ANNUAL REPORT 2002

For the year ended March 31, 2002

VALUE INTEGRATOR

TOYOTA TSUSHO CORPORATION

PROFILE

For over half a century since our establishment in 1948, we have been building a global sales network as the only trading company of the Toyota Motor Group. Today, together with 224 subsidiaries and other affiliates comprising the Toyota Tsusho Group, we are involved in undertaking a wide range of businesses from trading, manufacturing and processing to retail and services throughout the world.

Under our corporate philosophy of "aiming for co-existence and co-prosperity between people, society and the earth to become a comprehensive company that contributes to creating an affluent and comfortable local community," we strive to be open and fair in our corporate activities, thereby earning widespread support and appreciation worldwide and aim to uphold our basic management principle of "creating added value" to satisfy all stakeholders, including customers, shareholders and investors, employees and local communities.

Towards these goals, the Toyota Tsusho Group has clearly defined its ideal business focus, functions, corporate culture and mindset based on becoming a "Value Integrator," the keyword of LEAD, in order to continue to create and provide new value for all stakeholders.

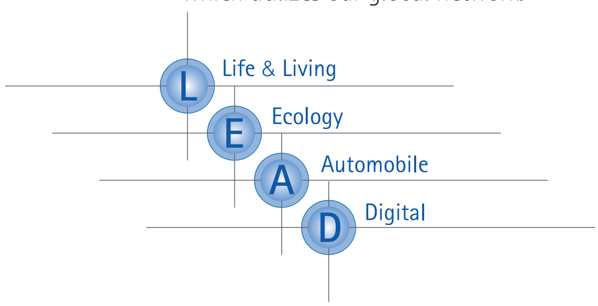
Towards Becoming a Value Integrator
The Keyword is L · E · A · D

THE KEYWORD

Contents

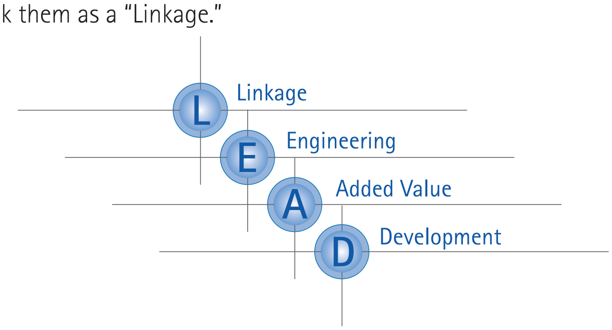
LEAD as Business Domain

As a member of the Toyota Group, Toyota Tsusho will continue to place the "Automobile" business at the core of its operations. We will also invest capital resources into such main business areas as "Digital" information and electronics, to which expertise cultivated through car electronics can be applied; the "Ecology," which developed from the idea of recycling "End of Life Vehicles"; and "Life & Living," which utilizes our global network.



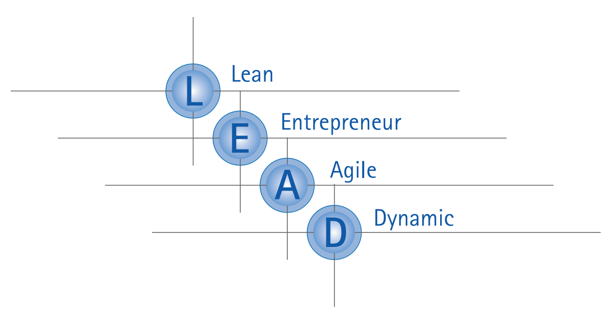
LEAD as Function

To create "Added Value," it is not adequate to demonstrate our trading functions but it is important to "Develop" new markets, discover new "Engineering" technologies and interlink them as a "Linkage."



LEAD as Corporate Character and Culture

New businesses require "Dynamic" ideas, "Agile" action, "Lean" organization as well as financial structure and above all, the spirit of the "Entrepreneur" among all our employees.



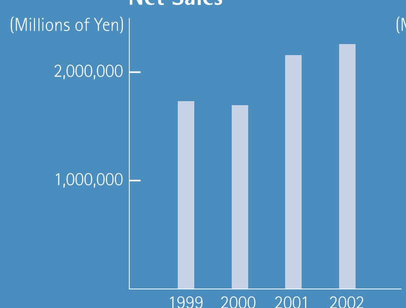
Financial Highlights

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years Ended March 31, 2002 and 2001

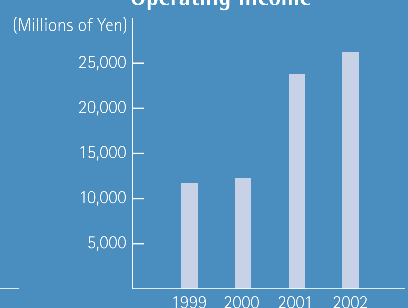
	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
For the Year:			
Net Sales	¥2,255,698	¥2,157,240	$16,928,314
Gross Trading Profit	117,292	110,789	880,245
Operating Income	26,252	23,766	197,017
Net Income (Loss)	8,781	8,169	65,897
At Year End:			
Total Assets	922,054	923,862	6,919,730
Total Shareholders' Equity	150,680	147,905	1,130,803
	Yen		U.S. Dollars
Per Share:			
Net Income (Basic)	¥ 31.31	¥ 28.73	$ 0.23
Cash Dividends	7.50	7.50	$ 0.06
	%		
Gross Trading Profit Ratio	5.2	5.1	
Return on Average Shareholders' Equity (ROE)	5.9	5.9	
Shareholders' Equity Ratio	16.3	16.0	
Return on Average Total Assets (ROA)	2.8	2.8	
Current Ratio	108.1	110.5	
	Times		
Price Earnings Ratio	16.3	12.9	
Interest Coverage	4.4	3.7	
Debt Equity Ratio	2.2	2.3	

Note: The U.S. Dollar amounts have been translated from yen, solely for the convenience of the readers, at the rate of ¥133.25=US$1, the approximate exchange rate on March 31, 2002.

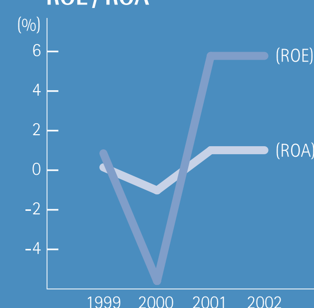
Net Sales



Operating Income



ROE / ROA



A Cautionary Note on Forward-Looking Statements:

This annual report contains "forward-looking statements" about Toyota Tsusho's future plans, strategies, beliefs and performance that are not historical facts. These forward-looking statements are presented to inform stakeholders of the views of Toyota Tsusho's management but should not be relied on as the only factors in making investment and other decisions. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from this information, which is based on assumptions and beliefs in light of information currently available to the management. Readers are cautioned not to place undue reliance on these forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results due to new information, future events or other developments.

To Our Shareholders and Investors

President
Masaaki Furukawa

Chairman
Eizo Takeyama

Second Consecutive Year of Sales and Profit Growth–Share of Overseas Operations Exceeds 50%

We extend our deep gratitude to our shareholders and investors for their consistent support.

The economic environment for the year under review experienced a general deceleration as a slowdown in the U.S. economy due to declining capital investment and the effect of the September 11 terrorist attacks caused a deterioration in the economies of Asia and Europe as well as an increasing initial concerns of global recession. However, conditions improved somewhat since the beginning of the year, as steady consumption in the United States acted as an engine for recovery. The Japanese economy meanwhile remained in the grips of a recession as declining exports restrained domestic production. The worsening employment situation and other factors further fueled deflationary trends in personal consumption, leaving the bad loans issue unresolved and clouding the path to economic recovery.

Under such an environment, the Toyota Tsusho Group reported net sales of ¥2,255.6 billion for the year ended March 2002, an increase of 4.6% compared with the previous term. Operating income was ¥26.2 billion, up 10.5% on the year, and net income was increased by 7.5% over the previous year to ¥8.78 billion, which enabled us to achieve a second consecutive year of growth in both sales and profit. This resulted from the steady progress we have been making in our management plan aimed at becoming a "Value Integrator." Furthermore, thanks to brisk automobile-related exports and an increase in overseas capital investment by our customers, the ratio of our overseas business exceeded by 50% for the first time since our initiation, marking a year of opportunity for advancing our overseas operations. Looking to the future, we will commit to steadily expand our overseas operations in Asia and North America and to aggressively pursue businesses with an emphasis on Europe and China where high growth is expected.

Meanwhile, in terms of our financial activities, we succeeded in significantly improving our cash flows from operating activities by more efficiently using our operating capital and bolstering our financial structure by liquidating unprofitable subsidiaries and affiliates and reducing interest-bearing debt. We intend to follow through on procuring ample equity funding and by aggressive investments to enhance corporate capacity.

Long-Term Management Plan for a Value Integrator Orientation

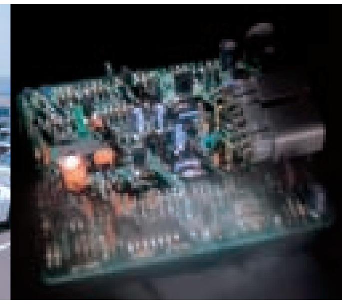
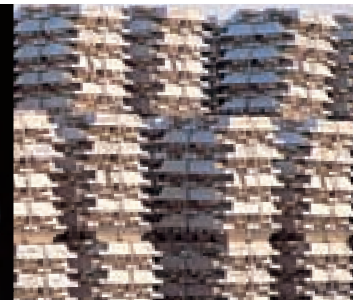
In the past, trading companies had grown up with the Japanese economy as a business model unique to trade-oriented Japan, acting not only as intermediaries but also as "info-mediaries" providing a variety of capabilities encompassing information, finances and distribution. However, as you are aware every trading company is currently engaged in a major business reorganization in a bid for survival amid intensifying competition due to substantial changes in the economic environment such as the globalization of information and financial services and the move towards realignment beyond corporate, country and industry borders.

The Toyota Tsusho Group has satisfied the stringent requirements and expectations of the TOYOTA member companies, known for their rational and efficient management systems typified by the "kanban method" of the TOYOTA Products System, and has endeavored to develop its own capabilities, pursue efficient management and achieve a solid financial structure so far. Under our 2010 vision, we will further hone these strengths while concurrently declaring our goal of becoming a "Value Integrator," a company that creates new values transcending our traditional capabilities. With a steady eye on the future, we will promote a long-term management plan designed to respond with agility to the changing environment.

We will start by concentrating our future investment of capital into designated business domains for strategic development, focusing on the automobile-related business as the core area, followed by the three priority business areas of "Ecology," "Digital" information and electronics and "Life & Living," where we can most effectively utilize the strengths cultivated in the automobile business. To that end, we have identified the following three specific points for action.

1. Strengthening the Profit-Earning Base of the Core Business

We will strive to further strengthen functions and raise efficiency to establish a solid profit-earning

base for our core business related to automobiles and peripheral areas such as metals, mechanical know-how, vehicles and industrial materials. We will also promote our overseas operations under a plan which calls for expanding profit in terms of operating income from the core business from ¥24.2 billion (see Note) for the fiscal year ended March 2002 to ¥38 billion (see Note) by the fiscal year ending March 2007.

Overseas production of the Toyota Group jumped nearly 30% over the past five years, a trend that is expected to continue. Not only that, procurement activity in the automobile industry has taken on a global scope transcending the boundaries of individual makers. An expanding field provides opportunities for Toyota Tsusho Group to excel at a worldwide level. We will take full advantage of these business opportunities to aggressively pursue overseas operations.

In Japan, as a specific measure to strengthen our capabilities, we will bolster the processing and distribution functions of our recycling business while at the same time promote cost reductions through higher efficiency and structural reform of operations by utilizing IT. We will also develop new profit-making sources by incorporating peripheral businesses.

2. Strengthening and Cultivating Priority Businesses

We have identified businesses related to the "Ecology," "Digital" information and electronics and "Life & Living," as priority areas to be developed into new pillars of profit and growth next to the core area, while at the same time, we will continue to focus attention on business expansion intending alliances and M&A as we aggressively invest our management resources toward establishing a well-balanced portfolio of businesses. Profit in terms of operating income from these priority areas is projected to expand from ¥6 billion (see Note) for the fiscal year ended March 2002 to ¥17 billion (see Note) by the fiscal year ending March 2007.

In the area of "Ecology," we are promoting recycling businesses for products such as "End of life Vehicles," textile materials such as seats as well as used paper. We are also actively investing into the development of new energy sources with lower environmental impact. In this regard, two companies were established last year for entering into the wind power generation business, which commenced through importing and marketing generators. The two companies aim to launch full

(Note) Figures do not include company-wide expenses such as expenses for performance evaluation that are not distributed across business divisions.

operations this year. We will also continue to actively pursue the GTL (Gas to Liquid) business such as promoting the use of DME (Dimethyl Ether), which has attracted attention as a clean energy source, and other business areas such as the trading of CO_2 emission rights.

In the area of "Digital" information and electronics, we are responding to the expansion of production in the automobile industry by promoting optimal procurement of automobile electronics parts on a global scale, and we are strengthening our system network business for companies that relocate or commence production abroad. We have also begun work on strengthening our software and our automobile-electronics technology, which is increasing in sophistication as automobile become information bases for ITS and telematics and as expectations grow for electric combustion engines such as those used in hybrid cars and fuel-cell cars. Meanwhile, further business expansion will be sought through flexible investments with regard to our existing e-businesses, including the sale of comic books via the Internet and providing copyright protection and mediation.

In the "Life & Living" area, in addition to strengthening overseas processing functions in the foods area for supplying products with higher added value, we will continue our efforts to supply food materials emphasizing safety, e.g. non-genetically modified soybeans. We will also actively develop businesses through potential M&A activities with other companies in areas such as insurance for companies relocating or commencing production abroad, where we can apply the strengths we have cultivated as a top-class insurance agent in Japan. We will exploit opportunities in nursing-related businesses, where future growth is expected; in textiles, where we excel in the field of safety such as in production of seatbelts and air bags; and in apartment and housing, where we aim to offer overall proposals on living space.

3. Building a Healthier Financial Structure

While improving the value addition to our functions as a trading company, we will also continue to withdraw from unprofitable and inefficient businesses and to resolve non-performing assets in accordance with our internal standards, towards establishing a healthier financial structure. Meanwhile, with regard to TVA, an original indicator that we introduced to raise the efficiency of our assets, we will designate targets for each product division. This is aimed not only to improve the efficient utilization of funds but also to aggressively promote improvement in the bottom-line. Through these measures, we aim to increase ROE to 11% by the fiscal year ending March 2007 from 5.9% for the year ended March 2002.

In line with expanding our overseas operations and increasing transactions with a wider variety of companies in the priority areas of our businesses, we face a significant issue of pursuing stronger risk management on a consolidated basis. Toyota Tsusho established a risk management division in October 2001 to build an comprehensive risk management system as a preparatory measure against credit, business investment and country risks.

Nurturing Human Resources Brimming with an Entrepreneurial Spirit

Our group has torn down barriers between management and employees and has created new businesses through dynamic communication. Since 2001, we set up the V.I. Meeting, to create a lively in-house atmosphere through an honest exchange of opinions between managers and employees. By listening to opinions from the workplace and directly communicating ideas through this exercise in direct dialogue, I hope that each employee will pursue their work with their own ideas and opinions, while maintaining the integrity of Toyota Tsusho's "DNA," including the dynamic ideas and spirit of challenge, consistent user-orientation and adherence to the Plan, Do, Check, Action (P-D-C-A) cycle based on logic and principles. People are our greatest asset as a trading company. We need human resources with a strong will and flexible ideas to achieve our major transformation. We will thus continue to cultivate our human resources as a key issue of the management.

The Role of Toyota Tsusho Group

We must never forget that the starting point for a trading company is our mission to constantly heed the voice of our customers and provide products, services and information that our customers need. In the future, we will continue to improve the quality of the products and services we provide and nimbly respond to the changing environment in order to dynamically pursue our transformation into a "Value Integrator" that can create, improve and provide value to our shareholders as well as all stakeholders.

We intend to present our shareholders and investors with timely information on our action plans and progress to achieve a high level of transparency and seek their continued support.

July 2002

Eizo Takeyama, Chairman

Masaaki Furukawa, President

Taking Steady Steps Towards Becoming a Value Integrator

Strengthening Our Capabilities Through Overseas Business Development

In 2000, the Toyota Tsusho Group set out a vision for the next decade on becoming a "Value Integrator" that contributes to all stakeholders, and has since implemented dynamic reform to realize this ideal. In the fiscal year ended March 2002, the share of our overseas operations exceeded 50% of net sales for the first time since the company was founded, further accelerating the development of our overseas business. We are sure this is the result of customers recognitioning our proven track record, attained by accurately grasping the needs of our overseas business partners and by steadily bolstering and improving our capabilities and services to meet those needs.

Basic Strategy of Our Overseas Operations

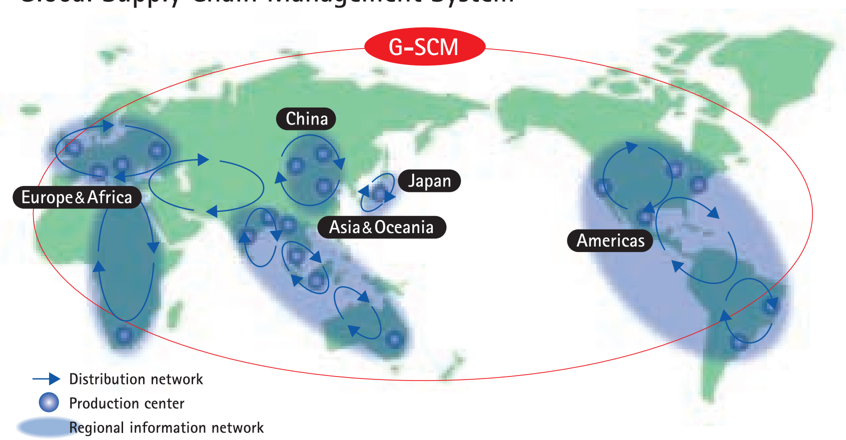
Today, the globalization of markets and information has created a worldwide marketplace, bringing down barriers that previously separated industries, regions and even currencies. The euro is just one example of this trend, further expanding the opportunities for the Toyota Tsusho Group that has been engaged in business activities throughout the world for more than half a century.

The basic principle of the Group's overseas strategy consists of pursuing the automobile-related business at the core of our operations and developing its capabilities to expand into promising areas. The Group's strength lies in the supply chain comprising of a combination of functions some of which being procurement, processing, storage/distribution and recycling. These functions have been cultivated through our domestic automobile-related business. We will further improve and develop these supply chain functions to correspond to local needs, as we construct a total value chain encompassing the entire process from negotiating with government authorities and constructing plants, to preparing for production such as procuring and installing facilities, and providing management support, product marketing and services in the post-production phase, with due consideration of the political, economic and financial situation in each country. We have already established a value chain in North America for providing high value-added, high-quality service in each phase of the process, and intend to use this as a model to expand into high-priority areas, for instance China and Europe, thereby further advancing our drive to construct an integrated value chain spanning the four global economic centers of Japan, North America, Europe and Asia.

Building of a Global Supply Chain Management System

Toyota Motor Group affiliates, which constitute our main client base, as well as both Japanese and foreign manufacturers are expected to continue expanding production outside their countries based on a market-in approach and global product strategy. Accordingly, it is becoming increasingly important to improve the efficiency of overseas production by building networks linking supply chains between production centers, countries and regions, which in turn leads to increased demand for the distribution and information organizing capabilities possessed by trading companies. The Toyota Tsusho Group is responding by building a Global Supply Chain Management (G-SCM) system based on its existing supply chains in the four global economic regions. The system utilizes information concerning inventory, demand projections, production plans, delivery dates and distribution status gathered from each region to optimize total overall inventory from a global perspective to enable efficient planning for ordering, production and delivery. Through such measures, we will fully mobilize our capabilities and move forward towards our goal of becoming a "Value Integrator," and further enhance our customer recognition.

Global Supply Chain Management System

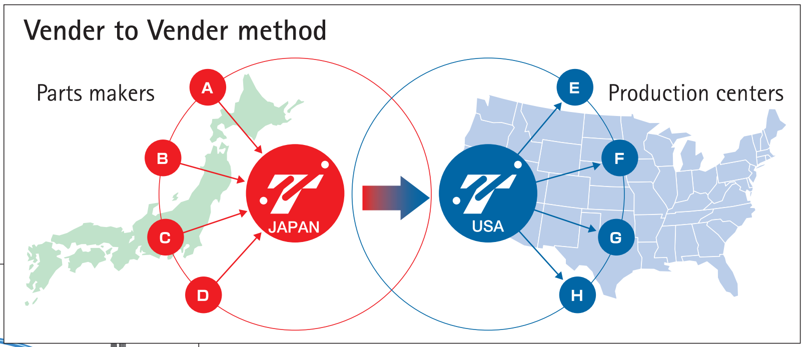


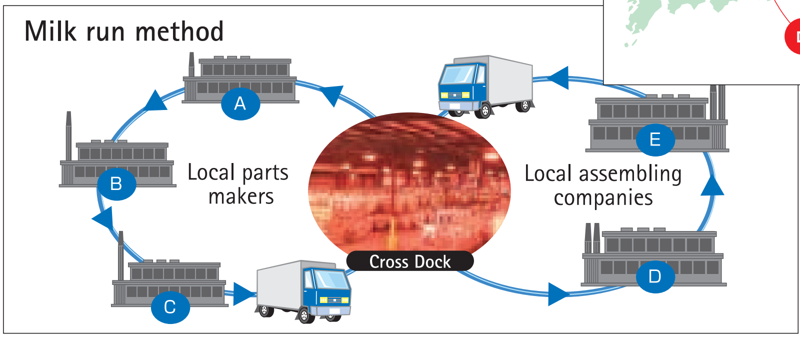
In specific measurable objectives, we hope to raise the share of overseas business, expanding overseas transactions to ¥2,040 billion by the fiscal year ending March 2007 from ¥1,160 billion for the year ended March 2002, by actively promoting overseas operations.

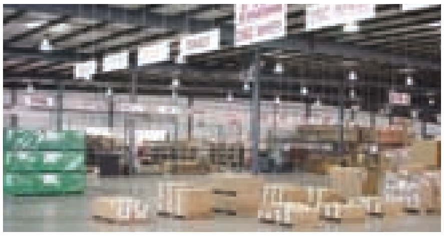
Examples of Business Development in North America

Raising the Efficiency of the Distribution System—Concentrated Distribution of Overseas Production Parts and Packaged Contracting of Local Distribution

The Toyota Tsusho Group has realized integrated total distribution of parts provided by Japanese automobile makers to their North American production centers, where we are commissioned under a packaged contract that covers cargo collection in Japan, concentrated transport to North America and delivery to production centers. Improvements in the frequency and efficiency of transport made possible by concentration has shortened delivery periods and decreased inventory for each manufacturer, while our function as outsourcer has reduced complicated trade documentation processes, significantly bringing down cost of sales. Furthermore, through our partnership with leading local distribution companies, we provide high value-added distribution services through the milk run method in which trucks make efficient rounds of local parts suppliers and assembly makers to enable consolidated-cargo transport, the cross dock method using relay stations to efficiently cover a wide area of distribution, and Logistics Technology in which assembly factory processes parts in the order of production.






Overseas manufactured parts warehouse

New Business Areas for Strengthening Our Capabilities

In materials supply, our business model is to deliver molten aluminum to our customers, which has resulted in considerable reductions in plant investment and energy costs for the user, as the conventional method requires the re-melting of supplied ingots, while also reducing environmental impact.

In addition, last year we began supporting the planning, development and manufacturing of specialized transport equipment to address the deteriorating efficiency rate of storage space and loss caused by the increasing frequency of physical damage incurred during transportation, as parts become larger and more complex with the progress of modules. In addition, safety is secured by adopting a variety of unloading methods.


Movement of molten aluminum


Automobile parts pallet

Apart from these measures, we are creating new profit opportunities by strengthening capabilities for catering to the needs of each customer and providing appropriate added value. These profit opportunities are being achieved through such services as combining parts into modules, sub-assembly operations and parts delivery according to the order of production at assembly factories.

Supporting the Promotion of Zero-Emission Factories

Our recycling business is aimed at disposing waste in an appropriate manner inside the factory where they are generated by collecting and processing cardboard and plastic used in packaging for reuse in factories, and collecting and sorting metal scraps such as iron and aluminum for sale to metals manufacturers. We have received high acclaim from users promoting zero-emission factories from the viewpoint of conserving natural resources and the environment, and we intend to promote this effort further in a variety of areas.

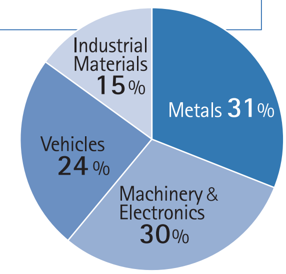

Metal scraps recycling factory
(Georgetown, U.S.A.)

The Year in Retrospect for the Toyota Tsusho Group

"LEAD"-the keyword that guides the development of the Toyota Tsusho Group.

Here is our progress report on the activities and businesses we pursued during the year under this keyword in each area of our operation.

Core Business L E A D Automobile-related



Operating profit breakdown by division

Transformation of African Dealerships into Fully-owned Subsidiaries—April 2001

In order to solidify the foundation of the marketing network for Toyota automobiles in Africa and to effectively implement a two-dimensional, regional strategy, we transformed all six of our Toyota auto dealerships and operations into 100%-owned subsidiaries. Through this measure, we will advance towards our goal of bolstering sales and expanding the market share of Toyota automobiles.

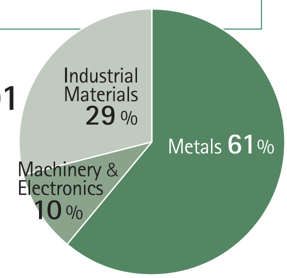
Establishment of a Joint Logistics Company in Brazil—October 2001

In step with the growing number of Japanese automobile-related companies that have entered the Brazilian market, we have further strengthened our existing distribution operations in Argentina and Brazil, establishing a distribution company jointly with Kimura Unity Co., Ltd. and Toyota Tsusho Do Brazil, Ltda. to expand our client base.

Steady Progress Toward the Infrastructure for a Distribution Network in China—2001-2002

We made steady progress in building a distribution network around the three core regions of Shanghai, Tianjin and Chonqing where auto-parts makers are concentrated. In addition, a distribution system, incorporating the milk run and cross dock methods, in accordance with our existing model in North America, has been completed and commissioned by Toyota Motor Corporation under a packaged contract.

Strategic Business L E A D Ecology



Operating profit breakdown by division

Launch of the Emissions Rights Mediation Business—June 2001

Aiming to achieve synergy in our environment-related businesses and to provide even higher value-added service, we invested in Natsource Japan, whose main operations consist of trading greenhouse gas emissions rights, consulting services on emissions reduction projects and mediation of electricity trading. Our participation in this company is intended to accumulate expertise on the emissions rights business in the hope of expanding our marketing channels for environment-related equipment and of increasing orders for Clean Development Mechanisms from developing countries.

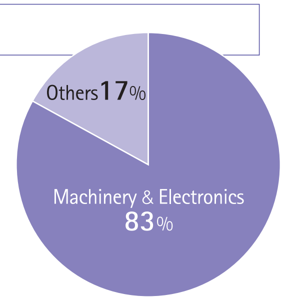
Establishment of a Recycled Noise Reduction Material Maker in the United States—December 2001

Two 100%-owned subsidiaries of Toyota Tsusho, Toyota Tsusho America Inc. and Toyoda Boshoku Corp., established Echo Technology Inc., a company that makes recycled noise reduction materials. Such materials are produced by effectively utilizing waste generated during the process of manufacturing automobile seats. In North America there is a increasing need for this material due to growing concern about environmental issues.

Commercialization of DME Direct Synthesis Technology—February 2002

Five companies including Toyota Tsusho, NKK Corp., Nippon Sanso Corp., Hitachi, Ltd. formed a consortium to commercialize the direct synthesis technology for Dimethyl Ether (DME). The consortium established DME Development Co., Ltd. for the construction and operation of a test plant, as a follow-up to the establishment of DME International Corporation for a commercialization feasibility studies, in October 2001. DME is expected to come into use as a next-generation energy that will replace LPG as a source of electric power generation. We plan to promote technological development towards the earliest possible commercialization of the process.

Strategic Business LEAD Digital



Operating profit breakdown by division

Commencement of ETC Experiment in Shanghai—July 2001

Toyota Tsusho, in a joint venture with Toyota Motor Corporation, Denso Corporation and a local company in Shanghai, has started experimenting on a new type of ETC (Electronic Toll Collection) system that incorporates Japanese-style two-way transmission and European/United States-style receiver-only types.

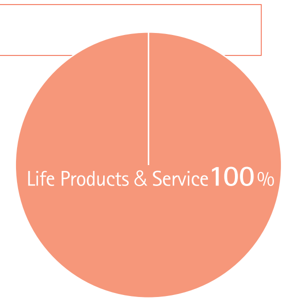
Network Service Business in China—October 2001

Toyota Tsusho set up a network-related service company jointly with KDDI Corporation in the promising market of China, where foreign companies, including those from Japan, are becoming increasingly active and where expectations run high towards the opening of its telecommunications market following the country's membership in the World Trade Organization. We will undertake a wide-ranging solutions business such as consulting, maintenance and housing services for network construction, mainly in the Beijing and Tianjin regions, based on KDDI's superior communications technology and services and Toyota Tsusho's powerful marketing channels.

Integration of Two Group Affiliates in the Information and Communications Business—October 2001

In order to strengthen our business creation and development capabilities centered on the Internet and more efficiently deploy our management resources, we decided to integrate the operations of one affiliate specialized in information processing such as developing mission critical software and with a second affiliate, which had mainly been involved in telecommunications such as building communications infrastructure.

Strategic Business LEAD Life & Living



Operating profit breakdown by division

Entry Into the Nursing Care-Related Business—April 2001

Together with seven other companies including business partner Tomen Corporation, we established a company that undertakes the factoring business for domestic nursing-care benefit liabilities and the outsourcing of management operations related to the requesting and settling of nursing-care benefits. It will provide a foundation that allows nursing service operators to concentrate on their main business, while endeavoring to expand the nursing-related businesses, such as rental and sales of related equipment, by utilizing the network of operators.

Metals Division

Business Outline

We provide a varied lineup of products, including steel sheets, steel bars and steel pipes, nonferrous metals and raw materials. For steel sheets in particular, we have established a systematic structure in accordance with the Toyota Steel Center Co., Ltd., one of the largest processing and distribution centers in Japan, which handles the entire process from order-taking and processing to delivery. With regard to steel bars and steel pipes, we are constantly seeking new materials and technological innovation, and offer a complete array of services covering alloys, products and recycling in the area of nonferrous metals. Our efforts in the used automobile recycling business have been highly regarded in the industry. In addition, we are actively responding to the expansion of overseas processing centers and intermediary trade.

Business Environment

In fiscal 2001, demand for steel that is predominantly used for construction and manufacturing, declined rapidly, while sales conditions for export-oriented steel deteriorated due to the economic slowdown in various countries. Concurrently production volumes of raw steel decreased by 4.83 million tons from the previous year to 102.06 million tons, and inventory accumulated during the first half of the year continued at record high levels through the year-end, prolonging the severe business environment in which steel prices suffered a major slump.

Industrial realignment advanced further against the backdrop of global over-supply, during which time steel makers moved to integrate management and forge alliances both in Japan and abroad, and leading Japanese trading companies integrated their steel divisions.

Business Performance and Future Plans

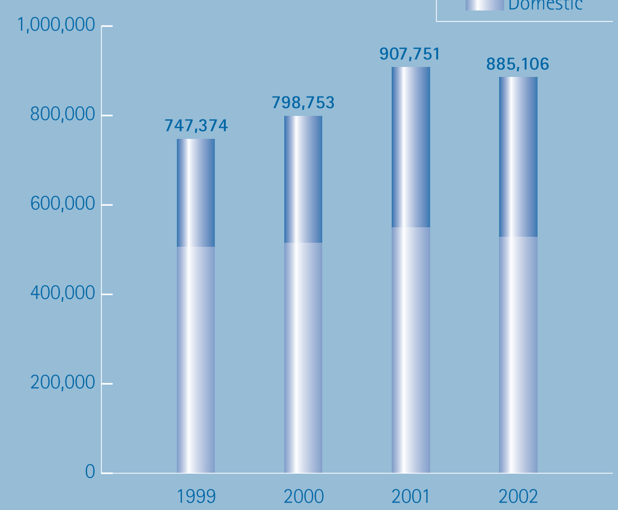
Under these conditions, the division's performance was generally affected by declining domestic demand and falling prices, despite the significant contribution in exports to the Middle East made by the steel business acquired from Tomen Corporation in November 2000. Sales of nonferrous metals increased in the United States, where automobile-related products continued to do well in the face of the economic slowdown, but decreased in the United Kingdom due to a deterioration in the primary aluminum market, among other factors. As a result, net sales for the metals division fell 2.5% compared with the previous year to ¥885.1 billion.

In Japan, we are striving to enhance capabilities, reduce costs and rationalize operations to improve business performance in our company-wide pursuit of sustainable profitability. Especially in our main business area of the Central Region, we integrated the operations of two subsidiaries in the metals division in May 2001 and transferred their base to the Toyota Steel Center Co., Ltd., which functions as our main processing and distribution center, with the aim of improving management efficiency and strengthening our processing and marketing networks. Thus establishing a system for offering complete, accurate responses to our customers in terms of both processing and marketing, and providing services that are detail oriented.

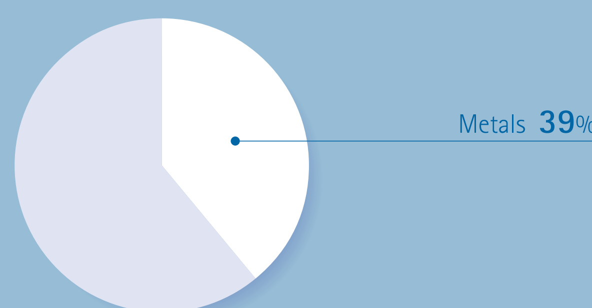
In our overseas operations, we expect business to continue favorably as client companies in the automobile-related industry accelerate their drive towards overseas production. In North America in particular, we possess sophisticated technology and high value-added capabilities, for example, the molten aluminum operation and a precision casting process for steel sheets, even as our client base is expanded to include electronics makers. In addition, complete service is provided at the production site, including efficient recycling operations inside the users' factories taking full advantage of expertise accumulated in Japan, such as the collection and disposal of metal scraps generated by factories.

Furthermore, we have set up with Toyoda Boshoku Corp. and Denso Corporation a refurbishing business for compressors used in car air-conditioners in North America, using know-how accumulated by the metals division in our used automobile recycling business in Japan.

Segment Sales (Millions of Yen)



Share of Net Sales



Products & Services

- Hot & cold rolled steel sheet
- Stainless sheet
- Steel plate
- Special steel bar & wire rod
- Steel tube
- Stainless tube
- Drawn tube
- Nonferrous metals
- Primary and secondary aluminum
- Rolled light metal products
- Precious metals
- Scrap iron
- Pig iron
- End-of-life vehicles
- Iron powder
- All kinds of processed parts

Machinery & Electronics Division

Business Outline

In Japan, we sell manufacturing and distribution facilities, power plants, equipment for rationalization, and environmental protection facilities, and are actively involved in the area of plant engineering as well. Also textile and industrial machinery is exported to various countries, in response to the needs of overseas production undertaken by our domestic clients.

With regard to information electronics, a broad array of products from hardware to software are handled, including electronics parts and semiconductor manufacturing facilities. In addition to electronics-related equipment, with particular strength in the area of automotive electronics, where specialized quality control is required for automobile-mounted products.

Also, in response to the needs of automobile-related makers that are rapidly expanding overseas production, we coordinate optimal procurement and distribution of necessary parts for production.

Business Environment

Similar to the previous year, the machinery industry in general faced severe business conditions, as domestic demand fell significantly. This was due to the hollowing-out of production sites in Japan caused by a slump in capital investment and an increase in overseas production, as well as by a considerable downturn in exports of industrial machinery and other products to Asia and the United States. Conditions also remained severe for information and electronics in the Japanese telecommunications industry resulting from the inventory adjustment of mobile phones, while the slump in IT-related industries in the United States spread to the world, rapidly reducing demand for electronic devices such as semiconductors and LCDs. Furthermore, the industry underwent structural change, as China advanced on the basis of its cost-competitiveness and EMS (Electric Manufacturing Service) companies emerged.

Business Performance and Future Plans

Consequently, the division improved performance in the facility machinery area by actively taking on orders related to overseas capital investment accompanying the transfer of production by automobile-related client companies. In addition, in the area of environmental facilities, we saw steady growth in sales of wind power generators and endeavored to increase business in measurement-related facilities.

With regard to information and electronics, transactions were increased in the automotive electronics area, which is expanding from functional parts to information equipment in line with higher technological sophistication. We also invested in an electronic parts trading company and network services business in China, where the information and electronics business is expected to expand.

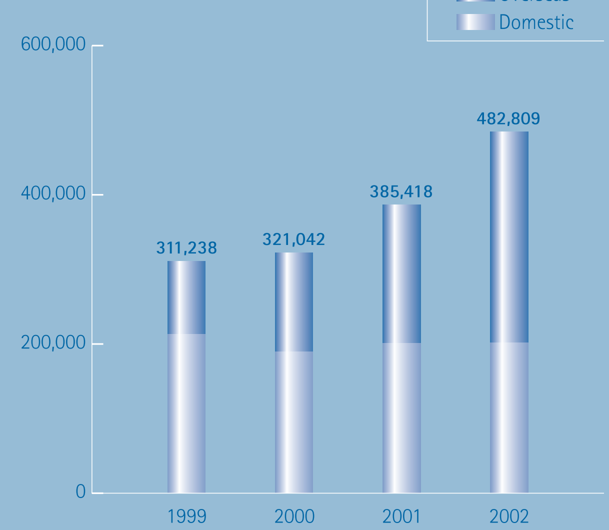
With regard to automobile parts for overseas production, our distribution system has won high acclaim, leading to a steady increase in transactions. In addition, as regional cross-border mutual procurement of parts increases, international trade has grown, especially in the Asian region, leading to greater transactions in automobile production parts in the United States and Europe as well.

As a result of the above factors, the division benefited from significant increases in net sales, which rose 25.3% from the previous year to ¥482.8 billion, and in operating income, which increased from ¥6.1 billion in the previous year to ¥8.8 billion.

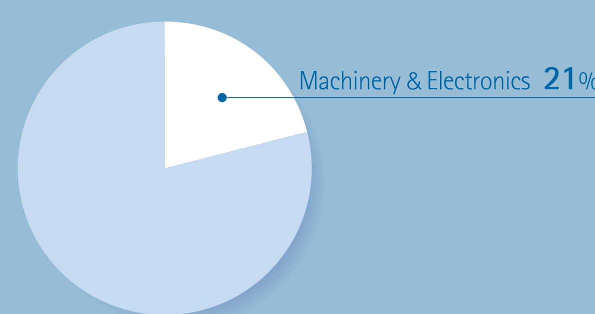
The division will continue to participate in facility investment opportunities abroad and to strengthen its consulting service for proposing the best combination of facilities and layout to meet user needs, as well as after-sale service of repair/maintenance parts, differentiating ourselves from our competitors by offering fully-developed extra capabilities and winning even higher recognition from industry. We also intend to further expand our environmental equipment business, in such promising growth areas as wind power generation and cogeneration, by deepening our collaboration with manufacturers of superior products and installation track records.

The development of network technology brought about by progress in advanced digitalization is now spreading beyond the world of business and into our homes through the introduction of digital household appliances. This trend has been accompanied by a growing need to provide leading-edge technology, higher added value and lower costs for components such as electronic devices, parts and equipment. Consequently, high priority has been placed on these consumer products.

Segment Sales (Millions of Yen)



Share of Net Sales



Products & Services

- Machine tools
- Casting & forging machinery
- Molding machinery
- Plant engineering
- Spinning machinery
- Intelligent transport systems (ITS)
- Network security related business
- Systems integration
- Electronic components assembly equipment
- IC tester & evaluation equipment
- PC peripheral products (hard disks, MO drives, flash memory cards, CD-ROM drives)
- e-Parcel
- Home electric appliances
- Electric tools
- Bearing automotive parts for overseas production

Vehicles Division

Business Outline

We export vehicles for the Toyota Motor Group to over 100 countries, including Toyota Lexus and Daihatsu brand automobiles as well as completed products and parts for Hino trucks and Toyota's industrial vehicles.

In each export country, we are actively involved in sales and services, providing our agents and dealers with training for technical service staff and management support including investment and loans. Our operations are wide-ranging, covering marketing planning and establishment of directly managed dealerships, in addition to financial services related to automobile sales. We also maintain close contact with our base in each country to identify and manage local political, economic and financial risks and to monitor market information, for example, the local trends and user preferences, utilizing our information-gathering capability to provide feedback to automobile-related makers on planning and development of overseas production and marketing strategy.

Business Environment

Automobile sales in fiscal 2001 were slightly lower compared with the previous year, as the global economy entered a period of adjustment. Automobile production fell below the 10 million-unit mark for the first time in two years in Japan, affected by lower sales and an increase in overseas production. Sales in North America also decreased considerably during the year, as U.S. automobile makers adjusted production to reduce their inventory. In the industry as a whole, competition intensified on a global scale amid an escalation in international corporate restructuring and global procurement across national borders and corporate groupings. Companies are racing to build their global supply systems while developing new products and technology for the next generation and reducing costs.

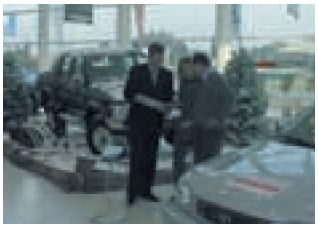
Business Performance and Future Plans

Under such circumstances, the division endeavored to bolster its marketing and service system for the future, steadily increasing the number of directly managed dealerships in the promising Russian market and extending capital for the establishment of an automobile import sales company. We also transformed our agent and six operations in Africa, where we had been operating jointly with local partners, into fully-owned subsidiaries, in order to strengthen and stabilize our management base by accelerating strategy planning for the entire region as well as management decisions. These measures contributed to the division's positive performance, with exports to Africa, Russia, Hong Kong, Central and South America, and the Caribbean faring extremely favorably, raising sales to ¥302.9 billion, up 24.5% compared with the previous year, and boosting operating income from ¥2.1 billion in the previous year to ¥5.7 billion.

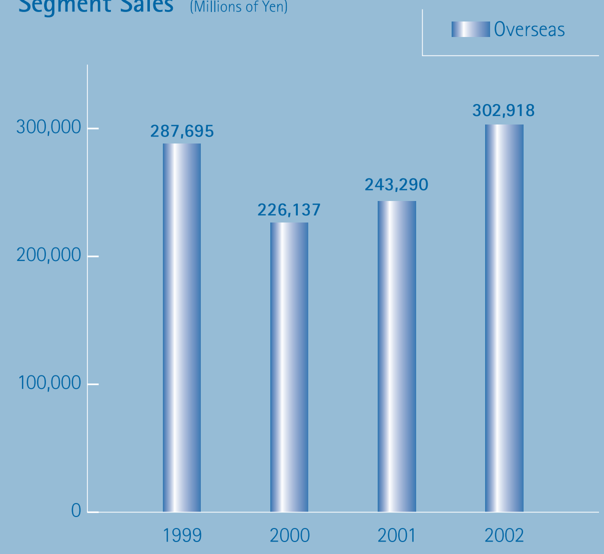
With regard to China, while exports of completed vehicles declined due to safeguard measures implemented by the government, we are moving proactively by setting up our third sales and service base in Guangzhou, adding to our existing bases in Jiangmen and Harbin.

Looking ahead, as Japanese automobile makers expand their overseas production, it will become difficult to significantly increase exports from Japan, but intermediary trade, in which vehicles and parts produced overseas are exported to a third country, is expected to grow. Anticipating that this will intensify the need for accurate and timely information gathering and distribution on a global scale, we have quickly constructed an information network utilizing advanced IT, thereby establishing a system, which enables bases in different countries to share information.

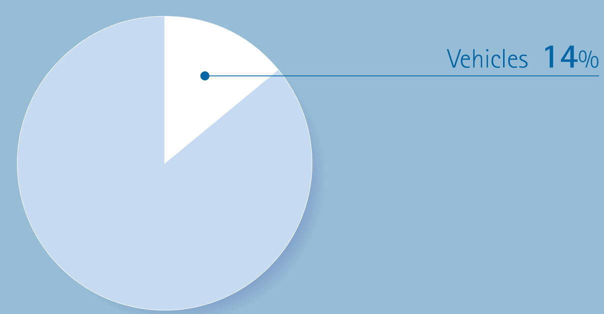
In the Asian region centered on China, Central and South America and the African region, motorization is expected to proceed, expanding the market over the long term. We are continuing existing efforts in developing dealerships, placing top priority on user service and the training of local staff, and concurrently working to reinforce our sales through efficient dealership management.



Segment Sales (Millions of Yen)



Share of Net Sales



Products & Services

- Passenger vehicles
- Commercial vehicles
- Mini cars
- Trucks
- Buses
- Industrial vehicles
- Automotive parts

Industrial Materials Division

Business Outline

The Industrial Materials Division caters primarily to the automobile and various other industries, providing optimal procurement on a global basis for production materials (automotive interior parts, synthetic rubbers, chemicals, natural rubber and pulp), and sub-materials (chemical additives and silica sand for casting), by pursuing the best combination of supply. We also undertake imports and the intermediary trade of basic energy sources such as oil, gas and coal, develop coal mines in Australia, and operate a network of service stations in the domestic public domain. Furthermore, with regard to environmental business, where markets have grown rapidly over the past few years, the division is actively pursuing wind power generation and GTL (Gas to Liquid) businesses.

Business Environment

In fiscal 2001, the industrial materials business experienced continued deterioration in demand due to the downturn in Japanese industries. As marketing competition intensified at the distribution level and as product prices floundered due to the warm winter, oil prices rose in the wake of public concern over the terrorist attacks, a trend which expanded to include raw materials prices for chemical products, resulting in extremely harsh business conditions for oil and chemical-related products. The natural rubber business also underwent a difficult phase resulting from volatile markets. Concurrently as prices rose sharply towards the end of the year due to reductions in output by major producers, adding to the declining demand for rubber used in tires caused by a global slump in automobile production.

Business Performance and Future Plans

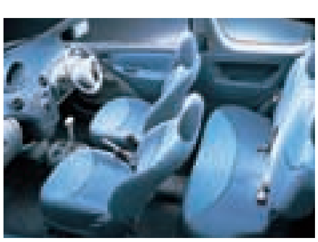
As a result, the Division was significantly affected by conditions in the crude oil and natural rubber markets, experiencing a decrease in the volume of transactions in oil products, chemical products and materials as a whole. Meanwhile, functional materials were affected by a slump in demand for IT-related products. Furthermore, in the area of interior parts for automobiles, the volume of transactions remained below that of the previous year due to the transfer of a Group subsidiary to another company in the latter half of fiscal 2000, which dragged down profitability for the entire division, resulting in a 7.1% year-on-year decline in net sales to ¥304.2 billion, and a ¥1.4 billion decrease in operating income to ¥3.9 billion.

Nevertheless, we pushed on in our drive to create new capabilities and businesses, by launching an automobile interior parts business in North America in response to the shift in production abroad by automobile makers, participating in a thermal power plant project in Thailand and setting up a biotechnology project team.

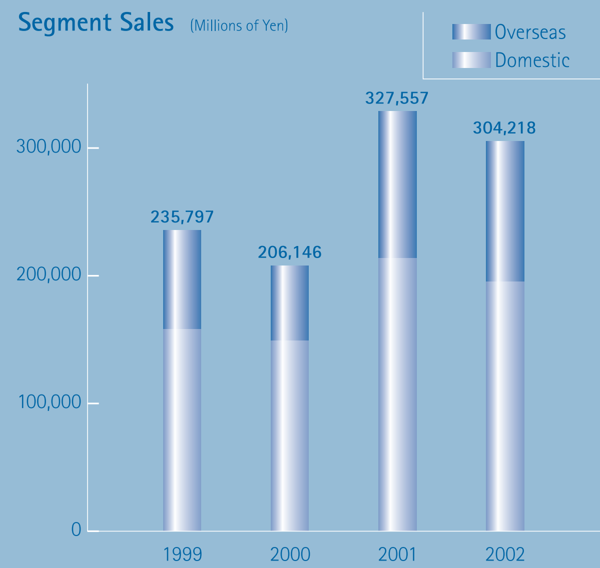
In the environment-related business, which has been designated a priority area for the entire Group, import and sales of equipment in the wind power generation business, which we entered in 2000, performed favorably. In Toyota Tsusho-led power generation projects, we established our operations in Akita and Aomori prefectures that received authorization from NEDO, a government institution, and are currently preparing for full operation. Active introduction of wind power generation facilities is expected to continue into the future, as seen in the government's electricity output target for 2010. The division also intends to take advantage of our product capability that boasts top sales in the Japanese market, and to aggressively pursue a total wind power generation business encompassing power generation, repair and maintenance.

In addition, as part of our strategy for the future, we are actively engaged in creating a market for trading emissions rights, a strategy is attracting attention as a practical and effective means for realizing the reduction targets for greenhouse gas emissions under the Kyoto Protocol, through capital participation in a mediation company. We have shown an early interest in GTL, which is expected to become a clean, alternative energy to coal and LPG, by forming a consortium with manufacturers that possess synthesis technology to study business opportunities for Dimethyl Ether (DME), as well as participating in a manufacturing test plant, to open up new business areas.

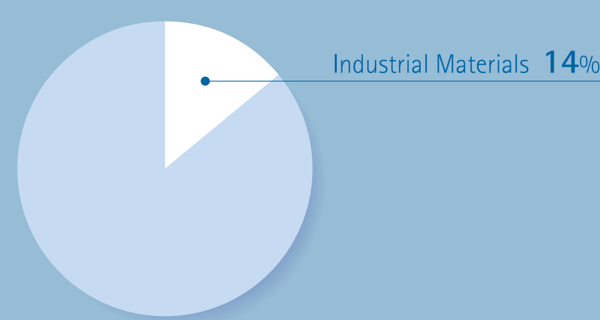
Apart from these operations, there is a growing need for businesses that the Group had been engaged in over the years, for instance the collection of paper waste, and the disposal and reuse of industrial waste such as waste oil and used plastics, with diverse industries showing an interest in our accumulated expertise and technology. The division will continue to promote a variety of measures and businesses towards the goal of realizing a resource recycling society.



Segment Sales (Millions of Yen)



Share of Net Sales



Products & Services

- Automotive interior parts & materials
- Genuine accessory parts
- Paper & pulp
- Corrugated cardboard
- Natural rubber
- Mineral products
- Crude oil
- Petroleum products
- LPG (liquefied petroleum gas)
- Reuse & reduce business
- Plastics (synthetic resins)
- Synthetic rubber
- Chemicals
- Fat & oil products
- Additives
- Antimicrobial products

Life Products and Service Division

Business Outline

The Life Products and Service Division handles a broad range of merchandise and others that relate to every aspect of our daily lives, from textile materials and products to foods including agricultural, fishery and livestock products, as well as housing materials and the construction business, insurance and nursing-care. Following the merger with Kasho Co., Ltd. in April 2000, we account for 1% of Japan's total trade in agricultural and fishery products, with foods becoming a major pillar of the Division. We have established a solid position in each of our businesses. Our strength in textiles lies in functional materials used as seatbelts and air bags for automobiles, while in agricultural products the division commands the top share in the domestic market for buckwheat and sesame, and in the construction business, we have early developed condominiums equipped with telecommunication environment for the Internet, which has been highly regarded by customers. The division is involved in various businesses utilizing our top-ranking insurance agent capabilities in Japan to provide adequate insurance services for corporate customers to start overseas operations, and taking advantage of our track record in the materials area to deal in equipment for nursing-care.

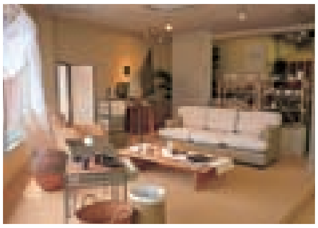
Business Environment

In fiscal 2001, as deflation clouded the outlook for any quantitative expansion in domestic consumption, the Life Products and Service Division in fiscal 2001 experienced a significant decline in the consumption of food products. The contraction was observed in the wake of growing consumer concern and distrust due to the Bovine Spongiform Encephalopathy (BSE) issue and incidents of deceptive labeling of meat, while conditions remained harsh for food materials, as safeguards were implemented for pork and chicken imports from China and the United States were temporarily banned. Similarly in textiles, intense competition kept retail prices low, as concern over the credit worthiness of mass retailers exacerbated the situation, leaving virtually no positive factors, except for some high-class brands, which continued to fare well. In construction, sales of condominiums in the metropolitan region maintained high levels at 80,000 units for the third consecutive year on the back of low interest rates and tax cuts on housing acquisition, although sales remained generally stagnant as public works and new housing constructions declined. The distribution industry is currently undergoing a major structural change, as the collapse of a large-scale retailer triggered the acceleration towards mergers, acquisitions and restructuring across the board, and as foreign operators began making their full-scale entry.

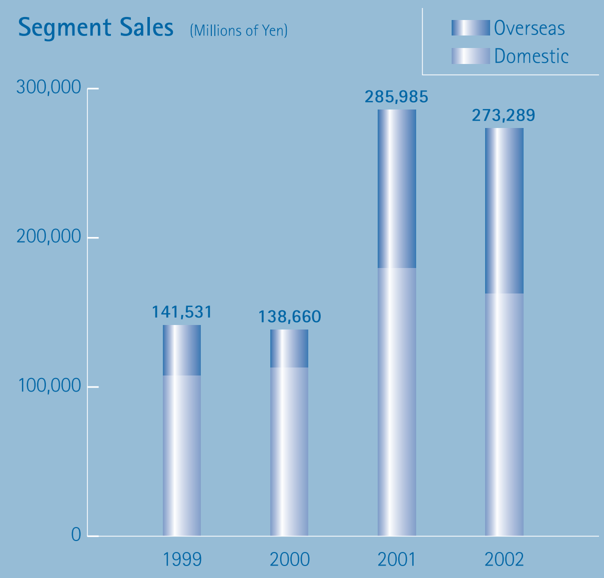
Business Performance and Future Plans

Under such circumstances, the division endeavored to add value to its foodstuffs business by focusing on increasing the rate of overseas processing and expanding overseas bases, for example undertaking sorting, cooking and packing in Vietnam, among other countries. In addition, we revised our flow of business by directly selling to domestic processing makers to enhance profitability. In textiles, a failing subsidiary was liquidated in the apparel business, while focusing on automobile-related products such as airbags, which continue to steadily expand due to growing customer preference for safety. In construction, sales of condominiums performed favorably in the metropolitan areas, while in insurance we launched a business that handles factoring of nursing-care liabilities and the outsourcing of clerical ministration. The decline in personal consumption had considerable impact, bringing down transaction volume by a large margin in the foodstuffs area, resulting in net sales of ¥273.2 billion, down 4.4% on the year. However, operating income increased by ¥1.0 billion to ¥2.7 billion thanks to the effect of cost reductions.

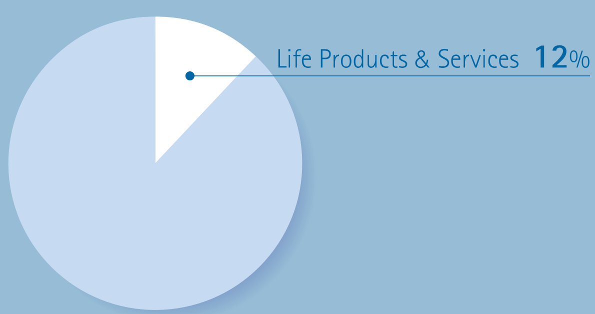
In foodstuffs, we intend to differentiate our business through adding to our existing trading capabilities by providing locally processed food products. The division also anticipates the growing need for our insurance consulting capabilities as companies actively move overseas. Along with the development of the nursing-care business, which is attracting increasing attention in Japan, we will pursue efficient expansion of our capabilities through business alliances as well as mergers and acquisitions.



Segment Sales (Millions of Yen)



Share of Net Sales



Products & Services

- Construction contracting jobs
- Estate planning & development
- Various construction materials
- Electric wire & machinery for construction
- Jewelry
- Precious metals
- Agricultural products
- General food products
- Marine products
- Meats
- Office furniture
- Home furniture
- Personal-related nursing care goods
- Housing materials
- Interior & exterior construction work
- Yarn
- Woven fabric
- Knitted goods
- Germents
- Industrial materials
- Interior design goods
- Textiles
- Fur
- Property & casualty insurance
- Life & health insurance

Board of Directors and Corporate Auditors

(As of June 27, 2002)

Chairman
Eizo Takeyama (Front row left)

President
Masaaki Furukawa (Front row right)

Executive Vice Presidents
Yoshihiro Kaneko (Left in the back row)
Chief Operating Officer, Customer Services, Domestic Business

Shigeru Shimazaki (Right in the back row)
Chief Administrative Officer
Chief Representative of Tokyo head office

Senior Managing Directors
Iwao Ito
Chief Operating Officer, Industrial Materials Division, Overseas Business

Hidenori Tsutsui
President of Toyota Tsusho Europe S.A., Toyota Tsusho U.K. Ltd. & Toyota Tsusho Finance International B.V.

Yoji Toyohara
Chief Operating Officer, Life Products & Services Division

Managing Directors
Shuichi Inada
Internal Audit Officer
Operating Officer, East Region

Shuichi Nakamura
Operating Officer, Construction Department, Consumer Products & Housing Materials Department, Jewelry Department

Nobuhiko Sahara
Chief Operating Officer, Machinery & Electronics Division

Masato Fujimoto
Chief Operating Officer, Metal Division

Kiyoshi Furubayashi
Chief Operating Officer, Vehicle Division

Katsunori Takahashi
Operating Officer, Textile Department, Insurance Development Department, Insurance Department 1, 2

Masahiro Tanizeki
Operating Officer, Europe, Africa & Middle East Vehicle Department, Latin America & Caribbean Vehicle Department

Junzo Shimizu
Officer, Corporate Planning, Logistics, Business Development, Corporate IT, Toyota Coordination, Overseas Project, Overseas Planning

Directors
Nobuhiro Watanabe
Chief Representative in China
President of Toyota Tsusho (Tianjin) Co., Ltd.& Toyota Tsusho (Guangzhou) Co., Ltd.

Shozo Hamana
Officer, Finance, Accounting, Corporate Risk Management

Koichi Kawai
Operating Officer, West Region

Yoshimi Takai
President of Toyota Tsusho America, Inc.

Yoichi Kihara
Operating Officer, Steel Sheet & Plate Sales Department, Steel Bar, Wire Rod & Pipe Department, Steel Export Department, Tokyo Metal Department, Osaka Metal Department

Ryoji Shimizu
President of Toyota Tsusho (Thailand) Co., Ltd.

Koji Oshige
Operating Officer, Automotive Parts Department for Overseas Production, China & Asia Vehicle Department, Material Handling Equipment Department

Seiji Kado
Operating Officer, Food Department, Provisions Department, Marine Products & Meats Department, Foods Business Promotion Department

Tetsuro Ito
Officer, Secretary, Human Resources & General Affairs

Hidehiro Takeda
Operating Officer, Automotive Parts & Material Department, Energy Department

Masanori Yamase
Operating Officer, Machinery Department, Toyota Machinery Department, Kariya Machinery Department, Shizuoka Machinery Department

Fumio Inoue
Operating Officer, Chemicals & Plastics Department, Forest Products Department

Naoto Yamauchi
Operating Officer, Non-Ferrous Metal Department, Iron & Steel Raw Materials Department, Hamamatsu Metal Department

Toshinao Mikami
Operating Officer, Tokyo Machinery Department, Osaka Machinery Department, Osaka Electronics & Multimedia Department

Corporate Auditors
Masahiko Inagaki *
Hidetsugu Yamauchi *
Yoshio Uesaka
Ryuji Araki
(*Standing corporate auditor)

FINANCIAL SECTION

Contents

The following Financial Review (Management's Discussion and Analysis of Financial Condition and Results of Operations) contains forward-looking statements about Toyota Tsusho's future plans, strategies, beliefs and performance that are not historical facts. Please refer to "A Cautionary Note on Forward-Looking Statements" at the beginning of this annual report, which pertains to the report as a whole.

Operating Environment

Fiscal 2002 saw signs of a weakening economy in the U.S., previously the driving force behind global economic growth, amid frequent reports attesting to a slowdown since summer. At the same time, the pace of IT-related demand, which had been falling since the mid 2000, rapidly declined in the wake of the September 11 terrorist attack, affecting the economies of Asia and Europe and giving rise to concern about a deteriorating global economic environment. However, as a result of aggressive interest rate cuts by the Federal Reserve Board at year-end and surging automobile sales on the back of incentives such as zero-interest loans provided by the automobile industry, personal consumption led the economy towards recovery.

Meanwhile, the Japanese economy experienced a drop in exports caused by the global economic slowdown, as demonstrated by falling IT-related demand. As a result, the decreasing demand stalled production and led to a rapid decline in capital investment since summer, forcing leading electronics makers to report losses and further highlighting the deterioration in corporate performance. Furthermore, the employment and income situation worsened as the number of employed decreased by nearly one million compared with the previous year, mainly in the manufacturing sector, personal consumption fell significantly and the downward trend in stock prices intensified as financial issues, such as bad loans remained a burden, keeping the economy under extremely severe conditions.

Summary of Operating Results

In fiscal 2002, the Toyota Tsusho Group endeavored to expand its overseas metals operations, promote recycling-related businesses and improve its competitiveness in the steel business. In machinery, we particularly focussed on supporting the overseas capital investment activity of our corporate customers, while also seeking to enlarge the field of business for environmental facilities and measurement-related facilities, as well as to expand transactions in automotive electronic parts and equipment. In the vehicles business, the Group set out to establish a sales base in the promising markets of Russia and China. In relation to the industrial materials business, we launched a car interior parts business in North America and actively engaged in environment-related businesses, including the trading of emissions rights and the GTL business. In our Life Products and Service Division, our food processing operations were bolstered in China and Vietnam, and the Group launched a new business related to nursing-care insurance and in the sales and rental of equipment for nursing-care and public welfare. Our condominium and home sales business also performed favorably.

Consequently, operating results for the fiscal year ended March 31, 2002 achieved record highs in both net sales and net income. Net sales rose ¥98.4 billion, or 4.6%, over the previous year, to ¥2,255.6 billion, and gross trading profit rose ¥6.5 billion, or 5.9%, to ¥117.2 billion as higher sales were further bolstered by an increase in commission income such as insurance agent commissions. Operating income grew ¥2.4 billion, or 10%, to ¥26.2 billion, and net income increased ¥0.6 billion, or 7.5%, to ¥8.7 billion.

Total assets decreased ¥1.8 billion, or 0.2%, to ¥922 billion and total shareholders' equity increased ¥2.7 billion, or 1.9%, to ¥150.6 billion.

Net Sales

Net sales went up ¥98.4 billion, or 4.6%, over the previous year, to ¥2.255.6 billion.

By business segment, the Metals Division fell ¥22.6 billion, or 2.5%, to ¥885.1 billion due to falling demand and declining steel prices caused by the slump in domestic production, and the Industrial Materials Division decreased ¥23.3 billion, or 7.1%, to ¥304.2 billion as a result of volatile movements in the natural rubber market and a deterioration in the crude oil market caused by a worsening Middle East situation in the wake of the September 11 terrorist attacks. In addition, the Life Products and Service Division fell by ¥12.6 billion, or 4.4%, as the mainstay food business was affected by BSE concerns in addition to stagnant personal consumption. On the other hand, the Machinery & Electronics Division rose by ¥97.3 billion, or 25.3%, on the back of increased demand for plants which accompanied the expansion in overseas production, and the Vehicles Division achieved growth of ¥59.6 billion, or 24.5%, to ¥302.9 billion owing to brisk exports to Africa, Russia, China and South America.

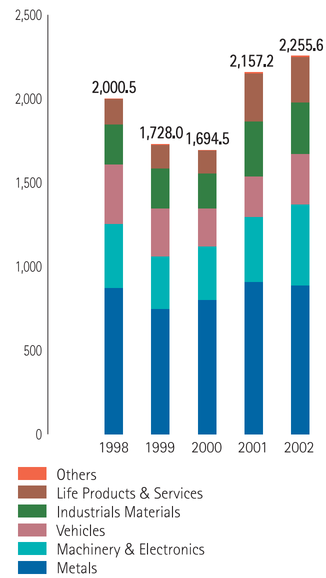
In terms of domestic and overseas transactions, domestic transactions declined by ¥55.5 billion, or 4.8%, to ¥1,095.0 billion, while overseas transactions increased by ¥153.9 billion, or 15.3%, to ¥1,160.6 billion, exceeding domestic transactions for the first time.

Relating to non-consolidated and consolidated accounting, net sales increased by ¥10.9 billion on a non-consolidated basis, and increased to a combined ¥104.1 billion on a consolidated basis as favorable sales at overseas subsidiaries such as Toyota Tsusho America, Inc. contributed ¥78.2 billion and the number of consolidated companies increased by 11 to 151, which added ¥25.9 billion.

In foreign exchange, the average exchange rate for fiscal 2002 was ¥124 to the dollar, compared with ¥110 to the dollar for fiscal 2001, which resulted in an income of ¥45.2 billion on a non-consolidated basis.

Sales Compositon by Type of Transaction	2002	2001
Domestic	49%	53%
Overseas	51%	47%
Total	100%	100%

Transition of Consolidated Sales by Product



Gross Trading Profit

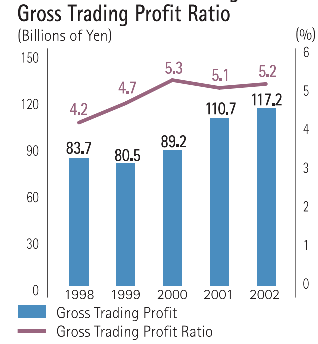
Gross trading profit increased by ¥6.5 billion, or 5.9%, compared with the previous year, to ¥117.2 billion.

By business segment, Metals, Industrial Materials and Life Products and Service fell, while Machinery & Electronics and Vehicles rose in line with net sales. Similarly, in terms of non-consolidated and consolidated accounting, gross trading profit increased by ¥0.2 billion on a non-consolidated basis and by a combined ¥8.9 billion on a consolidated basis, of which ¥2.6 billion was due to the increase in the number of consolidated companies.

With regard to commission income, insurance agent commissions grew slightly and profit return from the marketing and promotion of mobile phones increased, resulting in growth of ¥2.1 billion, or 16.7%, to ¥15.0 billion.

Gross trading profit ratio was down 0.1 percentage point for Metals and 0.2 percentage point for Industrial Materials, up 0.2 percentage point for Vehicles and 0.1 percentage point for Life Products and Service, and showed little change for Machinery, resulting in a combined gross trading profit ratio of 5.2%, up 0.1 percentage point over the previous year.

Transition of Gross Trading Profit & Gross Trading Profit Ratio

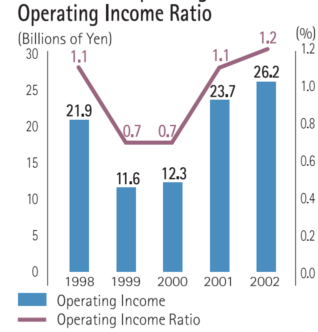


SG & A Expenses, Operating Income

Selling, General & Administration (SG&A) expenses rose by ¥4.0 billion, or 4.6%, compared with the previous year, to ¥91.0 billion, and operating income rose by ¥2.4 billion, or 10.5%, to ¥26.2 billion.

In terms of SG&A expenses by business segment, the Metals Division increased by ¥2.1 billion as the two companies acquired from Tomen Corporation in November 2000 were added as consolidated companies, while the

Transition in Operating Income and Operating Income Ratio

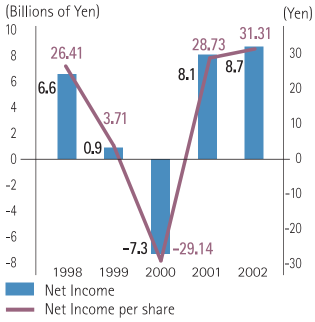


Machinery & Electronics and the Vehicles Divisions, which saw favorable sales, increased by ¥3.2 billion and ¥1.0 billion, respectively. On the other hand, the Industrial Materials Division remained flat and the Life Products and Service Division decreased by ¥1.2 billion due to the liquidation of unprofitable subsidiaries and the effect of cost reductions.

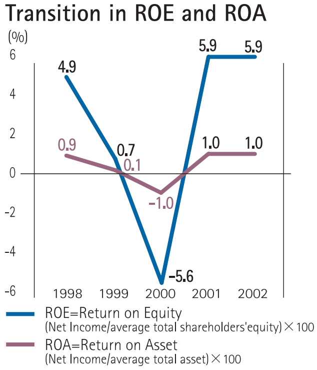
Regarding non-consolidated and consolidated results, SG&A expenses decreased by ¥1.3 billion on a non-consolidated basis due to the reporting of losses from differences realized between planned and actual retirement benefit payments, while consolidated results showed an increase of ¥5.0 billion attributable to overseas subsidiaries and of ¥1.8 billion due to the increase in consolidated companies. Of the rise in SG&A expenses at overseas subsidiaries, significant increases were realized, such as ¥1.8 billion at Toyota Tsusho America, Inc. and ¥0.6 billion at the Russian subsidiary Business Car.

The breakdown in operating income by business segment showed a decrease of ¥3.2 billion, or 27.5% in Metals to ¥8.6 billion, an increase of ¥2.6 billion, or 42.4% in Information & Machinery to ¥8.8 billion, an increase of ¥3.6 billion, or 164.4%, in Vehicles to ¥5.7 billion, a decrease of ¥1.3 billion, or 24.7%, in Industrial Materials to ¥3.9 billion and an increase of ¥1.0 billion, or 57.1%, in Life Products and Service to ¥2.7 billion.

Transition of Net Income and Net Income Per Share



Transition in ROE and ROA



Net Income

Net income rose by ¥0.6 billion, or 7.5%, compared with the previous year, to ¥8.7 billion.

The balance of interest payments improved by ¥0.5 billion due to reductions in interest-bearing debt and a ¥0.1 billion increase in dividend income from consolidated subsidiaries, while other losses decreased by ¥1.4 billion (see accompanying notes 7 to consolidated financial statements).

Net income per share was ¥31.31, up ¥2.58 compared with the previous year, as the average number of outstanding shares decreased by 3,873,000 from the previous year to 280,457,000 shares in fiscal 2002 due to a buyback of 2,475,000 shares in fiscal 2001.

Return on equity was comparable to the previous year at 5.9%, as average shareholders' equity increased by ¥10.4 billion to ¥149.2 billion on the back of two consecutive years of profit growth.

Performance Consolidated Subsidiaries and Affiliates

1) Subsidiaries and affiliates that reported profits

	Shareholding	Equity earnings Billions of Yen		
[Domestic]	(%)	**2002**	2001	Main Business
Toyotsu Engineering & Manufacturing Co., Ltd.	100.0	**0.5**	0.3	Manufacture, sale, mediation and maintenance of machinery and equipment
Toyotsu Recycle Corporation	96.5	**0.2**	0.6	Collection and sale of non-ferrous metals and used automotive parts
Toyota Steel Center Co., Ltd.	58.0	**0.2**	0.1	Processing and warehousing of all kinds of steel
Toyota Chemical Engineering Co., Ltd.	100.0	**0.2**	0.1	Manufacture of lubricating oil and disposal industrial waste
[Overseas]				
Toyota Tsusho America, Inc.	100.0	**1.7**	0.7	Trade, investment and wholesale
Business Car	92.0	**0.6**	0.3	Sale of "TOYOTA" vehicles and parts, rental and after-sales services
Toyota Tsusho U.K. Ltd.	100.0	**0.3**	0.1	Trade, investment and wholesale

2) Subsidiaries and affiliates that reported losses

[Domestic]	Shareholding (%)	Equity earnings Billions of Yen 2002	2001	Main Business
Oriental Steel Co., Ltd.	100.0	**0**	–	Processing and warehousing of steel sheets
[Overseas]				
Toyota Tsusho Mining (Australia) Pty. Ltd.	100.0	**-2.7**	-2.4	Investment and management for Camberwell coal project

Assets, Liabilities and Shareholders' Equity

Total assets decreased by ¥1.8 billion, or 0.2%, compared with the previous year, to ¥922.0 billion. The main components are as follows:

In relation to current assets, cash and cash equivalents increased by ¥15.9 billion over the previous year resulting from an accumulation of cash at hand in anticipation of the year-end. However, trade notes and trade accounts decreased by ¥32.7 billion as a result of a decline in sales in the latter half of fiscal 2002 as well as an effort to improve the efficient use of working capital, while inventories increased by ¥11.9 billion caused by a rise at Toyota Tsusho America, Inc. and others. Consequently, total current assets decreased by ¥8.0 billion, or 1.2%, to ¥670.3 billion.

Investments and other assets declined by ¥4.9 billion, or 3.4%, to ¥139.8 billion, due to a decrease of ¥3.4 billion in securities caused by the reduced market value of shares of subsidiaries.

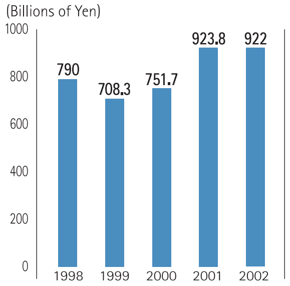
Fixed assets increased by ¥10.3 billion, or 11.3%, to a total of ¥102.1 billion, owing to the acquisition of storage facilities to meet the expansion of operations in North America and the addition of two domestic steel sheet processing companies as consolidated companies.

Total liabilities decreased by ¥5.3 billion, or 0.7%, compared with the previous year, to ¥764.2 billion, as trade notes and accounts payable fell by ¥30.0 billion due to the decline in sales in the latter half of the year, and as the effect of reductions in interest-bearing debt including short-term debt and long-term debt reached ¥15.4 billion, while income taxes payable increased by ¥7.6 billion.

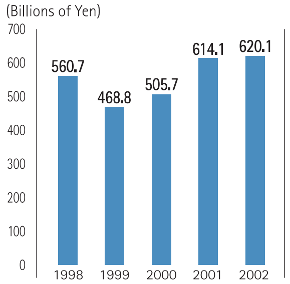
Total shareholders' equity was increased by ¥2.7 billion, or 1.9%, compared with the previous year, to ¥150.6 billion in total. This is a result of positive factors, such as a ¥6.5 billion increase in retained earnings and a ¥3.0 billion increase from foreign currency translation adjustments due to the weaker yen. However shareholder's equity was offset by a ¥5.9 billion decrease in net unrealized gains on available-for-sale securities and net tax due to the decline in domestic stock prices (the Nikkei 225 index fell from ¥13,000 to ¥11,000).

Net income (total shareholders' equity) rose ¥12.72, or 2.4%, from the previous year, to ¥538.36.

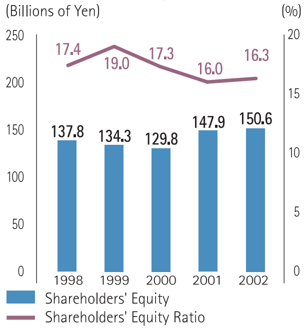
Transition in Total Assets



Current Ratio



Total Shareholders' Equity and Shareholders' Equity Ratio



Cash Flow

Cash flows from operating activities showed an inflow of ¥47.4 billion as a result of the decline in sales in the latter half of the year and improved efficiency of working capital. Conversely cash flows from investing activities were characterized by an outflow of ¥11.7 billion due to the acquisition of fixed assets, which accompanied the expansion of operations in North America and the acquisition of investment securities. Cash flows from financing activities showed an outflow of ¥21.6 billion owing to the redemption of bonds and repayment of debt, resulting in an increase of ¥15.6 billion, or 38.2%, to ¥56.6 billion in cash and cash equivalents at the end of the year.

Notes on Policies

1) Management policies: the Toyota Tsusho Group upholds the basic management principle of creating added value to satisfy all stakeholders. To that end, the Group promotes sound financial conditions and improved efficiency, transparency and adherence to legal requirements and accepted management practice, therefore endeavoring to establish and thoroughly implement corporate ethics by setting up an in-house Corporate Morals Committee.

2) Dividend policies: Toyota Tsusho has long endeavored to ensure a stable management base, and in line with its basic policy of maintaining stable dividend payments, hopes to meet the expectation of its shareholders by taking into consideration corporate performance and the dividend payout ratio.
   Full-year dividends for fiscal 2002 will be ¥7.50, and retained earnings will be utilized to further strengthen corporate conditions and investment in future business development to ensure on-going shareholder profit in future.

3) Targeted index: the Toyota Tsusho Group will undertake cash-flow-oriented management with a focus on cash flows, and by incorporating the concept of capital cost. Operational efficiency will be based on its own management indicators, which reflect the realization of added value and profitability, with an aim to raise its ROE above 10% in the fiscal year ending March 2005.

Forecast for Fiscal 2003

In fiscal 2003, while the Japanese economy is expected to remain stagnant, the slowdown in the U.S. economy should reached a turning-point, as should the European and Asian economies show signs of bottoming out. With the inclusion of an African affiliate to the consolidated accounts, net sales are forecasted to be ¥2,370.0 billion, up ¥114.3 billion, or 5.1%, from fiscal 2002, and net income of ¥12.9 billion, up ¥4.1 billion, or 46.9% year-on-year.

Six-Year Financial Summary

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years Ended March 31

	Millions of Yen						Thousands of U.S. Dollars
	2002	2001	2000	1999	1998	1997	2002
Results of Operations:							
Net Sales:							
Domestic	¥1,095,087	¥1,150,593	¥969,189	¥ 983,567	¥1,058,215	¥1,033,299	$ 8,218,296
Overseas	1,160,609	1,006,647	725,388	744,471	943,335	761,286	8,710,108
	2,255,698	2,157,240	1,694,577	1,728,038	2,000,550	1,794,585	16,928,314
Cost of Sales	2,153,454	2,059,343	1,616,096	1,657,082	1,924,307	1,729,623	16,161,003
Commission Income	15,048	12,892	10,756	9,596	7,510	7,720	112,934
Gross Trading Profit	117,292	110,789	89,237	80,552	83,753	72,682	880,245
SG & A Expenses	91,040	87,023	76,933	68,856	61,785	55,782	683,228
Operating Income	26,252	23,766	12,304	11,696	21,968	16,900	197,017
Net Income (loss)	8,781	8,169	(7,379)	939	6,686	6,196	65,897
Financial Position at Year End:							
Current Assets	¥ 670,309	¥ 678,358	¥541,915	¥ 509,679	¥ 611,576	¥ 604,349	$ 5,030,459
Total Assets	922,054	923,863	751,709	708,306	790,080	790,911	6,919,730
Current Liabilities	620,171	614,162	505,749	468,859	560,764	552,205	4,654,196
Total Shareholders' Equity	150,680	147,905	129,811	134,347	137,844	137,172	1,130,803
Cash Flows							
Net cash provided by (used in) operating activities	¥ 47,461	¥ 4,013	¥ (6,366)	N/A	N/A	N/A	$ 356,181
Net cash provided by (used in) investing activities	(11,745)	(14,510)	(14,497)	N/A	N/A	N/A	(88,147)
Net cash used in financing activities	(21,615)	242	22,710	N/A	N/A	N/A	(162,211)
Cash and Cash Equivalents at End of Year	56,674	41,013	44,966	N/A	N/A	N/A	425,321
	Yen						U.S. Dollars
Amounts per Share							
Net Income:							
Basic	¥ 31.31	¥28.73	¥ (29.14)	¥3.71	¥26.41	¥24.47	$0.23
Diluted	—	—	—	—	25.85	23.86	—
Cash Dividends for the Year	7.50	7.50	7.50	7.50	8.50	7.50	0.06
	Thousands of Shares						
Common Stock:							
Number of Shares outstanding at Year End	282,867	282,867	253,212	—	—	—	—

Notes: The U.S. Dollar amounts have been translated from yen, solely for the convenience of the readers, at the rate of ¥133.25=U.S.$1, the approximate exchange rate on March 31, 2002.

Consolidated Balance Sheets

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
March 31, 2002 and 2001

ASSETS	Millions of Yen 2002	Millions of Yen 2001	Thousands of U.S. Dollars (Note 1) 2002
Current Assets:			
Cash and cash equivalents	¥ 56,674	¥ 41,013	$ 425,321
Marketable securities (Note 10)	1,163	2,871	8,729
Receivables:			
Trade notes and trade accounts (Note 3)	408,818	441,587	3,068,052
Allowance for doubtful receivables	(4,131)	(4,097)	(31,001)
Inventories (Note 3)	176,172	164,242	1,322,113
Deferred tax assets (Note 6)	4,429	3,068	33,241
Other current assets	27,184	29,674	204,004
Total current assets	670,309	678,358	5,030,459
Investments and Other Assets:			
Investment securities (Notes 3 and 10)	107,599	120,170	807,492
Investment in and advances to unconsolidated subsidiaries and affiliates	22,699	13,626	170,352
Long-term loans and trade receivables	925	1,216	6,944
Others	14,504	15,012	108,848
Less: allowance for doubtful receivables	(5,862)	(5,245)	(43,992)
Total investments and advances	139,865	144,779	1,049,644
Property and Equipment, at Cost:			
Land (Note 3)	36,856	36,121	276,591
Buildings and structures (Note 3)	67,601	58,984	507,326
Machinery, equipment and vehicles (Note 3)	57,111	47,931	428,600
Construction in progress	3,144	3,322	23,598
Others	10,486	9,950	78,693
Less: accumulated depreciation	(73,036)	(64,497)	(548,111)
Net property and equipment	102,162	91,811	766,697
Intangibles and Deferred Charges:			
Deferred tax assets—non-current (Note 6)	2,719	664	20,409
Intangible assets	6,976	8,151	52,356
Others	23	100	165
	9,718	8,915	72,930
Total Assets	¥922,054	¥ 923,863	$6,919,730

See accompanying notes to consolidated financial statements.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
Current Liabilities:			
Short-term debt (Note 4)	¥ 125,572	¥ 144,332	$ 942,379
Commercial paper	93,000	76,000	697,936
Current portion of long-term debt (Note 4)	23,957	12,722	179,786
Trade notes and accounts payable	305,786	335,824	2,294,831
Income taxes payable	9,619	1,994	72,190
Deferred tax liabilities—current (Note 6)	115	144	866
Other current liabilities	62,122	43,146	466,208
Total current liabilities	620,171	614,162	4,654,196
Long-term Liabilities:			
Long-term debt, less current portion (Note 4)	138,707	147,678	1,040,955
Employee retirement benefit liability (Note 11)	2,605	2,619	19,548
Deferred tax liabilities—non-current (Note 6)	562	3,600	4,219
Other long-term liabilities	2,232	1,529	16,749
Total long-term liabilities	144,106	155,426	1,081,471
Total Liabilities	764,277	769,588	5,735,667
Commitments and Contingent Liabilities (Notes 8 and 9)			
Minority Interests in Consolidated Subsidiaries	7,097	6,370	53,260
Shareholders' Equity (Notes 5 and 13):			
Common stock, no par value:			
Authorized: 997,525,000 shares			
Issued: 282,867,304 shares in 2002 and 2001	26,749	26,749	200,741
Capital surplus	24,698	24,698	185,353
Retained earnings	95,297	88,739	715,169
Net unrealized gains on available-for-sale securities, net of taxes	9,825	15,767	73,735
Foreign currency translation adjustments	(4,399)	(7,455)	(33,013)
Less: treasury stock, at cost-			
2,982,606 shares in 2002 and 1,485,776 shares in 2001	(1,490)	(593)	(11,182)
Total shareholders' equity	150,680	147,905	1,130,803
Total Liabilities, Minority Interests and Shareholders' Equity	¥ 922,054	¥ 923,863	$6,919,730

Consolidated Statements of Income

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
Net Sales (Note 12)	¥2,255,698	¥2,157,240	$16,928,314
Cost of Sales (Note 12)	2,153,454	2,059,343	16,161,003
	102,244	97,897	767,311
Commision Income	15,048	12,892	112,934
Gross Trading Profit	117,292	110,789	880,245
Selling, General and Administrative Expenses	91,040	87,023	683,228
Operating Income	26,252	23,766	197,017
Other Income (Expenses)			
Interest income	1,084	1,269	8,132
Interest expenses	(6,099)	(6,671)	(45,772)
Dividend income	1,431	1,288	10,742
Other, net (Note 7)	(2,797)	(4,250)	(20,991)
	(6,381)	(8,364)	(47,889)
Income before Income Taxes and Minority Interests	19,871	15,402	149,128
Income Tax Expenses			
Current	12,547	5,170	94,159
Deferred	(2,139)	1,119	(16,052)
	10,408	6,289	78,107
Minority Interests in Earnings of Consolidated Subsidiaries	682	944	5,124
Net Income	¥ 8,781	¥ 8,169	$ 65,897

	Yen		U.S. Dollars (Note 1)
Amounts per Share:			
Net income	¥31.31	¥28.73	$0.23
Cash dividends	7.50	7.50	0.06

See accompanying notes to consolidated financial statements.

Statements of Consolidated Shareholders' Equity

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
Common Stock:			
Beginning Balance	¥ 26,749	¥ 25,142	$ 200,741
Effect on the merger of Kasho Company Limited	—	1,607	—
Ending Balance	¥ 26,749	¥ 26,749	$ 200,741
Capital Surplus:			
Beginning Balance	¥ 24,698	¥ 24,698	$ 185,353
Ending Balance	¥ 24,698	¥ 24,698	$ 185,353
Retained Earnings:			
Beginning Balance	¥ 88,739	¥ 79,972	$ 665,957
Net income	8,781	8,169	65,897
Effect on the merger of Kasho Company Limited	—	5,109	—
Retirement of treasury stock	—	(1,040)	—
Effect from scope changes of consolidated subsidiaries and companies accounted for by use of the equity method and others	304	(1,272)	2,279
Cash dividends paid	(2,105)	(2,014)	(15,797)
Bonuses to directors and corporate auditors	(422)	(185)	(3,167)
Ending Balance	¥ 95,297	¥ 88,739	$ 715,169
Net Unrealized Gains on Available-for-Sale Securities, Net of Taxes:			
Beginning Balance	¥ 15,767	–	$ 118,329
Change in unrealized gains	(5,942)	15,767	(44,594)
Ending Balance	¥ 9,825	¥ 15,767	$ 73,735
Foreign Currency Translation Adjustments:			
Beginning Balance	¥ (7,455)	–	$ (55,948)
Change in translation adjustment	3,056	(7,455)	22,935
Ending Balance	¥ (4,399)	¥ (7,455)	$ (33,013)
Treasury Stock, at Cost:			
Beginning Balance	¥ (593)	¥ (0)	$ (4,449)
Fractional shares acquired, net	(897)	(593)	(6,733)
Ending Balance	¥ (1,490)	¥ (593)	$ (11,182)
Total Shareholders' Equity	¥150,680	¥147,905	$1,130,803

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2002 and 2001

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2002	2001	2002
Cash Flows from Operating Activities			
Income before income taxes and minority interests	¥ 19,871	¥ 15,402	$ 149,128
Adjustments for:			
Depreciation and amortization	9,808	8,934	73,609
Net change in allowance for doubtful receivables—net	564	(1,789)	4,231
Decrease (increase) in receivables	37,708	(52,204)	282,989
Increase in inventories	(5,340)	(26,191)	(40,077)
(Decrease) increase in payables	(34,881)	61,188	(261,768)
Others,net	28,154	9,306	211,282
Subtotal	55,884	14,646	419,394
Interest and dividend received	2,791	2,812	20,947
Interest paid	(6,270)	(6,529)	(47,053)
Income taxes paid	(4,944)	(6,916)	(37,107)
Net cash provided by operating activities	47,461	4,013	356,181
Cash Flows from Investing Activities			
Payments for purchase of marketable securities	—	(1,057)	—
Proceeds from sale of marketable securities	3,068	11,394	23,025
Payments for purchase of property and equipment	(11,573)	(8,991)	(86,856)
Proceeds from sale of property and equipment	2,063	2,166	15,481
Payments for purchase of investment securities	(11,164)	(17,384)	(84,494)
Proceeds from sale of investment securities	3,933	1,119	45,751
Increase of loans	(18,972)	(1,571)	(142,376)
Collection of loans	17,788	1,169	133,493
Others, net	3,112	(1,355)	7,829
Net cash used in investing activities	(11,745)	(14,510)	(88,147)
Cash Flows from Financing Activities			
Change in short-term debt	(14,354)	(36,977)	(107,719)
Proceeds from long-term debt	16,530	49,452	124,054
Repayment of long-term debt	(20,552)	(8,232)	(154,237)
Dividends paid	(2,105)	(2,014)	(15,797)
Others, net	(1,134)	(1,987)	(8,512)
Net cash (used in) provided by investment activities	(21,615)	242	(162,211)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	721	886	5,413
Net Increase (Decrease) in Cash and Cash Equivalents	14,822	(9,369)	111,236
Cash and Cash Equivalents at Beginning of Year	41,013	44,966	307,788
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	839	1,780	6,297
Cash and Cash Equivalents of Merged Company	—	3,661	—
Cash and Cash Equivalents of Excluded Consolidated Subsidiaries	—	(25)	—
Cash and Cash Equivalents at End of Year	¥ 56,674	¥ 41,013	$ 425,321

See accompanying notes to consolidated financial statements.

1. Basis of Financial Statements

The accompanying consolidated financial statements have been prepared from the accounts maintained by TOYOTA TSUSHO CORPORATION ("the Company") and its consolidated subsidiaries in accordance with the provisions set forth in the Securities and Exchange Law of Japan and in conformity with accounting principles and practices generally accepted in Japan, which may differ in some material respects from accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In order to facilitate the understanding of readers outside Japan, certain rearrangements and changes in account classifications and information in the notes are made from the annual report for domestic reporting purposes to the accompanying financial statements. The account reclassification, however, has no effect on shareholders' equity, net sales and net income.

The accompanying consolidated financial statements are stated in yen, the currency of the country in which the Company is incorporated and principally operates. The translations of yen amounts into dollar amounts with respect to the year ended March 31, 2002 are included solely for the convenience of readers outside Japan and have been made at the rate of ¥133.25=U.S.$1, the rate prevailing on March 31, 2002. Such translations should not be construed as representations that the yen amounts could be converted into dollars at the above or any other rate.

Certain comparative figures have been reclassified to conform with the current year's presentations.

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 foreign subsidiaries. All significant intercompany 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 excess of the cost of investments in subsidiaries over the equity in net assets at dates of acquisition is amortized over periods of 5 to 15 years using the straight-line method. Fiscal periods of certain subsidiaries, all of which ended on or after December 31, and the Company's fiscal year, which ended on March 31, have been treated as conterminous.

The number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates for the years ended March 31, 2002 and 2001 was follows.

	2002	2001
Consolidated subsidiaries	**105**	103
Unconsolidated subsidiaries and affiliates, accounted for by the equity method	**46**	37
Unconsolidated subsidiaries and affiliates, stated at cost	**73**	58

The Company's overseas consolidated subsidiaries principally close their books at December 31 every year, three months earlier than the Company and domestic consolidated subsidiaries. The Company consolidated such subsidiaries' financial statements as of their year-end. Significant transactions for the period between subsidiaries' year-end and the Company's year-end are adjusted on consolidation.

Overseas consolidated subsidiaries adopt accounting principles generally accepted in their respective countries, and no material adjustments have been made to their financial statements in consolidation to conform with accounting principles and practices generally accepted in Japan as allowed under accounting principles and practices generally accepted in Japan.

Assets and liabilities of consolidated subsidiaries are revalued at their fair value as of the date of acquisition of the control based on the full fair value method.

(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:

Trading securities	Market value method. Sales costs are principally determined by the moving average method.
Held-to-maturity securities	Amortized cost method.
Available-for-sale securities	
Securities with market prices	Market value based on the market price on settlement day (the valuation difference is accounted for using the direct entry to total capital method), Sales costs are principally determined by the moving average method.
Securities without market price	At cost, determined principally by the moving average method.

(4) Inventories

Raw materials, work in process, finished goods	At cost, principally determined by the periodic average method.
Merchandise (excluding exports and imports)	At cost, principally determined by the first-in, first-out method. However, the cost of certain merchandise is determined by the lower of cost or market method.
Exports and Imports	At cost, principally determined by the individual item method. However, the cost of certain merchandise is determined by the lower of cost or market method.
Supplies	At cost, principally determined by the last purchase price method.

(5) Depreciation method for depreciable assets

Tangible fixed assets are principally depreciated by the declining balance method. The number of years over which the asset is depreciated and the treatment of undepreciated balance are principally determined according to the same standards set out in the Corporation Tax Law of Japan. Expenditures on maintenance and repairs are charged to income as incurred. Upon the disposal of property, the cost and accumulated depreciation are removed from the related accounts and any gain or loss is recorded as income or expense. Intangible fixed assets are amortized by the straight-line method.

(6) Stock and bond issue costs

Stock and bond issue costs are charged to income as incurred.

(7) 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 experience for a certain past period.

(8) Employee retirement benefits

Effective April 1, 2000, the Company adopted "Opinion Concerning Establishment of Accounting Standard for Retirement Benefits" established by the Business Accounting Deliberation Council of Japan and a related practical guideline issued by the Japanese Institute of Certified Public Accountants.

To provide for the payment of severance and retirement benefits to employees, an amount is entered into this reserve equivalent to the amount recognized as necessary at the end of the period under review based on the severance and retirement benefits obligations at fiscal year end and the expected premium payment on pension assets.

Until the year ended March 31,2000,the contribution to the pension plan was charged to income when paid, and the Company principally provided for accrued retirements benefits at 100% of the amount which would be payable if all of its employees were voluntarily terminate their service at the balance sheet date, less net assets of the funded pension plan.

Initial transitional provision of ¥10,009 million arising from the conversion to a new accounting methods was recorded as other expenses in the fiscal year ended March 31, 2001 while a ¥4,333 million gain on establishment of a pension trust fund and a ¥1,786 million gain on change in prior service cost due to the pension plan amendments.

The actuarial difference is amortized using the straight-line method over a specific number of years (12 years) from the recording of the difference that is within the average number of years remaining before retirement of the Company's employees, and is recorded as an expense from the next year in which it arises.

(9) Translation of foreign currency assets and liabilities

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

The assets, liabilities, income, and expenses of overseas subsidiaries are also translated into yen at the prevailing rate in the foreign currency market on the balance sheet dates under review, and the translation difference is accounted for as foreign currency translation adjustments account in shareholders' equity and minority interests.

(10) Leases

Finance lease transactions, other than those where ownership of the lease property is regarded as being transferred to the lessee, are accounted for in the same way as operating lease transactions.

(11) Accounting methods for hedges

1.Accounting method for hedges

Hedges are principally accounted for by the deferred hedge and replacement equivalent methods.

2.Hedge methods and targets

Hedge methods	a. Forward exchange contracts
	b. Interest rate swaps
	c. Commodity futures
Hedge targets	a. Foreign currency transactions
	b. Interest on deposits and loans
	c. Commodity transactions in the nonferrous metal, rubber, food-stuffs, 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 to directors directly in charge and to directors in charge of overall operations, reports must also be made to the risk management division.

4.Method of evaluating the effectiveness of hedges

The effectiveness of a hedge is judged 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 strong correlation between the two instruments.

5.Others

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

(12)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 enacted 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.

(13) Appropriation of retained earnings

Cash dividends and bonuses to directors and corporate auditors are recorded in the fiscal year when a proposed appropriations of retained earnings are approved by the Board of Directors and/or shareholders.

(14) Per share data

Basic net income per share is based on the weighted average number of shares of common stock outstanding during the respective years. Diluted net income per share is computed assuming convertible bonds were converted at the time of issue unless having anti-dilutive effects and as if warrants were exercised at the beginning of the relevant year or (it 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. Diluted net income per share is not presented, as the dilutive effect on stock option was not material.

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.

3.Pledged Assets

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Trade notes and trade accounts receivables	¥ 33,309	¥ 30,604	$ 249,976
Inventories	34,257	27,331	257,084
Buildings and structures	3,229	2,349	24,228
Machinery, equipment and vehicles	10,695	6,689	80,266
Land	2,992	4,499	22,455
Investment securities	3,447	3,169	25,871
Others	2,025	4,340	15,196
Total	¥ 89,954	¥ 78,981	$ 675,076

4.Short-term and Long-term Debt

Short-term debt

Short-term debt, principally to banks, as of March 31, 2002 and 2001 was generally repayable with maturities of 90 days, bearing interest at annual rates ranging from 0.57% to 30.00% at March 31, 2002.

Summary of long-term debt

Long-term debt as of March 31, 2002 and 2001 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
2.5% straight bonds due 2004	¥ 7,000	¥ 7,000	$ 52,533
2.1% straight bonds due 2002	—	5,000	—
2.0% straight bonds due 2007	15,000	15,000	112,570
1.6% straight bonds due 2003	6,000	6,000	45,028
1.54% straight bonds due 2005	15,000	15,000	112,570
1.5% straight bonds due 2002	6,000	6,000	45,028
1.5% mortgage bonds due 2004	150	150	1,126
Notes under medium-term note programs, maturing serially through 2008 at interest rates of 0.12% to 2.32% at March 31, 2002	10,491	12,811	78,729
Long-term loans, principally from commercial and trust banks and insurance companies, maturing serially through 2012 at interest rates of 1.66% to 3.08% at March 31, 2002	103,023	93,439	773,157
Total	162,664	160,400	1,220,741
Less current portion	(23,957)	(12,722)	(179,786)
	¥138,707	¥147,678	$1,040,955

The aggregate annual maturities of long-term debt at March 31, 2002 are as follows:

Year ending March 31	Millions of Yen 2002	Thousands of U.S. Dollars 2002
2003	¥ 23,957	$ 179,786
2004	23,295	174,823
2005	14,545	109,155
2006	25,241	189,428
2007	22,284	167,237
2008 and thereafter	53,342	400,312
Total	¥162,664	$1,220,741

5.Shareholders' Equity

Prior to October 1, 2001, the Japanese Commercial Code (the"Code") provides that an amount equal to at least 10% of cash dividends and other distributions from retained earnings paid by the Company be appropriated as a legal reserve. No further appropriation is required when the legal reserve equals 25 % of stated capital. Effective October 1, 2001, the amended Code allows for such appropriations to be determined based capital surplus capital and legal reserve.

In consolidation, the legal reserves of consolidated subsidiaries are accounted for as retained earnings. And, the legal reserve of the parent company is included in consolidated retained earnings.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable. In addition, a semi-annual interim dividends may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Code.

6.Income Taxes

As of March 31, 2002 and 2001 tax effects on temporary differences that give rise to a significant portion of deferred tax assets and deferred tax liabilities were as follows:

	Millions of Yen 2002	Millions of Yen 2001	Thousands of U.S. Dollars 2002
Deferred tax assets:			
Unrealized profit	**¥ 1,922**	¥ 1,829	**$ 14,425**
Allowance for doubtful receivables	**2,154**	2,168	**16,164**
Employees' retirement benefits	**2,625**	2,612	**19,697**
Write-down of revaluation of securities	**2,126**	1,142	**15,957**
Others	**5,336**	4,353	**40,050**
Subtotal	**14,163**	12,104	**106,293**
Valuation allowance	**(246)**	(230)	**(1,850)**
Total deferred tax assets	**13,917**	11,874	**104,443**
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	**6,994**	11,358	**52,487**
Valuation of debt and equity securities of consolidated subsidiaries	**357**	371	**2,681**
Others	**95**	158	**710**
Total deferred tax liabilities	**7,446**	11,887	**55,878**
Net deferred tax assets (liabilities)	**¥ 6,471**	¥ (13)	**$ 48,565**

Reconciliation items of difference between the Japanese statutory tax rate and effective income tax rate on pretax income tax rate on pretax income for the year ended March 31, 2002 are as follows:

	Percentage of pretax income
	2002
Jananese statutory tax rate	41.6%
Increase (decrease) due to:	
Tax benefits not recognized on losses of consolidated subsidiaries	9.9
Permanently nondeductible expenses	5.1
Differences of tax rates for foreign consoliated subsidiaries	(5.2)
Other	1.0
Effective income tax rate	52.4%

For the year ended March 31, 2001, as there is no significant difference between the Japanese statutory tax rate and effective income tax rate on pretax income, reconciliation items were omitted.

7.Other Income (Expenses)

Details of other, net, included in other income (expenses) for the years ended March 31, 2002 and 2001 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Losses on sale of real estate	¥ (1,343)	¥ –	$ (10,082)
Gain on operating of trading securities	–	1,118	–
Gain on transfer of investment securities to pension trust fund for retirement benefit plan	–	4,333	–
Transitional provision of adoption of new accounting standard for retirement benefits	–	(10,009)	–
Decrease of prior service cost	–	1,786	–
Write-down of revaluation of securities	(2,370)	(1,796)	(17,783)
Others, net	916	318	6,874
Total	¥ (2,797)	¥ (4,250)	$ (20,991)

8.Contingent Liabilities

Contingent liabilities as of March 31, 2002 and 2001 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
For repurchase of notes discounted and endorsed	–	¥89	–
Discounted exports bills	¥ 8,175	¥ 7,488	$ 61,350
For guarantees of indebtedness of:			
Unconsolidated subsidiaries and affiliates	2,775	1,233	20,827
Others	1,223	1,365	9,179
Total	¥ 3,998	¥ 2,598	$ 30,006

9.Lease Transactions

Finance Leases

Finance lease transactions without transfer of ownership for the year ended March 31, 2002 were as follows:

(Lessee)

	Millions of Yen			Thousands of U.S. Dollars		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥3,104	¥1,250	¥1,854	$23,294	$ 9,383	$13,911
Others	3,883	2,030	1,853	29,140	15,231	13,909
Total	¥6,987	¥3,280	¥3,707	$52,434	$24,614	$27,820

Future minimum lease payments

	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥1,196	$ 8,973
More than one Year	2,511	18,847
Total	¥3,707	$27,820

	Millions of Yen	Thousands of U.S. Dollars
Annual lease payments	¥1,197	$8,983
Depreciation	1,197	8,983

Depreciation of the leased assets was calculated by the straight-line method with the respective lease terms being equal to the expected years of useful life and the estimated end-of-life salvage value as zero.

(Lessor)

	Millions of Yen			Thousands of U.S. Dollars		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Others	¥118	¥68	¥50	$882	$507	$376
Total	¥118	¥68	¥50	$882	$507	$376

Future minimum lease commitments to be received

	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥23	$174
More than one Year	27	202
Total	¥50	$376

	Millions of Yen	Thousands of U.S. Dollars
Annual lease commitments to be received	¥23	$174
Depreciation	23	174

Noncancelable Operating Leases

Finance lease payments for noncancelable operating lease transactions as of March 31, 2002 were as follows:

(Lessee)

	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥ 47	$349
More than one Year	72	541
Total	¥119	$890

Finance Leases

Finance lease transactions without transfer of ownership for the year ended March 31, 2001 were as follows:

(Lessee)

	Millions of Yen		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥2,969	¥ 771	¥2,198
Others	4,152	1,947	2,205
Total	¥7,121	¥2,718	¥4,403

Future minimum lease payments

	Millions of Yen
Within one year	¥1,029
More than one Year	3,374
Total	¥4,403

	Millions of Yen
Annual lease payments	¥1,181
Depreciation	1,181

Depreciation of the leased assets was calculated by the straight-line method with the respective lease terms being equal to the expected years of useful life and the estimated end-of-life salvage value as zero.

(Lessor)

	Millions of Yen		
	Acquisition cost	Accumulated depreciation	Net book value
Others	¥163	¥95	¥68
Total	¥163	¥95	¥68

Future minimum lease commitments to be received

	Millions of Yen
Within one year	¥21
More than one Year	47
Total	¥68

	Millions of Yen
Annual lease commitments to be received	¥24
Depreciation	24

Noncancelable Operating Leases

Finance lease payments for noncancelable operating lease transactions as of March 31, 2001 were as follows:

(Lessee)

	Millions of Yen
Within one year	¥42
More than one Year	47
Total	¥89

10.Market Value of Available-for-Sales Securities

	Millions of Yen						Thousands of U.S. Dollars		
	2002			2001			2002		
	Original cost	Carrying amount	Unrealized gain (loss)	Original cost	Carrying amount	Unrealized gain (loss)	Original cost	Carrying amount	Unrealized gain (loss)
Market value in excess of original cost amount:									
Equity securities	**¥44,591**	**¥65,533**	**¥20,942**	¥50,326	¥80,797	¥30,471	**$334,643**	**$491,807**	**$157,164**
Market value less than original cost amount:									
Equity securities	**22,079**	**17,930**	**(4,149)**	13,923	10,437	(3,486)	**165,697**	**134,556**	**(31,141)**
Total	**¥66,670**	**¥83,463**	**¥16,793**	¥64,249	¥91,234	¥26,985	**$500,340**	**$626,363**	**$126,023**

11.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.

Employee Retirements Benefit Liability

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Employee retirements benefits obligations	**¥(51,647)**	¥(45,661)	**$(387,595)**
Fair value of pension plan assets	**33,346**	35,505	**250,252**
Unfunded benefits obligations	**(18,301)**	(10,156)	**(137,343)**
Unrecognized actuarial difference	**15,696**	7,538	**117,795**
Amount recorded on consolidated balance sheets	**¥ (2,605)**	¥ (2,619)	**$ (19,548)**

Notes: 1. The above table includes the amounts related to the portion subject to the Japanese Welfare Pension Insurance Law.
2. Adjustments of prior service cost resulting from the plan amendments such as benefit formula and deferral of commencing age for the annuity payments were recorded as other income for the year ended March 31, 2001.

Retirement Benefits Expenses

	Millions of Yen		Thousands of U.S. Dollars
	2002	2001	2002
Service expenses	**¥2,020**	¥ 2,011	**$15,162**
Interest expenses	**1,255**	1,165	**9,422**
Expected return of pension plan assets	**(1,058)**	(1,162)	**(7,937)**
Initial transitional provision	**—**	10,009	**—**
Amortization of actuarial difference	**629**	–	**4,714**
Amortization of prior service cost	**—**	(1,786)	**—**
Retirements benefits expenses	**¥2,846**	¥10,237	**$21,361**

Basis of Caluculation of Benefits Obligations

	2002	2001
Allocation of payments of expected retirement benefit	**Straight-line method**	Straight-line method
Discount rate	**2.5%**	3.0%
Expected rate of return on pension plan assets	**4.5%**	4.5%
Amortization of actuarial difference	**12 years**	12 years
Amortization of prior service cost	**1 year**	1 year
Amortization of initial transitional provision	**1 year**	1 year

12.Segment Information

Industry Segments

Year ended March 31, 2002	Metals	Machinery & Electronics	Vehicles	Industrial Materials	Life Products & Service	Others	Total	Elimination	Consolidation
	Millions of Yen								
Net Sales:									
Outside customers	¥885,106	¥482,809	¥302,918	¥304,218	¥273,289	¥ 7,358	¥2,255,698	¥ —	¥2,255,698
Inter-segment	99	1,654	—	1,243	1,894	3,602	8,492	(8,492)	—
Total	885,205	484,463	302,918	305,461	275,183	10,960	2,264,190	(8,492)	2,255,698
Commission	723	6,872	941	1,014	4,851	879	15,280	(232)	15,048
Cost of sales and selling, general and administrative expenses	877,271	482,519	298,062	302,476	277,256	15,676	2,253,260	(8,766)	2,244,494
Operating income (loss)	¥ 8,657	¥ 8,816	¥ 5,797	¥ 3,999	¥ 2,778	¥ (3,837)	¥ 26,210	¥ 42	¥ 26,252
Total assets	¥280,733	¥166,287	¥ 62,862	¥105,971	¥128,104	¥204,212	¥ 948,169	(¥26,115)	¥ 922,054
Depreciation	2,644	590	1,468	1,609	1,044	1,410	8,765	—	8,765
Capital expenditure for long-lived assets	3,100	539	1,780	3,035	638	3,010	12,102	—	12,102

Year ended March 31, 2002	Metals	Machinery & Electronics	Vehicles	Industrial Materials	Life Products & Service	Others	Total	Elimination	Consolidation
	Thousands of U.S. Dollars								
Net Sales:									
Outside customers	$6,642,445	$3,623,331	$2,273,306	$2,283,066	$2,050,947	$ 55,219	$16,928,314	$ —	$16,928,314
Inter-segment	742	12,415	—	9,332	14,209	27,028	63,726	(63,726)	—
Total	6,643,187	3,635,746	2,273,306	2,292,398	2,065,156	82,247	16,992,040	(63,726)	16,928,314
Commission	5,427	51,569	7,062	7,611	36,406	6,598	114,673	(1,739)	112,934
Cost of sales and selling, general and administrative expenses	6,583,648	3,621,154	2,236,866	2,269,995	2,080,715	117,643	16,910,021	(65,790)	16,844,231
Operating income (loss)	$ 64,966	$ 66,161	$ 43,502	$ 30,014	$ 20,847	$ (28,798)	$ 196,692	$ 325	$ 197,017
Total assets	$2,106,812	$1,247,931	$ 471,764	$ 795,278	$ 961,387	$1,532,549	$ 7,115,721	$(195,991)	$ 6,919,730
Depreciation	19,843	4,427	11,019	12,075	7,833	10,586	65,783	—	65,783
Capital expenditure for long-lived assets	23,267	4,042	13,360	22,778	4,789	22,589	90,825	—	90,825

Year ended March 31, 2001	Metals	Machinery & Electronics	Vehicles	Industrial Materials	Life Products & Service	Others	Total	Elimination	Consolidation
	Millions of Yen								
Net Sales:									
Outside customers	¥907,751	¥385,418	¥243,290	¥327,557	¥285,985	¥ 7,239	¥2,157,240	¥ —	¥2,157,240
Inter-segment	58	1,231	1,150	1,239	2,049	3,309	9,036	(9,036)	—
Total	907,809	386,649	244,440	328,796	288,034	10,548	2,166,276	(9,036)	2,157,240
Commission	454	5,876	761	655	4,380	1,045	13,171	(279)	12,892
Cost of sales and selling, general and administrative expenses	896,324	386,333	243,009	324,141	290,646	15,022	2,155,475	(9,109)	2,146,366
Operating income (loss)	¥ 11,939	¥ 6,192	¥ 2,192	¥ 5,310	¥ 1,768	¥ (3,429)	¥ 23,972	¥ (206)	¥ 23,766
Total assets	¥301,899	¥167,331	¥ 54,180	¥117,009	¥132,808	¥213,156	¥ 986,383	¥(62,520)	¥ 923,863
Depreciation	1,964	311	1,103	1,669	870	1,894	7,811	—	7,811
Capital expenditure for long-lived assets	3,857	1,102	2,205	1,824	934	1,580	11,502	—	11,502

Geographic Segments

Year ended March 31, 2002	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
	Millions of Yen							
Net Sales:								
Outside customers	¥1,768,084	¥133,491	¥257,176	¥83,632	¥13,315	¥2,255,698	¥ —	¥2,255,698
Inter-segment	187,699	40,180	46,490	11,078	90	285,537	(285,537)	—
Total	1,955,783	173,671	303,666	94,710	13,405	2,541,235	(285,537)	2,255,698
Commission	11,830	2,461	2,631	126	286	17,334	(2,286)	15,048
Cost of sales and selling, general and administrative expenses	1,948,935	175,207	301,082	94,177	12,976	2,532,377	(287,883)	2,244,494
Operating income	¥ 18,678	¥ 925	¥ 5,215	¥ 659	¥ 715	¥ 26,192	¥ 60	¥ 26,252
Total assets	¥ 779,826	¥ 64,720	¥103,131	¥47,814	¥ 7,291	¥1,002,782	¥(80,728)	¥ 922,054

Year ended March 31, 2002	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
	Thousands of U.S. Dollars							
Net Sales:								
Outside customers	$13,268,926	$1,001,804	$1,930,029	$627,630	$99,925	$16,928,314	$ —	$16,928,314
Inter-segment	1,408,618	301,536	348,898	83,140	678	2,142,870	(2,142,870)	—
Total	14,677,544	1,303,340	2,278,927	710,770	100,603	19,071,184	(2,142,870)	16,928,314
Commission	88,783	18,473	19,745	944	2,142	130,087	(17,153)	112,934
Cost of sales and selling, general and administrative expenses	14,626,153	1,314,875	2,259,532	706,772	97,374	19,004,706	(2,160,475)	16,844,231
Operating income	$ 140,174	$ 6,938	$ 39,140	$ 4,942	$ 5,371	$ 196,565	$ 452	$ 197,017
Total assets	$ 5,852,350	$ 485,703	$ 773,964	$358,834	$54,720	$ 7,525,571	$(605,841)	$ 6,919,730

Year ended March 31, 2001	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
	Millions of Yen							
Net Sales:								
Outside customers	¥1,787,487	¥97,865	¥211,456	¥53,914	¥6,518	¥2,157,240	¥ —	¥2,157,240
Inter-segment	148,907	41,819	37,127	46,179	12	274,044	(274,044)	—
Total	1,936,394	139,684	248,583	100,093	6,530	2,431,284	(274,044)	2,157,240
Commission	10,858	1,867	1,182	128	167	14,202	(1,310)	12,892
Cost of sales and selling, general and administrative expenses	1,930,282	140,645	245,632	99,278	6,561	2,422,398	(276,032)	2,146,366
Operating income	¥ 16,970	¥ 906	¥ 4,133	¥ 943	¥ 136	¥ 23,088	¥ 678	¥ 23,766
Total assets	¥ 806,284	¥55,713	¥ 85,002	¥43,969	¥2,681	¥ 993,649	(¥69,786)	¥ 923,863

Overseas Trading Transactions

Year ended March 31, 2002	Asia & Oceania	North America	Europe	Others	Total
	Millions of Yen				
Overseas trading transactions	¥430,971	¥260,622	¥101,291	¥128,227	¥921,111
Consolidation					2,255,698
Share of consolidated net sales	19.1%	11.5%	4.5%	5.7%	40.8%

Year ended March 31, 2002	Asia & Oceania	North America	Europe	Others	Total
	Thousands of U.S. Dollars				
Overseas trading transactions	$3,234,309	$1,955,888	$760,163	$962,305	$6,912,665
Consolidation					16,928,314
Share of consolidated net sales	19.1%	11.5%	4.5%	5.7%	40.8%

Year ended March 31, 2001	Asia & Oceania	North America	Europe	Others	Total
	Millions of Yen				
Overseas trading transactions	¥403,627	¥215,581	¥63,065	¥73,058	¥755,331
Consolidation					2,157,240
Share of consolidated net sales	18.7%	10.0%	2.9%	3.4%	35.0%

13.Subsequent Event

On June 27, 2002, the following appropriations of retained earnings were approved at an annual general meeting of shareholders of the Company:

	Millions of Yen 2002	Thousands of U.S. Dollars 2002
Cash dividends	¥1,050	$7,877
Bonuses to directors and corporate auditors	242	1,815

ChuoAoyama Audit Corporation

PRICEWATERHOUSECOOPERS

Dai Nagoya Building
3-28-12,Meieki,Nakamura-ku
Nagoya,450-8565 Japan
Telephone 81-52-551-3001
Facsimile 81-52-551-3005

Report of Independent Accountants

The Board of Directors
TOYOTA TSUSHO CORPORATION

We have audited the accompanying consolidated balance sheets of TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries as of March 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, all expressed in Japanese Yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries as of March 31, 2002 and 2001, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan (See Note 1) applied on a consistent basis.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 1 to the accompanying consolidated financial statements.

Chuo Aoyama Audit Corporation

ChuoAoyama Audit Corporation
Nagoya, Japan
June 27, 2002

Corporate Data

(As of March 31, 2002)

Toyota Tsusho Corporation

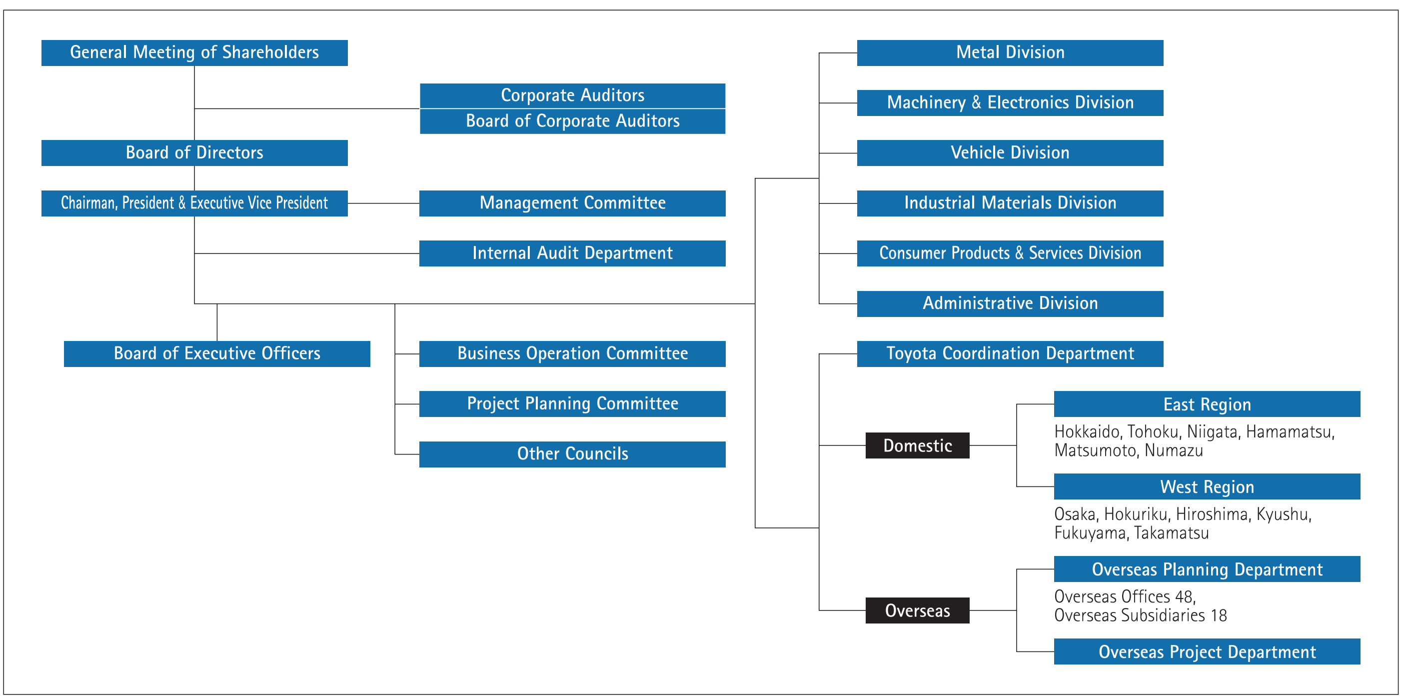
Head Office*	7-23, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan
Phone	81(52)584-5000
Facsimile	81(52)584-5636
Web site	http://www.toyotsu.co.jp/
Establishment	July 1, 1948
Common Stock	Authorized: 997,525,000
	Issued: 282,867,304
Paid-in Capital	¥26,748,717,188
Number of Shareholders	17,486
Stock Exchange Listings	Tokyo, Nagoya
Number of Employees(Consolidated)	9,772

Subsidiaries & Associated Companies Subsidiaries	Domestic	44
	Overseas	99
Associated companies(Equity Method)	Domestic	19
	Overseas	62
	Total	224

Additional copies of this annual report and other information may be obtained by contacting:

Corporate Communications Group, Toyota Tsusho Corporation
7-23, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan*
Facsimile: 81(52)584-5659

Organizational Structure



THE TOYOTA GROUP As of March 31, 2002

Toyota Industries Corporation
Toyota Motor Corporation
Aichi Steel Corporation
Toyoda Machine Works, Ltd.
Toyota Auto Body Co., Ltd.
Aisin Seiki Co., Ltd.
Denso Corporation
Toyoda Boshoku Corporation
Towa Real Estate Co., Ltd.
Toyota Central Research & Development Laboratories, Inc.
Kanto Auto Works, Ltd.
Toyoda Gosei Co., Ltd.
Toyota Tsusho Corporation

Major Trading Network

JAPAN

Toyota Tsusho Corporation
Head Office*: 7-23, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan
Tokyo Head Office: 14-9, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-8655, Japan
Osaka, Hamamatsu, Toyota, Kariya, Hokkaido, Tohoku, Niigata, Hokuriku, Hiroshima, Kyusyu, Matsumoto, Numazu, Fukuyama, Takamatsu

NORTH AMERICA

Toyota Tsusho America, Inc.
Head: Turfway Ridge Office Park, 7300 Turfway Road, Suite 500, Florence, KY 41042, U.S.A.
Ontario, New York, Battle Creek, Detroit, Columbus, Princeton, Chicago, Hurricane, Georgetown, St. Louis, Maryville, Miami, Orlando, Houston, Seattle, San Francisco, Fremont, San Jose, Los Angeles, Mexico City, Monterrey

SOUTH AMERICA

Toyota Tsusho Corporation
San Jose, Caracas, Bogota, Quito, Santiago

S.C. Toyota Tsusho do Brasil Ltda.
Rua Elisa Silveira 54, Saude CEP-04152-000, Sao Paulo-SP-Brazil

Toyota Tsusho NTN (Argentina) S.A.
Ruta Panamericana Km.29.4 (1617), El Talar, Provincia de Buenos Aires, Argentina

EUROPE

Toyota Tsusho Corporation
Paris, Belgrade,

Toyota Tsusho Europe S.A.
Head: 149, Avenue Louise-B.12, 1050 Brussels, Belgium
Paris, Valenciennes, Sophia Antipolis, Dusseldorf, Milan, Poland, Prague

Toyota Tsusho U.K. Ltd.
Head: 6th Floor, United Kingdom House, 180 Oxford Street, London W1N 0DT, U.K.
Derby

Russia & The CIS
Toyota Tsusho Corporation
Moscow, Nizhny Novgorod, Tashkent, Bishkek, Almaty, Nakhodka

AFRICA

Toyota Tsusho Corporation
Abidjan, Nairobi

Toyota Tsusho Africa Pty. Ltd.
Head: 3rd Floor, West Block, Sanlam Office Park, 9 Friedman Drive, (P.O. Box No.785155, Sandton 2146), Republic of South Africa
Durban

MIDDLE EAST

Toyota Tsusho Corporation
Istanbul, Dubai, Tehran

ASIA

Toyota Tsusho Corporation
Seoul, Manila, Yangon, Jakarta, Phnom Penh, Hanoi, Ho Chi Minh, New Delhi, Bombay, Bangalore, Dhaka, Colombo, Karachi, Islamabad, Lahore, Kathmandu, Harbin, Shenyang, Dalian, Shanghai, Yantai, Qingdao, Xiamen, Wulumuqi, Tianjin, Beijing, Guangzhou, Chongqing, Chengdu, Taipei

Myanmar Toyota Tsusho Co., Ltd.
Sedona Business Suite #03-12 No.1, Kaba Aye Pagoda Road, Yankin Township, Yangon, Union of Myanmar

P.T. Toyota Tsusho Indonesia
14th Floor, New Summitmas, Jl. Jend. Sudirman Kav. 61-62 (P.O.Box No.2948), Jakarta 12069, Indonesia

Toyota Tsusho (Singapore) Pte. Ltd.
77, Robinson Road, #22-01 SIA Building, Singapore 068896, Republic of Singapore

Toyota Tsusho (Malaysia) Sdn. Bhd.
Room No.1404, Wisma Lim Foo Yong, No.86 Jalan Raja Chulan, 50718 Kuala Lumpur (P.O.Box No.10557), Malaysia

Toyota Tsusho (Thailand) Co., Ltd.
607, Asoke-Dindaeng Road, Kwaeng Dindaeng Khet Dindaeng (P.O.Box No.494, Samsennai Post Office), Bangkok 10320, Thailand

Kasho International (Thailand) Co., Ltd.
607, Asoke-Dindaeng Road, Kwaeng Dindaeng Khet Dindaeng (P.O.Box No.494, Samsennai Post Office), Bangkok 10320, Thailand

Toyota Tsusho (Shanghai) Co., Ltd.
24th Floor, Shanghai Senmao Internation Building, 101 Yin Cheng Dong Lu, Pudong Xin Qu, Shanghai, People's Republic of China

Toyota Tsusho (Tianjin) Co., Ltd.
Room No.1208, Tianjin Guoji Daxia, 75 Nanjing Lu, Heping Qu, Tianjin, People's Republic of China

Toyota Tsusho (Guangzhou) Co., Ltd.
Room No.2766, Tongfang Hotel, Xicun Gong Lu, Guangzhou, People's Republic of China

Toyota Tsusho (Hong Kong) Co., Ltd.
27th Floor, United Centre, No.95 Queensway, Hong Kong, People's Republic of China

Chen Tai Fong Co., Ltd.
9th Floor, No.149 Section 2, Min Sheng East Road, Taipei 104, Taiwan, R.O.C.

OCEANIA

Toyota Tsusho (Australia) Pty. Ltd.
Level 31, 140 Williams Street, Melbourne, VIC 3000, Australia

* Toyota Tsusho will move its Nagoya head office to 9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575 in January 1, 2003.

TOYOTA TSUSHO CORPORATION
7-23, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan

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