥ 22,321	¥ 33,074	¥ 5,411	¥ 6,490	¥ 180,958	¥ (11,132)	¥ 169,825	¥ (369)	¥ 169,456
Segment assets	¥ 862,651	¥328,027	¥ 730,225	¥ 697,826	¥ 827,764	¥221,433	¥105,179	¥3,773,107	¥900,227	¥4,673,334	¥(139,640)	¥4,533,693
Other items												
Depreciation	¥ 11,116	¥ 6,241	¥ 20,450	¥ 16,421	¥ 7,155	¥ 3,953	¥ 1,864	¥ 67,203	¥ 6,150	¥ 73,354	¥ –	¥ 73,354
Amortization of goodwill	35	–	12,582	4,918	11,785	5,549	747	35,618	437	36,055	–	36,055
Impairment losses	87	387	–	2,878	366	51	46	3,818	124	3,942	–	3,942
Goodwill	30	320	100,803	8,644	37,380	21,990	768	169,939	708	170,647	–	170,647
Investment in affiliates accounted for using equity method	27,935	23,628	27,159	58,788	57,471	16,290	7,526	218,800	13,978	232,778	–	232,778
Increase in property, plant and equipment and intangible assets	11,381	7,924	22,428	76,393	6,966	5,762	1,133	131,990	9,432	141,422	–	141,422

Notes: 1. "Other" comprises businesses, such as a professional division that supports Groupwide operations, that are not included in reportable segments.
2. Figures in "Adjustments" for the "Segment income (loss)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
3. "Segment income (loss)" are based on operating income reported on the consolidated statements of income for the corresponding period.

Related information

(Geographic information)

	Millions of Yen				Thousands of U.S. Dollars			
2016	Japan	China	Other	Total	Japan	China	Other	Total
Net sales	¥2,543,011	¥1,108,270	¥4,518,955	¥8,170,237	$22,568,432	$9,835,552	$40,104,321	$72,508,315

Note: Net sales are based on the location of customers and categorized by country or region.

	Millions of Yen			
2015	Japan	China	Other	Total
Net sales	¥2,660,758	¥1,158,013	¥4,844,689	¥8,663,460

Note: Net sales are based on the location of customers and categorized by country or region.

	Millions of Yen				Thousands of U.S. Dollars			
2016	Japan	U.S.A.	Other	Total	Japan	U.S.A.	Other	Total
Property, plant and equipment	¥271,484	¥65,322	¥261,478	¥598,286	$2,409,336	$579,712	$2,320,536	$5,309,602

	Millions of Yen			
2015	Japan	U.S.A.	Other	Total
Property, plant and equipment	¥256,550	¥66,757	¥260,511	¥583,819

Information of gain on bargain purchase by reportable segment

In the year ended March 31, 2015, the Company recorded a gain on bargain purchase of ¥10,856 million in the Chemicals & Electronics segment. This was mainly because the acquisition cost for the acquisition of additional shares of a subsidiary was lower than the reduction in non-controlling interests due to the acquisition of the additional shares.

NOTE 23. RELATED PARTY TRANSACTIONS

During the years ended March 31, 2016 and 2015, the Company had operational transactions with Toyota Motor Corporation (“TMC”), a 22.1% shareholder of the Company as of March 31, 2016 and 2015.

A summary of the significant transactions with TMC for the years ended or as of March 31, 2016 and 2015 is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
For the year:			
Sales of raw materials	¥244,741	¥234,204	$2,172,000
Purchase of automobiles	220,648	221,634	1,958,182
At year-end:			
Notes and accounts receivable—trade	¥ 34,405	¥ 38,889	$ 305,333
Notes and accounts payable—trade	12,961	16,164	115,024

Note: The terms and conditions applicable to the above transactions were determined by negotiations on an arm’s-length basis.

NOTE 24. STOCK-BASED COMPENSATION

(1) Stock option expenses recorded in the fiscal year and class of options

Not applicable.

(2) Stock option income recorded by forfeitures due to reversal of subscription rights

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Gain on reversal of subscription rights to shares	¥17	¥87	$150

(3) Stock option details, number of stock options and state of fluctuation

(a) Stock option details

	2011	2010
Position and number of grantees	Directors and executive officers of the Company: 42 Certain eligible employees of the Company: 264 Directors of affiliated companies of the Company: 29	Directors and executive officers of the Company: 42 Certain eligible employees of the Company: 254 Directors of affiliated companies of the Company: 37
Class and number of shares (Note)	1,030,000 shares of common stock	1,030,000 shares of common stock
Date of issue	August 6, 2010	August 7, 2009
Vesting conditions	The grantee must be employed as a director, executive officer or regular employee of the Company or affiliated companies of the Company at the time of exercise. However, the grantee can exercise the stock options for 18 months after retirement or resignation from the Company or affiliated companies.	The grantee must be employed as a director, executive officer or regular employee of the Company or affiliated companies of the Company at the time of exercise. However, the grantee can exercise the stock options for 18 months after retirement or resignation from the Company or affiliated companies.
Service period	From August 6, 2010 to July 31, 2012	From August 7, 2009 to July 31, 2011
Exercise period	From August 1, 2012 to July 31, 2016	From August 1, 2011 to July 31, 2015

Note: Number of options by class are listed as number of shares.

(b) Number of stock options and state of fluctuation

Stock options are those outstanding in the fiscal year and are listed as the number of shares.

(i) Number of stock options

	2011	2010
Non-exercisable stock options		
Stock options outstanding at the end of the previous fiscal year	—	—
Stock options granted	—	—
Forfeitures	—	—
Conversion to exercisable stock options	—	—
Stock options outstanding at the end of the fiscal year	—	—
Exercisable stock options		
Stock options outstanding at the end of the previous fiscal year	156,700	131,100
Conversion from non-exercisable stock options	—	—
Stock options exercised	63,300	95,100
Forfeitures	—	36,000
Stock options outstanding at the end of the fiscal year	93,400	—

(ii) Price of options

	Exact Yen Amounts	
	2011	2010
Exercise price	¥1,375	¥1,492
Average market price of the stock at the time of exercise	2,973	3,270
Fair value of options on grant date	402	487

(4) Method for estimating the number of confirmed stock option rights

Specifically, because of the difficulty in rationally estimating the number of expired rights in the future, a method has been adopted that reflects actual past expirations.

NOTE 25. EARNINGS PER SHARE

Basis of calculation for earnings per share basic and earnings per share diluted is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2016	2015	2016
Earnings per share basic:			
Profit (loss) attributable to owners of the parent	¥ (43,714)	¥ 67,571	$(387,948)
Amount not attributable to common shareholders	—	—	—
Profit (loss) available to common shareholders of the parent	(43,714)	67,571	(387,948)
Weighted average shares (thousands of shares)	351,804	351,517	351,804
Earnings per share basic (exact yen amounts)	¥ (124.26)	¥ 192.23	$ (1.10)
Earnings per share diluted:			
Increase in weighted average shares for diluted computation (thousands of shares)	—	228	—
Earnings per share diluted (exact yen amounts)	¥ —	¥ 192.10	$ —

Note: For the year ended March 31, 2016, diluted earnings per share is not indicated, though there have been dilutive potential shares, because a loss attributable to owners of the parent was recorded for the period.

NOTE 26. NUMBER OF ISSUED SHARES AND TREASURY STOCK

1. Number of issued shares

The changes in total number of issued shares for the years ended March 31, 2016 and 2015 are as follows:

	Shares
Balance as of March 31, 2014	354,056,516
Increase	—
Decrease	—
Balance as of March 31, 2015	354,056,516
Increase	—
Decrease	—
Balance as of March 31, 2016	354,056,516

2. Number of treasury stock

The changes in total number of treasury stock for the years ended March 31, 2016 and 2015 are as follows:

	Shares
Balance as of March 31, 2014	2,759,031
Increase due to purchases of less-than-one-unit shares from shareholders	16,615
Increase of the quota of the Company's stocks owned by affiliates accounted by the equity method	280
Decrease due to exercise of stock options	(409,400)
Decrease due to sales of less-than-one-unit shares to shareholders	(402)
Balance as of March 31, 2015	2,366,124
Increase due to purchases of less-than-one-unit shares from shareholders	12,738
Decrease of the quota of the Company's stocks owned by affiliates accounted by the equity method	(2,892)
Decrease due to exercise of stock options	(158,400)
Decrease due to sales of less-than-one-unit shares to shareholders	(466)
Balance as of March 31, 2016	2,217,104

NOTE 27. CHANGE IN NET ASSETS

Matters related to dividends

(a) Dividend payment

Approvals by the annual general shareholders' meeting held on June 20, 2014 are as follows:

Dividend on Common Stock

1) Total amount of dividends: ¥9,491 million
2) Funds for dividends: Retained earnings
3) Dividends per share: ¥27.00
4) Record date: March 31, 2014
5) Effective date: June 23, 2014

Approvals by the Board of Directors' meeting held on October 31, 2014 are as follows:

Dividend on Common Stock

1) Total amount of dividends: ¥9,850 million
2) Dividends per share: ¥28.00
3) Record date: September 30, 2014
4) Effective date: November 26, 2014

Approvals by the annual general shareholders' meeting held on June 23, 2015 are as follows:

Dividend on Common Stock

1) Total amount of dividends: ¥9,853 million ($87,442 thousand)
2) Funds for dividends: Retained earnings
3) Dividends per share: ¥28.00
4) Record date: March 31, 2015
5) Effective date: June 24, 2015

Approvals by the Board of Directors' meeting held on October 30, 2015 are as follows:

Dividend on Common Stock

1) Total amount of dividends: ¥10,913 million ($96,849 thousand)
2) Dividends per share: ¥31.00
3) Record date: September 30, 2015
4) Effective date: November 26, 2015

(b) Dividends whose record date is attributable to the accounting period ended March 31, 2016 but which are to be effective after the said accounting period

Approvals by the annual general shareholders' meeting held on June 23, 2016 are as follows:

Dividend on Common Stock

1) Total amount of dividends: ¥10,913 million ($96,849 thousand)
2) Funds for dividends: Retained earnings
3) Dividends per share: ¥31.00
4) Record date: March 31, 2016
5) Effective date: June 24, 2016

NOTE 28. QUARTERLY FINANCIAL SUMMARY FOR THE FISCAL YEAR ENDED MARCH 31, 2016

Accumulative

	Millions of Yen				Thousands of U.S. Dollars			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Net sales	¥2,138,417	¥4,284,060	¥6,260,859	¥8,170,237	$18,977,786	$38,019,701	$55,563,178	$72,508,315
Profit before income taxes	34,686	51,353	82,307	46,535	307,827	455,741	730,449	412,983
Profit (loss) attributable to owners of the parent	12,985	23,786	35,052	(43,714)	115,237	211,093	311,075	(387,948)
Earnings per share basic (exact yen amounts)	¥ 36.92	¥ 67.62	¥ 99.64	¥ (124.26)	$ 0.33	$ 0.60	$ 0.88	$ (1.10)

Fiscal period

	Yen				U.S. Dollars			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Earnings per share basic	¥36.92	¥30.70	¥32.02	¥(223.87)	$0.33	$0.27	$0.28	$(1.99)

Report of Independent Auditors

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries

pwc

Independent Auditor's Report

To the Board of Directors of TOYOTA TSUSHO CORPORATION

We have audited the accompanying consolidated financial statements of TOYOTA TSUSHO CORPORATION ("the Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the purpose of the financial statements audit is not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as at March 31, 2016, and their financial performance and cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience translation
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2016 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

PricewaterhouseCoopers Aarata LLC

July 12, 2016

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