



*Value
Integrator*

T O Y O T A T S U S H O
C O R P O R A T I O N

Profile

Since its incorporation in 1948, Toyota Tsusho Corporation (the “Company”) has developed a worldwide sales network through a global strategy. The Toyota Tsusho Group (the “Group”) consists of the Company and its 186 subsidiaries and affiliates, which together undertake a broad range of businesses, including trading, manufacturing, processing, retail and services at a global level.

The corporate philosophy of the Toyota Tsusho Group is to “be a company that contributes toward the creation of a bountiful, comfortable, global environment that enables humanity, society and planet earth to co-exist and co-prosper.” Based on this philosophy, we conduct our corporate activities openly so that we can earn the appreciation of all people worldwide. At the same time, we have placed the “Creation of Added Value” as a fundamental management policy to ensure the total satisfaction of all stakeholders, including customers, investors, shareholders, employees and local communities.

As an innovative enterprise, the Company defines itself as a VALUE INTEGRATOR. The Group’s global network, experience in international collaboration and comprehensive capabilities represent invaluable assets in a business environment in which the pace of globalization and the broadening use of information technologies is accelerating. As a pioneering trading company, the Group will expand beyond its traditional core trading business and at the same time create new businesses in manufacturing and sales in response to the evolving needs of society.

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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 exclusively 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 the information presented here, which is based on assumptions and beliefs in light of information currently available to the management at the time of publication. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company assumes no obligation if our forward-looking statements do not reflect actual results due to new information, future events or other developments.

Note regarding Corporate Reorganization:

In fiscal 2005, the Energy & Materials Division was reorganized as the Energy & Chemicals Division, and the Consumer Products & Services Division was reorganized as the Consumer Products, Services & Materials Division. From the second half of fiscal 2005 (October 2004), automotive parts and other businesses that were associated with the Energy & Chemicals Division were reassigned to the Consumer Products, Services & Materials Division. Therefore, for comparisons of results between fiscal 2004 and fiscal 2005, figures have been adjusted according to the business segments used in fiscal 2005, while for comparisons of fiscal 2006 forecasts with fiscal 2005 results, figures have been adjusted according to the business segments used in fiscal 2006. (Excluding graphs)

Corporate Philosophy of Toyota Tsusho

Aiming to “be a company that contributes toward the creation of a bountiful, comfortable, global environment that enables humanity, society and planet earth to co-exist and co-prosper.”

Action Guidelines

1. We conduct our corporate activities openly so that we can earn appreciation from people worldwide.
2. We contribute to society as a respected corporate citizen.
3. We work to provide added value through creativity.
4. We respect people and strive to create an energized, satisfying workplace.

2010 Vision

As the sole trading company of the Toyota Group, a spirit of challenge and progressiveness as well as corporate activities founded on local communities, local commodities and local conditions are at the heart of our corporate ethic, making our mission that of contributing to the creation of an enriched society.

To follow our corporate ethic in this era of rapid change and fulfill our mission, we established the concept of a “Value Integrator” to define our image for 2010. We have conveyed the necessary elements for becoming a Value Integrator in the acronym L.E.A.D. (see chart below). L.E.A.D. is further clarified through the categories of: the four Business Domains where management resources will be invested; the four Functions as a Value Integrator; the four pillars of our Corporate Character and Culture; and the four Corporate Ethics & Compliance for raising transparency as a Value Integrator.

L.E.A.D.

	L	E	A	D
Business Domain	Life & Living	Ecology	Automobile	Digital
Functions	Linkage	Engineering	Added Value	Develop
Corporate Character and Culture	Lean	Entrepreneur	Agile	Dynamic
Corporate Ethics & Compliance	Legality	Ethics	Accountability	Disclosure

L.E.A.D. as Business Domain

As one of the Toyota Group companies, we will continue to operate the Automotive business as our core venture. At the same time, we will focus on, and allocate resources to, three strategic fields: Digital, representing the information and electronics business and supported by our experience in car electronics; Ecology, standing for the environment business and taking advantage of our expertise in recycling of used cars; and Life & Living, comprising consumer products and services and supported by our extensive global network.

L.E.A.D. as Function

Beyond our traditional function as a trading company, the Development of new markets, Engineering of new technologies and effective Linkage of all these functions are essential for creating new Added Value.

L.E.A.D. as Corporate Culture and Character

To develop new business, we must be Agile and respond quickly to market demands; therefore we need a Lean organization. We can establish this through our employees’ Dynamic ideas and commitment to Entrepreneurship.

L.E.A.D. as Corporate Ethics & Compliance

We are striving to strengthen the Group compliance system by improving transparency in Disclosure and Accountability in corporate management.

Financial Highlights

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years Ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
For the Year:			
Net Sales	¥ 3,315,831	¥ 2,787,794	\$ 30,876,534
Gross Trading Profit	175,683	146,428	1,635,934
Operating Income	56,315	37,021	524,397
Net Income	37,522	20,663	349,399
At Year-End:			
Total Assets	1,198,394	1,032,602	11,159,270
Total Shareholders' Equity	237,132	188,785	2,208,139
Per Share:			
	Yen		U.S. Dollars
Net Income (Basic)	¥ 132.98	¥ 72.75	\$ 1.24
Cash Dividends	12.00	8.00	0.11
	%		
Gross Trading Profit Ratio	5.3	5.3	
Return on Average Shareholders' Equity (ROE)	17.6	11.9	
Shareholders' Equity Ratio	19.8	18.3	
Return on Average Total Assets (ROA)	3.4	2.1	
Current Ratio	115.1	110.6	
	Times		
Interest Coverage	12.8	8.9	
Debt Equity Ratio (Net)	1.3	1.6	

Note: The U.S. dollar amounts have been translated from the amount stated in yen, solely for the convenience of the readers, at the rate of ¥107.39=U.S.\$1, the approximate exchange rate on March 31, 2005.

Net Sales

During the fiscal year ended March 31, 2005, consolidated net sales totaled ¥3,315.8 billion, exceeding ¥3,000 billion for the first time as a company. This was mainly a result of expanded production of automotive-related products, which is our core business in Japan, the United States and the Asian region, as well benefits derived from a rising market resulting from a tightening supply-demand for materials worldwide. In retail business overseas, consolidated sales increased in the Automotive Division, which conversely, had lower sales on a non-consolidated basis due to a decrease in exports to Russia.

Operating Income

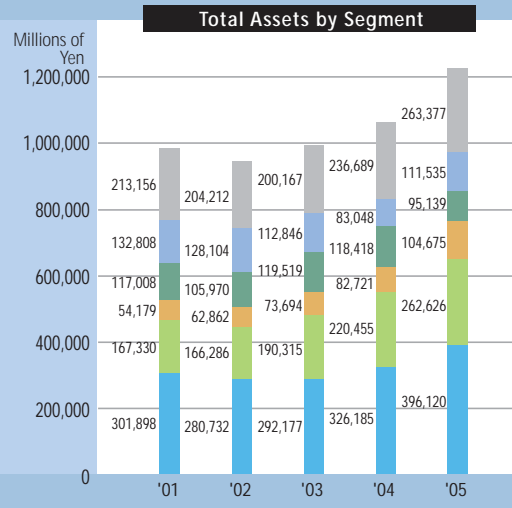
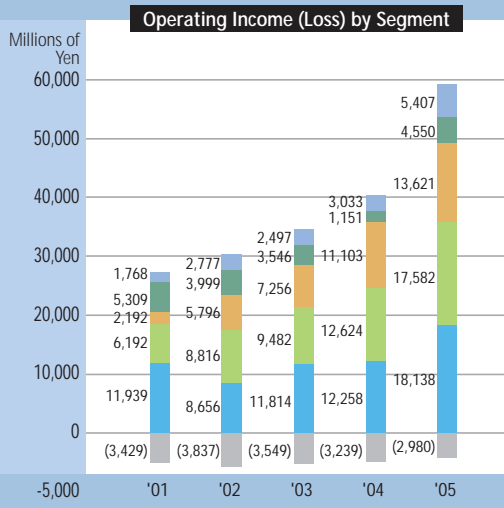
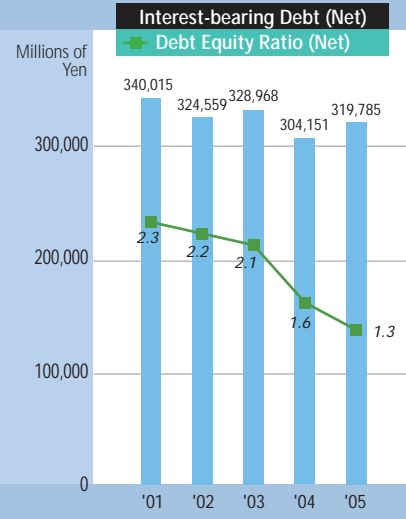
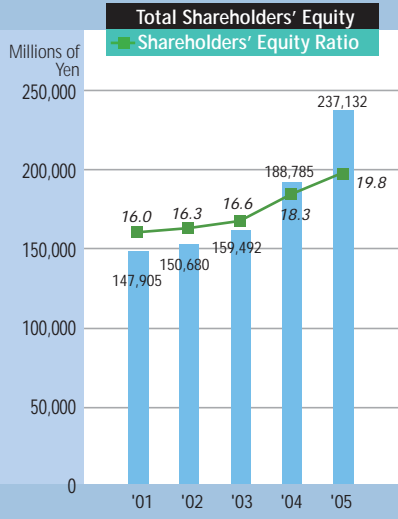
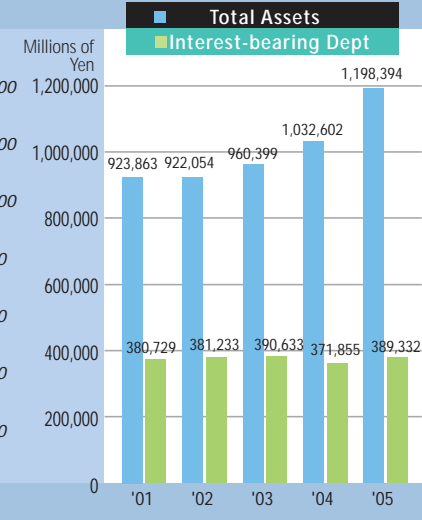
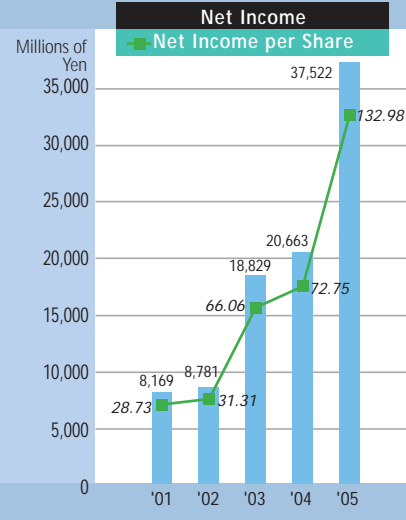
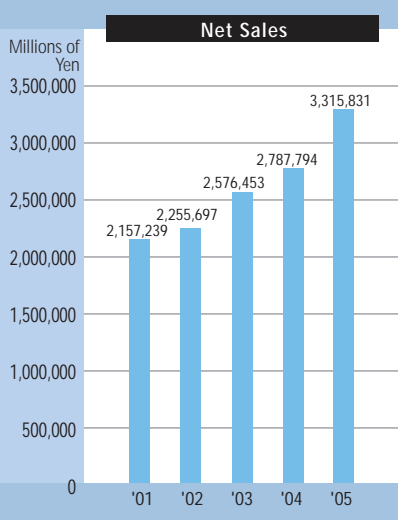
Operating income rose ¥19.2 billion from the previous fiscal year, to a record-high ¥56.3 billion. This was attributable to expanded automobile production and improved market conditions that led to an ¥5.8 billion increase in the Metals Division, as well as a ¥4.9 billion increase in the Machinery & Electronics Division, owing to an improvement in logistics and car electronics markets spurred by the commencement of overseas operations by automobile manufacturers. Also, a rise in coal prices contributed to a ¥5.0 billion increase in earnings in the Energy & Chemicals Division. As a result, operating income increased in all five divisions from the previous fiscal year.

Net Income

Net income amounted to ¥37.5 billion, representing a significant increase of more than 80% from the previous fiscal year. The reason for this is companies accounted for by the equity method in which we have an investment posted solid results due to a rise in operating income, the effects of an increase in production and sales of automobiles and an improvement in extraordinary losses due to the sale of marketable securities.

Total Assets

Total assets rose ¥165.7 billion from the previous fiscal year-end, to ¥1,198.3 billion, mainly due to an increase in receivables and inventories as a result of higher sales. Conversely, the return on average total assets ratio improved from 2.1% to 3.4%. The shareholders' equity ratio also improved from 18.3% to 19.8% due to a significant increase in net income. This was achieved as a result of our commitment to streamlining working capital and allocating assets to more profitable businesses.



To Our Shareholders and Stakeholders

Results for Fiscal 2005

In the fiscal year under review, ended March 31, 2005, the operating environment was brisk in Japan and abroad chiefly in the mainstay automotive business. By geographic segment, in Japan, a stable recovery was recorded centered on the production industry, as reflected in increased capital investment by companies with improved corporate earnings amid bolstered exports. Nevertheless, the recovery tapered off from the second half of the term from the effects of such natural disasters as successive typhoons and earthquakes. Amid this environment, Toyota Tsusho Corporation recorded growth in almost all of its businesses, including production-related businesses.

In the United States, consumer sentiment waned as a result of the ending of the preferential housing tax breaks in the beginning of 2004, improved long-term yields as well as skyrocketing energy prices. However, orders were brisk among Japanese automobile manufacturers with a competitive advantage in hybrid and other environmental technologies, contributing to expanded sales in the Metals Division as well as the parts businesses and car electronics. The Machinery & Electronics Division also recorded brisk sales amid bustling private-sector capital investment that was stimulated by tax reductions for capital investment near the end of 2004.

In Asia and Oceania, despite concerns over curbed investment

stemming from Chinese money-tightening policies, the economy expanded as a result of persistent production investment, strong consumer spending and increased exports. Growth was recorded in the Metals Division and Machinery & Electronics Division amid greater penetration for Japanese automobile manufacturers into the region, as well as expanded production.

Moreover, a dramatic rise in demand for steel and energy and rising prices worldwide for materials were key factors for improved performance in the Metals Division and the Energy & Chemicals Division.

In Europe, amid a mild economic recovery driven by strong consumer spending, the metals and parts businesses recorded expanded sales on the back of growth in sales among Japanese automobile manufacturers and aggressive expansion of production bases. The Russian economy remained strong chiefly in energy-related fields, contributing to brisk automobile sales in the country.

In aggregate, we recorded our fourth consecutive year of record-breaking performance, with consolidated operating income rising 52% to ¥56.3 billion and consolidated net income increasing 82% to ¥37.5 billion, indicating a further step toward greater profitability.

This performance was the result of the Company's efforts to raise added value, to the accolades of many customers, by producing a variety of functions in Japan and abroad and building a value chain under the leadership of previous president Masaaki Furukawa and the corporate slogan of "Create, enhance, and provide value."

Building on these successes, incoming President Junzo Shimizu will work under a new corporate structure to raise profitability and operational efficiency toward meeting the long-term management goals ending in March 2010.



Masaaki Furukawa Chairman
Junzo Shimizu President

Progress in Long-term Management Plan

Based on the 2010 Vision drafted in 2000, the Toyota Tsusho Group established a long-term management plan for the succeeding five years and promoted management with a long-term perspective. We modify this plan annually to adapt to changes in the operating environment through performance reviews and plan adjustments.

More than half of the steps in the operational cycle toward achieving the 2010 Vision were completed in fiscal 2005, marking a successful end to the last year of the original long-term management plan.

The graph below displays the Toyota Tsusho Group's long-term management plan, consolidated performance in fiscal 2005, as well as performance for the first year of the plan in fiscal 2000.

The targets to be achieved by fiscal 2005 in the original long-term management plan are outlined to the right.

1. Strengthen the earnings base for core businesses and augment and nurture targeted fields

- ➡ -Increase operating income by 39% to ¥33.0 billion and net income by 135% to ¥19.0 billion (compared with fiscal 2001)
- Improve the balance of contributions to consolidated operating income from each division

2. Scrap non-performing assets and unprofitable businesses

➡ 10% ROE and

3. Promote efficient operations (improve capital efficiency)

4.5% TVA*

*TVA (Toyotsu Value Achievement): A business performance index displaying the efficiency of employed capital. It is calculated by dividing post-tax ordinary income by employed capital (working capital + current assets).

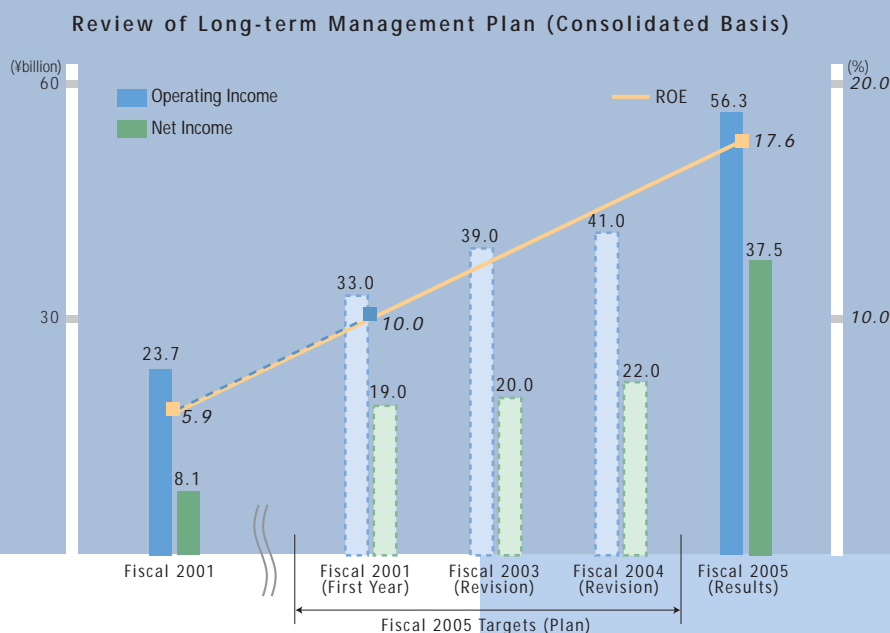


Progress toward these goals in fiscal 2005 were as follows:

1. -All Divisions exceeded the targets of the original plan, achieving a 71% increase in operating income to ¥56.3 billion and a 97% increase in net income to ¥37.5 billion.

-The dependency on the Metals Division for operating income fell from 44% to 31%, compared to fiscal 2001; the balance of contributions between the Metals, Machinery & Electronics and Automotive divisions has improved and lowered the relative shares among the Energy & Chemicals Division and the Consumer Products, Services & Materials Division.

2. & 3. ROE was 17.6% and TVA was 5.7%



Efforts to Achieve Long-term Management Plan

—Expanding Businesses and Creating/Augmenting Capabilities—

In fiscal 2005, which served as one stage in the long operational cycle for achieving the 2010 Vision, Toyota Tsusho achieved results that exceeded original targets for both operating income and net income. Key contributors to these results were a shift in the operating environment, adequate adjustments to the management plan based on these shifts and subsequent business measures taken by the Company.

Changes in the Operating Environment

Over the five years of the long-term management plan from fiscal 2001 to fiscal 2005, the operating environment for the automotive and other core businesses has undergone dramatic change. Overseas expansion by such automobile manufacturers as Toyota Motor Corporation, which is a top trading partner, has continued unabated and the transfer of factories overseas has been unexpectedly rapid and intense. Moreover, as seen with the International Multi-purpose Vehicle (IMV) series launched in Asia, a dynamic transformation is taking place away from developing, producing and selling automobiles overseas under the direction of Japanese headquarters, to a model that entails relinquishing control of development, production and supply to local subsidiaries.

Such strategic fields as the environment, information and electronics and consumer products and services, which have a direct link to core Company businesses, are visibly growing amid such impacts as the implementation of the Automobile Recycling Law and advances in computerization of automobiles. Despite efforts to aggressively launch new businesses in such fields as renewable energy, which will take years to fully

develop, the Internet field, in which competition is fierce and technological obsolescence rapid, and the broad-based consumer products and services field, the Company continued to learn from its mistakes as exemplified by underestimating the degree of contraction in market scale and technologies.

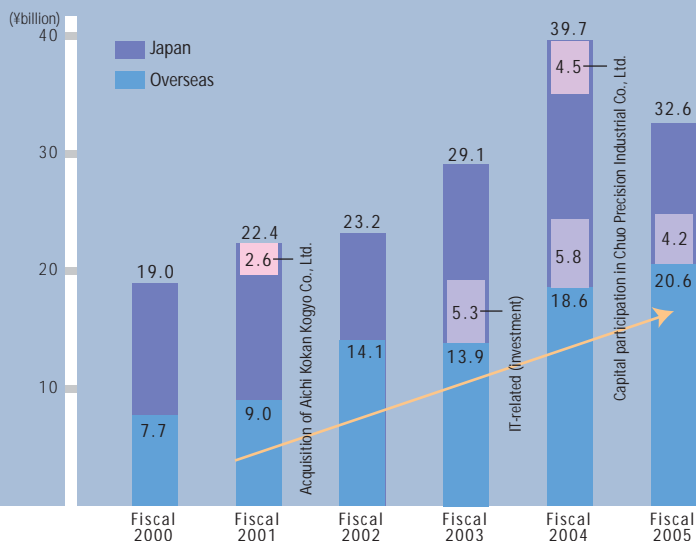
Revision of Management Plan

To address such conditions, the Company reassessed its initial plan calling for a balance between core and strategic fields and simultaneous expansion, and then worked to concentrate resources on core businesses to further firm up the existing earnings base. Given its conviction that future long-term growth will lie in strategic fields, management determined that it was crucial to concentrate on the management resources that had previously been scattered among new and other businesses, and invest those resources in fields with clearer growth potential. As a consequence, the Company devoted itself to measures to streamline its portfolio, including fully withdrawing from unprofitable businesses.

Measures in Core Fields

During the term, Toyota Tsusho worked to expand overseas in automobile manufacturing by tailoring regional needs to its capabilities in domestic machine engineering, metal, and other processing and logistics. Concurrently, the Company further refined its capabilities by offering services that supplant the pre-production processes originally carried out by automobile and parts manufacturers in Japan. Specifically,

Domestic and Overseas Investments



Note: Fiscal 2001 and 2004 figures exclude capital participation amounts in Tomen Corporation.

Investments to Raise Capabilities Mainly Overseas

Japan

- Aggressive M&As and alliances
- Construction of IT infrastructure as a platform for global expansion

Overseas

- Strengthening and expansion of existing capabilities (e.g., steel centers and logistics centers)
- Development of new capabilities (e.g., blanking processing, molten aluminum and factory recycling)

such processes include blanking, molten aluminum, scrap metals and subassemblies. In logistics for parts and other items, which are increasingly produced overseas and experiencing rising demand, the Company pursued reform of business mechanisms by capitalizing on IT geared toward launching a Global Supply Chain Management (G-SCM) system in collaboration with customers. Similarly, in fields related to automobile sales, management resources will be shifted away from exporting operations, which is expected to wane amid increasing overseas production, to overseas dealership sales. The Company will also aggressively work to augment bases through M&A and other means.

The graph on the lower left displays domestic and overseas investments over the five years of the management plan from fiscal 2001 to 2005. Aggressive efforts to bolster overseas capabilities, including development of the G-SCM system and similar investments in IT, are also indicated.

Measures in Strategic Fields

Amid an ongoing project to review and reorganize Companywide business portfolios, the Company is evaluating new and existing businesses from the three criteria of capacity to capitalize on Company strengths and capabilities, growth potential as well as level of investment (capital) efficiency, and withdrawing from businesses when deemed necessary.

Similarly, Toyota Tsusho has allocated a set amount of management resources to, and steadily gained returns in, such fields as the textile (seat belts and air bags) and the car electronics businesses, which are closely tied to core businesses; the renewable energy field, which shows strong

long-term potential; as well as the overseas food production and processing business.

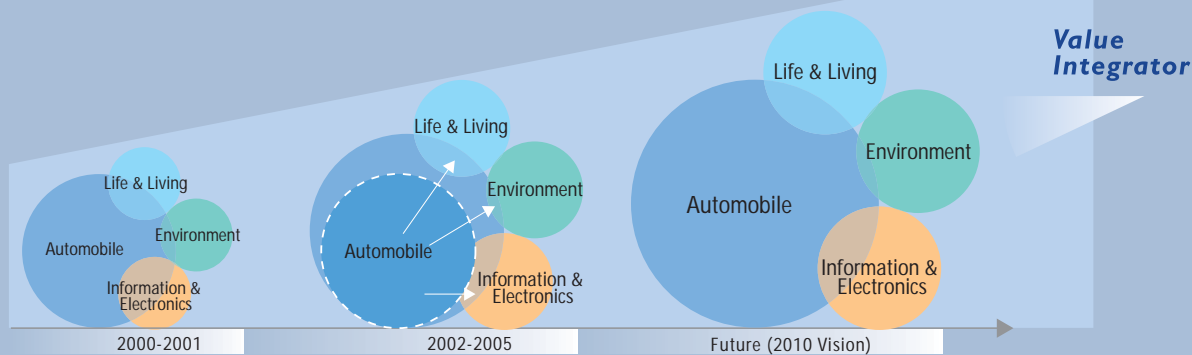
Businesses Withdrawn from in the Last Five Years

- Information & Electronics: Electronic delivery and digital content planning, production and transmission
- Consumer Products, Services and Materials: streamlining of apparel and jewelry-related consolidated subsidiaries (Toray Corporation, Tomatsu, Inc. and Watchman Co., Ltd.).

As a result of the above measures, the state of the Company is illustrated below to chronologically chart our progress toward achieving the 2010 Vision. As depicted, the core Metals, Machinery & Electronics and Automotive businesses grew dramatically as a result of concentration of management resources on automotive-related businesses and efforts to create and augment capabilities overseas, as well as from the impact of performance in core and strategic businesses exceeding initial projections.

Revisions in Long-term Management Plan

The long-term management plan has been revised after reassessing resource allocation based on business climate changes.



Efforts to Achieve Long-term Management Plan

—Strengthening the Management Structure—

As outlined in the long-term management plan, Toyota Tsusho is implementing numerous measures based on the premise that “Strengthening the Management Structure” is a crucial goal on par with “Expanding Businesses and Creating / Augmenting Capabilities.”

Business Portfolio Strategies

The business makeup of Toyota Tsusho, which has grown to cover a wide range of product fields, will require a strengthening of the earnings base in a way that optimally employs management resources in order to ensure future prosperity. With this in mind, the Company worked to optimally allocate management resources by introducing a business portfolio strategy in fiscal 2005, studying the unique traits of each business, and charting its future course. To promote its strategy, Toyota Tsusho is working to select and concentrate its businesses by evaluating them from a variety of Companywide criterion, including competitiveness, growth potential of their markets and the level of fully utilizing employees, who are a trading company’s most important assets.

As a result, the earnings and capital efficiency of the Company’s business portfolio have improved by more than 30%, respectively, from fiscal 2003.

*Image Chart: Refer to page 5 of the 2004 Annual Report and page 36 of IR materials, entitled *Long-term Management Plan and Future Efforts*.

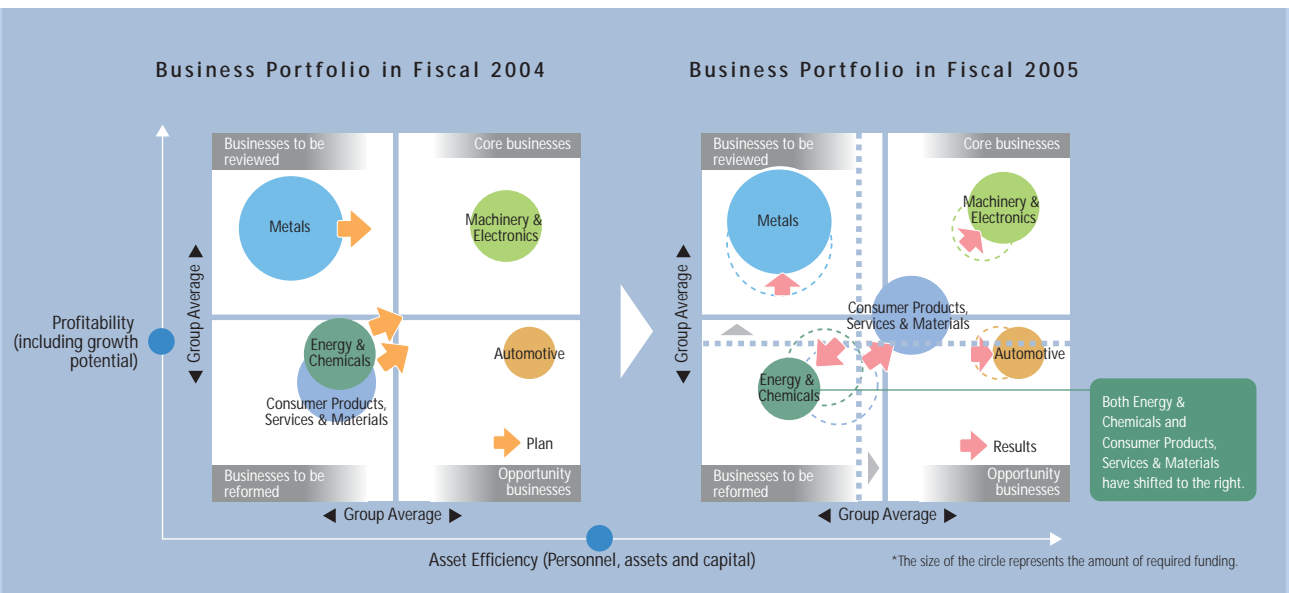
Financial Strategy

Toyota Tsusho has promoted a financial strategy that hinges on raising

capital efficiency and pursuing procurement depending on asset composition with the ultimate aim of achieving stable growth that supports a sound financial structure. In raising capital efficiency, in particular, efforts to raise efficiency in working capital by accelerating recovery of sales receivables and reducing inventory resulted in an extension of the working capital turnover period by 10 days over the course of the last five years. By reducing unused and inefficiently used current assets as well as allocating subsequent saved capital toward reinvestment and paying off interest-bearing debt, the Company has been able to dramatically improve ROE and net DER.

Risk Management

Given the Company’s aim of ensuring stable growth that can support a sound financial structure, and cognizant of the critical importance of having risk assets that can strengthen the Company as well as integrated and sustainable practices to manage them, Toyota Tsusho constructed a risk management structure guided by the basic policies of “total risk management” and “modifying and discontinuing systems or organizational structures as necessary to address specific risks.” Groupwide measures in fiscal 2005 resulted in addressing financial risks through the implementation of total volume control to quantify risks, credit exposure management and investment management using risk-return indexes. To address non-financial risks, the Company established a CSR Committee and worked to promote compliance.



Message from Management

I have carried out the medium-term management plan since assuming the post of President in June 2001 in succession to President Hiroshi Chiwa (deceased), who had drafted the 2010 Vision and laid the foundation for the current long-term management plan. Over the succeeding years, the Company has transformed its model from an export-oriented trading business into a global-centric multi-functional business. Moreover, the merger with Kasho Company, Ltd. and the capital investment and business alliance with Tomen Corporation have confronted us with considerably different business partners and corporate cultures. As we integrate these new elements into our operations, we are in an age that demands that we solidify our management structure as never before to integrate our complimentary strengths and unique characteristics to optimize synergies.

The very fact that we are in such an era of dramatic upheaval is what has enabled us to implement Cash-flow Management—the core of the Toyota Production System (TPS)—and concentrate on businesses with a solid grounding based on our corporate attributes of “very high standards in production,” “a completely customer-centric orientation” and corporate activities founded on “local communities, local commodities and local conditions.” These corporate attributes are the product of countless years of business experience.



Consequently, I am confident in stating that we have more than exceeded the goals we designated five years ago in fiscal 2005 in terms of “Creating / Augmenting Capabilities” and “Reinforcing the Corporate and Financial Structures.”

Toyota Tsusho in the Future

I assumed the post of Chairman on June 24, 2005, upon relinquishing my position as President. To ensure continued growth toward achieving the 2010 Vision, I believe that we must continue to augment our capabilities and expand globally in core fields centered around the automotive-related business as well as further raise profitability. Moreover, when I consider the Company's growth after 2010, I believe a crucial element we need to address is creating a new pillar for earnings over the next five years in strategic fields centered around non-automotive fields.

In the times ahead, President Shimizu will take up the reigns in resolving issues in these areas. With his long experience in the overseas business of Toyota Motor Corporation and as a manager of overseas and logistics businesses, President Shimizu has been successful in his initial efforts for the Company in globally expanding the subassemblies business and constructing a Global Supply Chain Management (G-SCM) system. I am confident that he will overcome future challenges and lead the Company toward further prosperity. I aim to support his efforts in my capacity as Chairman and work to meet the expectations of our stakeholders.

A handwritten signature in black ink, appearing to read 'Masaaki Furukawa'.

Masaaki Furukawa

Chairman
June 24, 2005

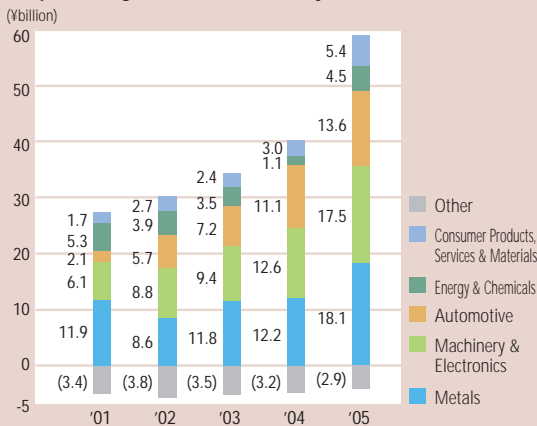
Interview with President Junzo Shimizu

Toyota Tsusho saw the successful conclusion of fiscal 2005, which was a way point for the 2010 Vision, thus establishing a new medium-term management plan aimed at achieving operating income of ¥100,000 million and net income of ¥60,000 million by fiscal 2010. In line with measures launched toward achieving the new targets since taking office in June 2005, President Junzo Shimizu discusses current conditions, challenges, future business expansion and the future direction of management herein.



Junzo Shimizu
President

Operating Income (Loss) by Product Division



Current Status

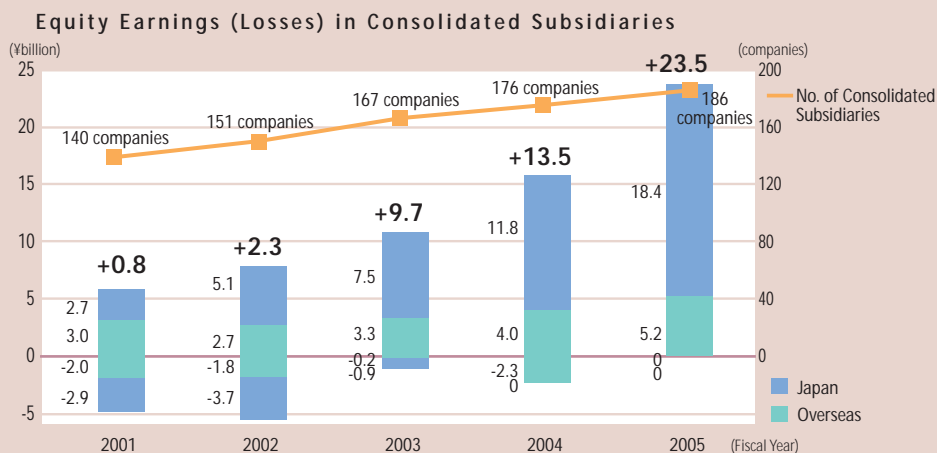
Given that five years have passed since the Company began working to achieve the 2010 Vision, what is the current state of Toyota Tsusho?

The Company's earnings structure has altered significantly in two ways over the last five years. First of all, the earnings balance among the product divisions has improved markedly. The Metals Division represents over half of Companywide operating income, chiefly via the steel business, which once supplied materials to domestic automobile manufacturers, and the nonferrous metals business, which holds the top share in Japan for aluminum scrap metals. That is one reason I think that people in the industry mistake the Company for being a trading company specializing in metals.

Today, however, growth has been the most rapid for the Machinery & Electronics Division, which has strengthened both its engineering and logistics businesses, and the Automotive Division, which has aggressively promoted the dealership business overseas. These divisions achieved a scale of growth comparable to that of the Metals Division, which had continued to grow during the same time.

The second change in the earnings structure is that the earnings base has shifted from one of trading to that of a function-based Group, and especially an overseas Group. For example, the ratio of consolidated to non-consolidated operating income expanded from 2.4 times in fiscal 2001 to 3.4 times in fiscal 2005. In other words, the Group has gone from an operating entity in which non-consolidated operating income represented half of income to an organization in which consolidated operating income represents two-thirds of income. Equity earnings in consolidated subsidiaries, which broke even in fiscal 2001 (as seen in the graph at the upper right), has since rapidly expanded mainly overseas by fiscal 2005.

Next, I believe that the mindset of our employees has changed remarkably. As a member of the Toyota Group, while we are known as a trading company that values its deep roots in production compared to competitors, it has become second-nature for those of us in trade to sit here in the office and move a huge amount of commodities with just the lifting of a phone receiver. Currently, the mindset has since shifted to one in which added value cannot be produced unless employees take the initiative. In that sense, the number of employees sitting in offices wearing neckties has decreased dramatically over the last few years, especially overseas. While there have been exit rules for business investing, as we promoted the business portfolio strategy, there have been few instances in which Companywide standards for trading business had been revised. We have subsequently come to see business in terms of capital efficiency.



Strengths What do you feel are the strengths that only Toyota Tsusho can provide?

While I touched on it before, given our deep involvement in production alongside our customers in the automotive-related business, which is a core business and Company pillar, our strength lies in working together with customers at the frontlines to determine how goods are transported, creating such visible functions as metal processing and engineering, and continuing to make improvements on those functions. One can call this strength an operational capability.

In more concrete terms, since adding blanking capabilities to shearing-focused steel centers and establishing steel centers in North America, the Company has become directly involved in the frontline operations of customers by understanding needs there, including provision of molten aluminum, recovery and processing of scrap metal from factories and assembly of tires and wheels. Moreover, we are taking the initiative to reflect with customers on how to improve logistics, including the employment of IT, efficient use of warehouse space, as well as planning and development of packaging materials to prevent damaged products.

In addition, based on a consolidated division management structure characterized by vertical organization by products, another strength of the Company is that the integrated flow of functions among the divisions directly contributes to the value chain by linking both core and strategic fields. Currently, the trading company business model has transformed into one in which we plan businesses, make investments in collaboration with various partners and develop a value chain to secure investment earnings.

However, Toyota Tsusho's style of offering value chain capabilities on the frontlines to contribute to improved added value is a unique strength that clearly separates the Company from the competition. Another strength has been our efforts to further raise capacity by making aggressive investment toward bolstering capabilities mainly overseas over the last several years. In that sense, I feel that Toyota Tsusho has become the ultimate reliable partner as reflected by customers in core fields calling on us to undertake production operations.

Challenges

What are the current challenges facing Toyota Tsusho?

The Company faces short-term and long-term challenges. For the short term, while globalization in automobile production—the Company's growth engine—is forecast to expand rapidly for some time into the future, we must expand overseas capabilities, which I previously indicated, at an unparalleled pace. To that end, we must continue to make aggressive investments and work to strengthen mechanisms and management structures to accelerate and raise the precision of decision making on the frontlines. Moreover, I feel that we must conduct proper training in Japan and overseas to produce employees imbued with the Company strengths in the form of Toyota Tsusho's philosophy, vision and work style.

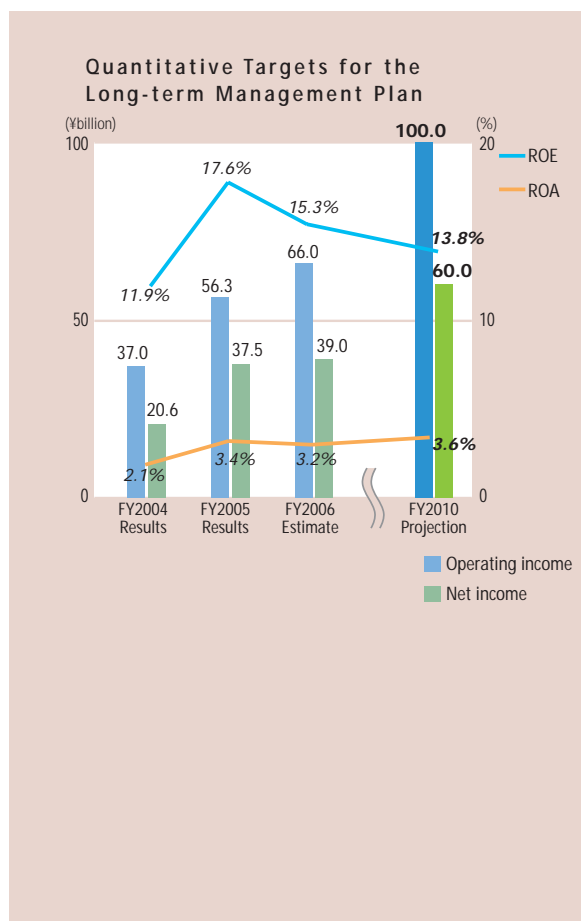
Regarding long-term challenges, in one sense, I think that solving short-term issues and achieving growth are our most pressing challenges. In the last few years, we have concentrated management resources in

core businesses, and particularly in the automotive business, to deal with rapid globalization of automobile production. As a result of that investment, the vast majority of our earnings are derived from core businesses. Nonetheless, in order to create value and become a Value Integrator that can achieve sustainable growth over the coming decades, we must establish our strategic businesses to be equal contributors to the earnings base. Cognizant of the above challenges when we created the long-term management plan, results are starting to be seen in some of our businesses as a result of Chairman Furukawa's efforts as President to concentrate businesses and promote several measures in such new fields as renewable energy. Working off of such measures up to now, I believe it is our duty to flesh out a proper grand design for the strategic businesses once again and allocate management resources to core and strategic businesses alike to ensure future growth.

Management Plan

Could you discuss the core policy and quantitative targets for the long-term management plan?

Our basic policies have remained unchanged, namely, augmenting and expanding the core automotive business and growing the strategic businesses by using capabilities and strengths acquired in core businesses. However, there are three key elements to this policy that need to be clarified. One is our goal of widening the scope of our operations beyond China and Europe, where core businesses are thriving, to the larger sphere of BRIC (Brazil, Russia, India and China) nations and South Africa, and promote further global expansion of accumulated capabilities and businesses. A second goal is that of aggressively forming potential alliances with competitors to expand strategic businesses that have strong ties to core businesses, including such information and electronics fields as Intelligent Transport Systems (ITS) and such renewable energy fields as fuel cells and dimethyl ether (DME). The third goal is that of unifying the accounting periods for all domestic and overseas companies in order to rapidly and accurately conduct creation, implementation and review of global strategies, while concurrently reinforcing consolidated headquarters management through such measures as clarifying accountability for performance.



Alliances

What is the future direction of your alliance with Tomen Corporation?

With the three aims of capitalizing on capabilities and personnel we do not have, expanding business by capitalizing on customer bases that do not duplicate our strengths and reinforcing global expansion by relying on complimentary overseas distribution networks, Toyota Tsusho has aggressively pursued collaborative proposals with Tomen Corporation since we first started conducting capital tie-ups and business alliances with them in 2000. For example, we have achieved a level of success in reducing logistics costs by sharing chemical tanks and conducting joint negotiations with shipping companies. Similarly, we have been pursuing collaboration in the core consumer products and services industry through such niches as home healthcare and textiles.

Synergies continue to grow from the integration of such businesses as the metals business, the fibers and machinery businesses, the temporary staffing business and the insurance business. We also actively promote personnel exchanges at various levels. For example, we hold joint training focused on the theme of creating new businesses and after-hours meetings for sharing information between both companies when discussing and solving various issues we face, while integrating individual businesses. Based on these results, we aim to promote a stronger alliance with Tomen toward merging operations and will continue to implement and study measures to maximize synergies.

CSR

What are your ideas for addressing Corporate Social Responsibility (CSR)?

I consider CSR activities to be a top management priority and am taking the lead as newly appointed President to ensure that CSR activities penetrate all areas of the Company. I believe that CSR is directly impacted by faithfully realizing such basic philosophies and policies as our Corporate Philosophy and Action Guidelines. We pursued measures that stressed compliance through the Corporate Ethics Committee and Risk Management Department. We are also continuing to lay the framework for CSR through the establishment of the CSR Committee in

January 2005 to develop and deliberate on CSR-centered action plans for each division, and are augmenting education and training regarding CSR. Consequently, improving CSR awareness and training for employees is crucial. In raising awareness among employees, in particular, I aim to reassess industry rules and customs that have been deemed effective from the perspective of CSR, while promoting within the Company the notion that "the traditional societal standards of judging the Company have dramatically changed."

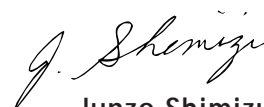
Shareholder Return

What are your views on offering returns on investment to shareholders?

The Company has valued the continuation of stable dividends as its most important basic policy, and has subsequently remained faithful to the policy of working to maximize corporate value and maintain a sound financial standing through the use of internal reserves while continuing to offer stable dividends. Cognizant of the need to account for dividend payouts, management has raised dividends for the term by ¥4.00 to

¥12.00, and intends to maintain this policy for the near future.

Moreover, as automobile production has undergone rapid globalization and continues to do so, we aim to formulate a plan to make aggressive investments primarily overseas. Consequently, we will continue to meet our expectations to shareholders as we work to strike a balance between growth in income per share for shareholders and dividends.



Junzo Shimizu

President

July 30, 2005

Toyota Tsusho Group CSR Activities

Amid the rapidly advancing globalization of economies, the importance of CSR for companies is rising. As this trend unfolds, Toyota Tsusho considers how it can contribute to a sustainable society and planet. Toyota Tsusho regards the fulfillment of CSR as encompassing all areas of corporate management rather than just as being a special endeavor.

In other words, keeping in mind our relationships with stakeholders worldwide and based on compliance with laws in Japan and overseas, we carry out honest business activities focused on

“strengthening our functions, protecting the environment and coexisting with society.” We believe that this is the best way that we can contribute. In line with this thinking, we formulated our Corporate Philosophy and Vision and aim to realize these in accordance with our Action Guidelines.

Stakeholders

The Toyota Tsusho Group's stakeholders are becoming increasingly diverse along with the broader scope of the Group's businesses. Accordingly, Toyota Tsusho is working to build good relationships with every type of stakeholder by fulfilling its responsibility for providing explanations to stakeholders and raising transparency.

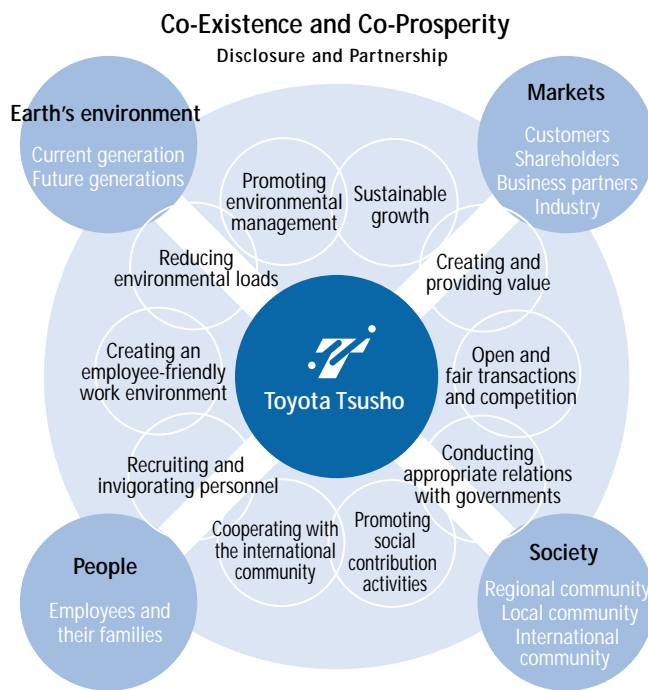
Also, to respond to continually evolving stakeholder values, the Toyota Tsusho Group places high value on promoting two-way dialogue with stakeholders. By using stakeholder opinions as feedback for management, we are pushing forward with various reforms that will drive mutual growth together with our stakeholders in the years ahead.

Environment Efforts

As our basic stance on environmental protection, the Toyota Tsusho Group has established an environmental policy based on the recognition that addressing environmental problems is essential for its own existence and business activities. Accordingly, individual employees take an autonomous, proactive approach to environmental issues, while simultaneously undertaking collaborative activities.

Among its wide-ranging business activities as a trading company, Toyota Tsusho believes that its environment-related businesses provide the best opportunity to contribute to the realization of a sustainable society. Acting on this conviction, we have positioned environment-related businesses as a priority field within our 2010 Vision and long-term management plan. As a fundamental premise for our investments, including those for new businesses, beginning at the planning and preparation stages we analyze the environmental impact in accordance with our own guidelines as well as check and surpass criteria in categories related to violations of any laws and environmental destruction.

In implementing environmental management systems, we have established environmental categories covering the entire Toyota Tsusho Group in Japan and overseas. Additionally, we have set individual targets for business operations and businesses in each division and are working to achieve these targets. We are also vigorously augmenting these measures in other areas that include providing environment-related education and cultivating internal environmental auditors in addition to promoting the sharing of information among domestic and overseas Group companies. Through such efforts, as of the end of March 2005, a total of 66 Toyota Tsusho Group companies consisting of 32 companies in Japan, including Toyota Tsusho, and 34 companies overseas, had secured ISO 14001 certification and were implementing environmental management activities.



Toyota Tsusho Group's Environmental Policy

1. As a responsible corporate citizen, we work to reduce impact on the environment, conserve energy, recycle resources, and eliminate environmental pollution, while placing a high priority on not disturbing the global environment in conducting business.
2. We promote environment-related businesses, such as the efficient use of waste and the preservation of natural resources, and contribute to the realization of a recycling-oriented economy and society in collaboration with our affiliates and business partners.
3. We comply with all environmental requirements, including environmental laws and regulations and industry guidelines.
4. We participate in activities to reduce impact on the environment by establishing an environmental management system and continue to improve these activities through periodic review and the application of creative ideas.
5. We enhance environmental awareness among directors and employees by providing environmental training and promoting a thorough understanding of our environmental policy.

Toyota Tsusho's Environmental Businesses

Approach to Recycling Business

• End-of-life Vehicle Recycling

We engage in a comprehensive end-of-life vehicle (ELV) recycling business in Japan primarily through two Toyota Tsusho Group companies, Toyota Metal Co., Ltd. and Toyotsu Recycle Co., Ltd. Involved mainly in recycling such metals as steel and aluminum into reusable resources, Toyota Metal has processed a cumulative total of over 5 million ELVs since its establishment. Meanwhile, Toyotsu Recycle carries out proper disposal and recycling of automobile shredder residue (ASR). During the disposal process, Toyotsu Recycle also recovers unused airbag inflators to prevent accidents caused by bursting.



• Recycling Waste Material into Resources

We carry out our Green Metal Business on a global basis, including in North America and China. Emphasizing the protection of the surrounding environment, this business involves recovering scrap iron and other press scrap at manufacturers' plants and processing and recycling this scrap at a yard entirely within the plant site. We also engage in a Recycled Plastic Fuel business, which involves converting waste plastic and wood debris into solid fuel as a substitute for fossil fuels. Other businesses include a lubricating oil recycling business for recycling lubricating oil used in machinery and metals processing.



Initiatives for Responding to Global Warming

• Reducing and Eliminating Greenhouse Gas Emissions

Toyota Tsusho is also involved in businesses that contribute to reducing the volume of greenhouse gas emissions. Besides helping our customers reduce greenhouse gas emissions through the design and sale of cogeneration equipment, we are also directly involved in projects to reduce greenhouse gas emissions. Once such example is emission trading rights, an activity recognized under the Kyoto Protocol, which went into force in February 2005. We do not serve merely as a broker for emission trading rights, but are also involved in the first Japanese government approved CDM (Clean Development Mechanism) project in Brazil and the JI (Joint Implementation) Project being undertaken with Russia's largest power company.

• Supplying Molten Aluminum

Launched in the United States in 1998, we started up aluminum melting businesses in Poland, Indonesia and China (Changchun and Guangzhou) in 2004. In Japan as well, we broke ground for a new melting plant in Kyushu. Supplying aluminum in a molten state from plants constructed adjacent to users obviates the need for re-dissolving the aluminum, which also translates into lower costs and a reduced environmental burden.



• Energy that Reduces Environmental Loads

As of the end of March 2005, Toyota Tsusho carried out wind power generation businesses at six locations in Japan. Together with JFE Holdings, Inc., we are also involved in demonstration production and the development of applications for DME. Also, as one national project carried out under the New Energy and Industrial Technology Development Organization (NEDO), since 2004 we have been working with Hokkaido Prefecture to carry out research related to the production and commercialization of biodiesel fuel, which uses various vegetables and other agricultural products as raw materials.

Approach to Eco-friendly Products

• Visible-light Responsive Photocatalysts

We have concluded a license agreement with Toyota Central R&D Labs, Inc. for their visible-light responsive photocatalysts and are promoting this product under the V-CAT brand in numerous fields. Unlike conventional photocatalysts that provide antibacterial and deodorizing effects with the aid of ultraviolet light, this visible-light responsive photocatalyst operates indoors, away from exposure to ultraviolet rays. We are promoting the commercialization of this technology as a bacterial-resistant material that does not harm the human body for such diverse applications as anti-fouling, antibacterial applications, deodorizing and air purification.

Principal uses:

Household and office-use curtains, wallpaper, blinds, uniforms, bedding products, eye glasses, artificial flowers and interior materials

Contributing to Local Communities

Amid growing calls for CSR, Toyota Tsusho strives not only to improve its business results, but also places high value on fulfilling its environment and community-related responsibilities on a global scale. Adhering to the action guideline “contribute to society as a good corporate citizen,” Toyota Tsusho directly interacts with local communities while actively participating in various endeavors to find solutions to issues facing society and promoting initiatives aimed at ensuring people’s happiness and well-being. Moreover, we promote “visible” activities such as encouraging employee participation in volunteer activities and making personnel contributions.

Protecting the Natural Environment

Support for the Keidanren Nature Conservation Fund

Toyota Tsusho collaborates with the Keidanren Nature Conservation Fund, which is involved in projects carried out in over 20 countries. These projects include protection and surveys of orangutans in East Kalimantan, Indonesia, and afforestation and tree preservation in Nei Menggu (Inner Mongolia) Plateau Nature Preserve.

Cooperating with the Junior Eco Club

Toyota Tsusho, together with Toyota Chemical Engineering Co., Ltd., supported the activities of the Junior Eco Club, which is sponsored by the Ministry of Environment, and worked to enlighten children on various environmental problems.

Education via University Lectures

Drawing on our unique know-how as a trading company, we provide lectures for university students. As an example of our cooperation with universities, Toyota Tsusho responded to requests from Nagoya University and Meijo University and dispatched employees to lecture on wind power to undergraduate and graduate school students.

Social Welfare

Support for Tokai Wheelchair Twin Basketball Tournament

We supported the Tokai Wheelchair Twin Basketball 47th Gifu Tournament with the aim of promoting the advancement of sports for the physically challenged as well as to enable their full participation in society. This tournament featured the participation of 103 athletes, including those with serious disabilities, representing 11 teams from the Tokai and Hokuriku regions. Toyota Tsusho employees also performed well in this tournament.

Backing Sports and Cultural Activities

Supporting Nagoya Grampus Eight

Toyota Tsusho strives to promote the development of sports in local communities. As one example of these efforts, we invested in the Nagoya-based Nagoya Grampus Eight soccer team.

Assistance for the Nagoya Philharmonic Orchestra

Since 1979, we have been co-sponsoring the Nagoya Philharmonic Orchestra in line with our commitment to invigorating and promoting the spread of artistic culture in regional communities.

The 2005 World Exposition, Aichi, Japan (Aichi Exposition)

The Toyota Group’s Theme is “The Dream, Joy and Inspiration of Mobility in the 21st Century.”

The Aichi Exposition communicates the directions to be pursued in solving worldwide issues facing humans in the 21st century and the way that humans will live their lives, as well as aims to create new culture and civilization. Toyota Tsusho concurs with the message of the Aichi Exposition, which is also consistent with our philosophy and vision. We exhibited cutting-edge products and technologies together with 16 other members of the Toyota Group at the Toyota Group Pavilion. In undertaking a number of activities, we believe such efforts enable us to contribute to the local community and environment.



Using Wind Power to Reduce CO₂ Emissions

We established Wind Tech Tahara Corporation, in Tahara, Aichi Prefecture, for the operation of a wind-powered generator outside the Toyota Group Pavilion at the Aichi Exposition. This generator produced the same amount of electricity as consumed by the pavilion, reducing total CO₂ emissions to zero.

Providing Medical-Staff Uniforms that Integrate Visible-Light Responsive Photocatalysts

The Toyota Tsusho Group provided uniforms to medical staff at the Aichi Exposition. These uniforms use Visible-Light Responsive Photocatalysts (V-CAT), a special processing technology developed by Toyota Central R&D Labs, Inc.

Providing Flooring Finishing Material that Uses Polylactic Acid

Toyota Tsusho, together with Fukuvi Chemical Industry Co., Ltd., has developed a flooring finishing material that uses polylactic plastic derived from environmental-friendly plant-based raw materials. This product was provided for use at the Toyota Group Pavilion.

Introducing a DSRC-Based Parking Lot System

Toyota Tsusho introduced a Dedicated Short Range Communication (DSRC)-based parking lot system at the Aichi Exposition’s Western Terminal parking lot for the physically challenged. This parking lot system, the first such system in Japan, was introduced for demonstration testing purposes of the Ministry of Economy, Trade and Industry (METI) and Japan Automobile Research Institute’s Intelligent Transport Systems (ITS) automatic payment system that utilizes vehicle-mounted electronic toll collection (ETC) automotive equipment.

Approach to Corporate Governance

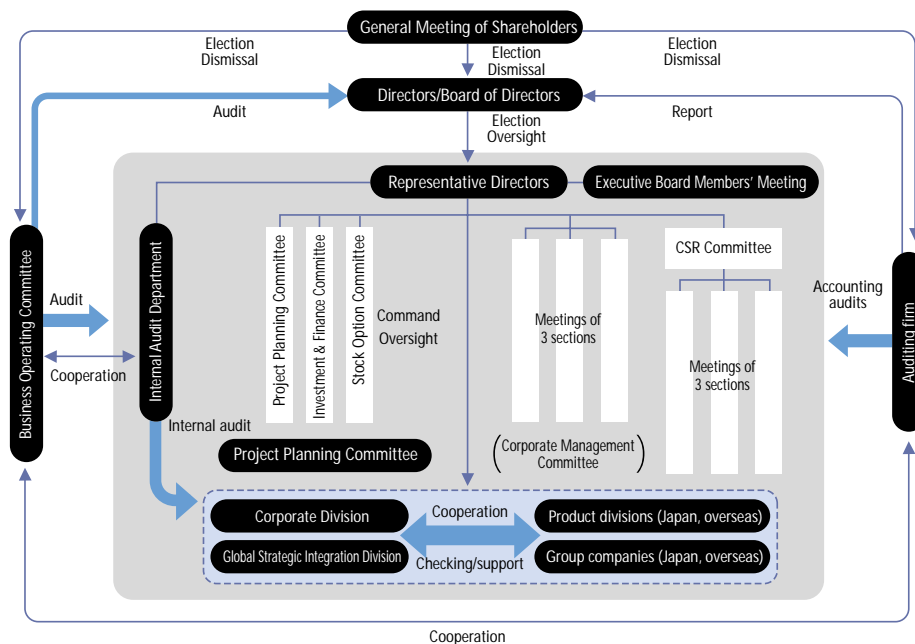
The Toyota Tsusho Group adheres to the “Creation of Added Value” as a fundamental management policy to ensure the satisfaction of all stakeholders. We believe that realizing the objective of this policy is contingent on undertaking efficient and transparent management and thorough compliance with all laws. We are building a structure for monitoring these areas and will strive for the smooth operation of this structure in the future.

Corporate Governance

Toyota Tsusho has adopted a Corporate Auditor system for its corporate governance system. The auditing of the execution of duties of directors is carried out by five corporate auditors (two standing and three non-standing) elected at the General Meeting of Shareholders. Based on the auditing policies and plans approved each year at the convening of the Board of Corporate Auditors, auditing is performed with emphasis on internal control, focusing especially on our risk management structure and responses to compliance. The corporate auditors also carry out audits to determine the appropriateness of the results of audits by an independent auditing firm.

As one of its characteristics, Toyota Tsusho divides its directors into the categories of “directors involved with Companywide management” and “directors involved mainly with headquarters management.” This enables a considerable degree of separation of management and

Corporate Governance Structure
(August 2005)



Compliance

In accordance with our Action Guidelines, we carry out compliance based on the key phrase “L.E.A.D. as Ethics and Legality.” We also provide all employees with the Code of Ethics, which clarifies our Action Guidelines and is based on our Corporate Philosophy, as we aim to familiarize employees with corporate ethics. Moreover, we are building a structure for quick discovery of and responses to problems, and this structure includes the setting up of the Will Do hotline linked to external legal counselors and the promoting of self-remediation.

Disclosure

In 2003, Toyota Tsusho formulated its Disclosure Regulations and

execution functions and speedy decision making, while moderating the contact points between management and execution. Moreover, to make a Companywide response to important issues, we have established the Corporate Management Committee as part of the establishment of a structure that enables a Companywide approach to these issues.

Internal Control System

To undertake internal auditing of the Toyota Tsusho Group, we have established the Internal Audit Department as an independent organization operating under the direct control of the president. In accordance with Toyota Tsusho's internal auditing regulations, each year the Internal Audit Department formulates auditing policies and plans for approval by the president. Based on these policies and plans, auditing is carried out at all Toyota Group bases. In addition to internal audits, we also implement self-auditing at all Toyota Tsusho Group companies in Japan, and we are considering carrying out these activities in the future at overseas Group companies as well.

prescribed its action policies and framework for taking an organized approach to effective and uniform disclosure. Accordingly, Toyota Tsusho is carrying out activities aimed at realizing the following three objectives.

- (1) Build bonds of trust with stakeholders by fulfilling our responsibilities for proactive disclosure and explanations.
- (2) Ensure an appropriate evaluation by society and a fair stock price that accurately reflects our corporate value by aiming for timely and fair disclosure.
- (3) Use the opinions of stakeholders ascertained through two-way dialogue as feedback to management and ensure these opinions help raise corporate value.

Board of Directors and Corporate Auditors



Front row (from left)
 Vice Chairman Yoshihiro Kaneko
 Chairman Masaaki Furukawa
 President Junzo Shimizu

Back row (from left)
 Executive Vice President Yoji Toyohara
 Executive Vice President Nobuhiko Sahara

Post	Name
Chairman	Masaaki Furukawa
Vice Chairman	Yoshihiro Kaneko
President	Junzo Shimizu
Executive Vice Presidents	Yoji Toyohara Nobuhiko Sahara
Senior Managing Directors	Kiyoshi Furubayashi Katsunori Takahashi Masahiro Tanizeki
Managing Directors	Sumihiro Hirono Yoshimi Takai Shozo Hamana Koichi Kawai
	Ryoji Shimizu Koji Oshige
Directors	Yoichi Kihara Masato Fujimoto Kenji Takanashi Masanori Yamase
	Naoto Yamauchi Toshinao Mikami Takashi Yoshida Hisashi Yamamoto Hiroyuki Okabe Mikio Asano Tokuji Kitamura Makoto Ito Jun Karube Hiroshi Takano Takumi Shirai Hiroyuki Isono Soichiro Matsudaira
Standing Corporate Auditors	Hidetsugu Yamauchi Tetsuro Ito
Corporate Auditors	Kanji Kurioka Yoshio Uesaka Tadashi Ishikawa

Title
Chief Division Officer of Automotive Division
Chief Division Officer of Consumer Products, Services & Materials Division
Chief Division Officer of Energy & Chemicals Division
Chief Division Officer of Metals Division
Chief Division Officer of Global Strategic Integration Division
Chief Division Officer of Corporate Division
Deputy Chief Division Officer of Machinery & Electronics Division and Energy & Chemicals Division
Chief Division Officer of Machinery & Electronics Division
Deputy Chief Division Officer of Automotive Division and Consumer Products, Services & Materials Division
Deputy Chief Division Officer of Metals Division
President of Toyota Steel Center Co., Ltd.
Deputy Chief Division Officer of Automotive Division
President of Toyota Tsusho (Shanghai) Co., Ltd., Toyota Tsusho (Tianjin) Co., Ltd., Toyota Tsusho (Guangzhou) Co., Ltd., Toyota Tsusho (Dalian) Co., Ltd. and Toyota Tsusho (Hong Kong) Co., Ltd.
Deputy Chief Division Officer of Metals Division
Deputy Chief Division Officer of Machinery & Electronics Division
Deputy Chief Division Officer of Energy & Chemicals Division
Executive Vice President of Toyota Tsusho Europe S.A. and Toyota Tsusho U.K. Ltd.
Deputy Chief Division Officer of Machinery & Electronics Division
Deputy Chief Division Officer of Corporate Division
Deputy Chief Division Officer of Consumer Products, Services & Materials Division
Deputy Chief Division Officer of Automotive Division
Deputy Chief Division Officer of Global Strategic Integration Division
President of Toyota Tsusho (Thailand) Co., Ltd.
Deputy Chief Division Officer of Metals Division
Deputy Chief Division Officer of Machinery & Electronics Division
Deputy Chief Division Officer of Machinery & Electronics Division

Review of Operations

Business Highlights

	● Fiscal 2005 Results ●	● Main Products and Services ●	● Sales Trends ●												
Metals Division	<p>Net sales: ¥1,320.9 billion</p> <p>Operating income: ¥18.1 billion</p> <p>Number of employees: 2,137</p>	<p>Ordinary and special steel products</p> <p>Unwrought nonferrous and precious metals</p> <p>Rolled light metal products, copper, and copper alloy products</p> <p>Scrap iron and scrap nonferrous metals</p> <p>Ferro-alloy products</p> <p>End-of-life vehicle (ELV) recycling and disposable catalyst</p> <p>Manufacturing, processing, disposal, and sales of the above products</p>	<p>Fiscal years ended March 31</p> <table border="1"> <tr><th>Fiscal Year</th><th>Sales (¥billion)</th></tr> <tr><td>2001</td><td>907.7</td></tr> <tr><td>2002</td><td>885.1</td></tr> <tr><td>2003</td><td>949.3</td></tr> <tr><td>2004</td><td>1,049.2</td></tr> <tr><td>2005</td><td>1,320.9</td></tr> </table>	Fiscal Year	Sales (¥billion)	2001	907.7	2002	885.1	2003	949.3	2004	1,049.2	2005	1,320.9
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Machinery & Electronics Division	<p>Net sales: ¥849.8 billion</p> <p>Operating income: ¥17.5 billion</p> <p>Number of employees: 2,721</p>	<p>Machine tools, industrial machinery and textile machinery</p> <p>Testing and measuring instruments</p> <p>Environmental equipment</p> <p>Information and telecommunication equipment</p> <p>Electronic devices and parts</p> <p>PCs, PC peripheral products and various software</p> <p>Automotive parts</p> <p>Forklifts</p> <p>Intelligence Transport System (ITS) equipment</p> <p>Sales of, and services for, the above products</p>	<p>Fiscal years ended March 31</p> <table border="1"> <tr><th>Fiscal Year</th><th>Sales (¥billion)</th></tr> <tr><td>2001</td><td>385.4</td></tr> <tr><td>2002</td><td>482.8</td></tr> <tr><td>2003</td><td>550.5</td></tr> <tr><td>2004</td><td>660.7</td></tr> <tr><td>2005</td><td>849.8</td></tr> </table>	Fiscal Year	Sales (¥billion)	2001	385.4	2002	482.8	2003	550.5	2004	660.7	2005	849.8
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Automotive Division	<p>Net sales: ¥538.3 billion</p> <p>Operating income: ¥13.6 billion</p> <p>Number of employees: 4,500</p>	<p>Passenger vehicles</p> <p>Commercial vehicles</p> <p>Light vehicles</p> <p>Trucks and buses</p> <p>Automotive parts</p> <p>Sales of, and services for, the above products</p>	<p>Fiscal years ended March 31</p> <table border="1"> <tr><th>Fiscal Year</th><th>Sales (¥billion)</th></tr> <tr><td>2001</td><td>243.2</td></tr> <tr><td>2002</td><td>302.9</td></tr> <tr><td>2003</td><td>480.4</td></tr> <tr><td>2004</td><td>499.7</td></tr> <tr><td>2005</td><td>538.3</td></tr> </table>	Fiscal Year	Sales (¥billion)	2001	243.2	2002	302.9	2003	480.4	2004	499.7	2005	538.3
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Energy & Chemicals Division	<p>Net sales: ¥316.8 billion</p> <p>Operating income: ¥4.5 billion</p> <p>Number of employees: 856</p>	<p>Petroleum products and LPG (liquefied petroleum gas)</p> <p>Coal</p> <p>Petroleum chemicals</p> <p>Synthetic resin, fat and oil products, and chemical additives</p> <p>Natural and synthetic rubbers</p> <p>Processing, manufacturing and sales of, and services for, the above products</p>	<p>Fiscal years ended March 31</p> <table border="1"> <tr><th>Fiscal Year</th><th>Sales (¥billion)</th></tr> <tr><td>2001</td><td>327.5</td></tr> <tr><td>2002</td><td>304.2</td></tr> <tr><td>2003</td><td>327.8</td></tr> <tr><td>2004</td><td>351.7</td></tr> <tr><td>2005</td><td>316.8</td></tr> </table>	Fiscal Year	Sales (¥billion)	2001	327.5	2002	304.2	2003	327.8	2004	351.7	2005	316.8
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Consumer Products, Services & Materials Division	<p>Net sales: ¥280.8 billion</p> <p>Operating income: ¥5.4 billion</p> <p>Number of employees: 1,248</p>	<p>Agricultural and livestock products and foods</p> <p>Condominiums and commercial buildings</p> <p>Construction materials, housing materials and furniture</p> <p>Textile products, textile materials and jewelry</p> <p>Automotive interior parts and materials</p> <p>Packaging materials</p> <p>Paper and pulp</p> <p>Life and health insurance and property and casualty insurance</p> <p>Sales of, and services for, the above products</p>	<p>Fiscal years ended March 31</p> <table border="1"> <tr><th>Fiscal Year</th><th>Sales (¥billion)</th></tr> <tr><td>2001</td><td>285.9</td></tr> <tr><td>2002</td><td>273.2</td></tr> <tr><td>2003</td><td>265.8</td></tr> <tr><td>2004</td><td>222.0</td></tr> <tr><td>2005</td><td>280.8</td></tr> </table>	Fiscal Year	Sales (¥billion)	2001	285.9	2002	273.2	2003	265.8	2004	222.0	2005	280.8
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Note regarding Corporate Reorganization:

In fiscal 2005, the Energy & Materials Division was reorganized as the Energy & Chemicals Division, and the Consumer Products & Services Division was reorganized as the Consumer Products, Services & Materials Division. From the second half of fiscal 2005 (October 2004), automotive parts and other businesses that were associated with the Energy & Chemicals Division were reassigned to the Consumer Products, Services & Materials Division. Therefore, for comparisons of results between fiscal 2004 and fiscal 2005, figures have been adjusted according to the business segments used in fiscal 2005, while for comparisons of fiscal 2006 forecasts with fiscal 2005 results, figures have been adjusted according to the business segments used in fiscal 2006. (Excluding graphs)

Review of Operations



Metals Division

Sumihiro Hirono

Chief Division Officer of
Metals Division

Net Sales and Operating Income

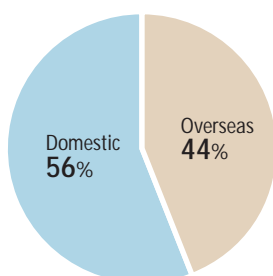
Net sales for the Metals Division increased ¥271.7 billion, or 25.9%, to ¥1,320.9 billion, while operating income increased ¥5.8 billion, or 48.0%, to ¥18.1 billion.

The increase in net sales was primarily attributable to expanding automobile production, rising steel, nonferrous and other markets, and the effects of new consolidation of business totaling ¥30.0 billion. The increase in operating income was basically in line with the rise in net sales.

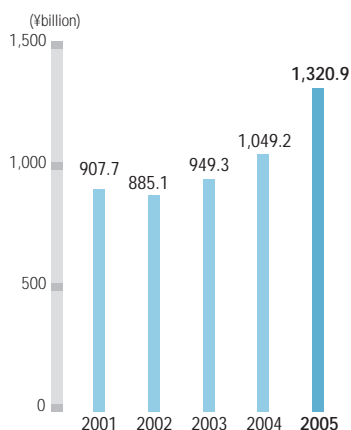
In our Metals business, we regard steel and nonferrous metals not simply as materials, but as products with unique characteristics and functions and thus carefully choose from among a broad range of products to offer those that best satisfy customer needs. While utilizing our storage, processing and logistics functions during the product flow linking materials manufacturers with users, we actively collaborate with our business partners in developing innovative materials and processing technologies and promote businesses that establish win-win relationships with users and suppliers.

A prime example is our steel sheet business, which we undertake through nine processing centers in Japan and overseas, beginning with Toyota Steel Center Co., Ltd., the largest such steel processing center in Japan. In our steel business, we offer efficient and high-quality services in logistics, including the development of the world's first Container Vanning Technology (CVT) for shipping steel sheets in containers to overseas destinations. In the nonferrous metals business, we are cultivating new sources of resources globally to ensure stable supplies and reduce risks related to fluctuating prices of nonferrous metals. We have also expanded our molten aluminum supply business, originally launched in the United States, to six plants, including one in Japan. Further, our environmentally conscious approach to business activities has earned high acclaim within industry sectors. Examples of environmental-conscious businesses include our End-of-life Vehicle (ELV) recycling business and our business for recovering and processing scrap iron generated in customers' plants in the steel raw materials business.

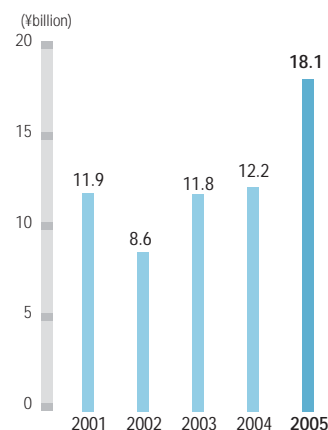
Business Composition



Net Sales



Operating Income





Fiscal 2005 Performance

In fiscal 2005, we recorded steady increases in both the volume and value of sales. These gains resulted from expansion in vehicle production in Japan and overseas and a rising market for metals amid surging demand for steel in Asia, mainly in China. Among noteworthy business activities during the year, in the steel business, we established steel sheet processing companies in Guangzhou, China, and in Australia and commenced steel blanking businesses in Tianjin, China, and in Turkey. Amid a tight supply-demand situation, we utilized our coordinator functions to ensure stable supplies for materials manufacturers and contributed to efficient production of users through such initiatives as our proposals for sharing of materials and efforts to reduce product categories. In the nonferrous

Fiscal 2006 Outlook

We will continue our proactive investments to strengthen overseas processing and logistics businesses and our recycling business, as we respond to expanding global production. Specifically, in Guangzhou, China, where various Toyota Group companies will begin full-scale production in 2005, we will engage in the steel blanking business and our business for supplying molten aluminum for wheels. We also plan to carry out scrap

metals business, we established two new molten aluminum supply bases in China (Changchun and Guangzhou) and completed construction of a second plant in the United States and a plant in Indonesia, and subsequently commenced full-fledged production of molten aluminum. In the steel raw materials business, we responded to the January 2005 implementation of the Automobile Recycling Law by setting up a department specializing in the automobile shredder residue (ASR) recycling business within an affiliated company and thereafter commencing operations. Additionally, we began scrap iron recovery and recycling businesses within plants in France and the Czech Republic and made preparations to inaugurate this business in Japan and South Africa.

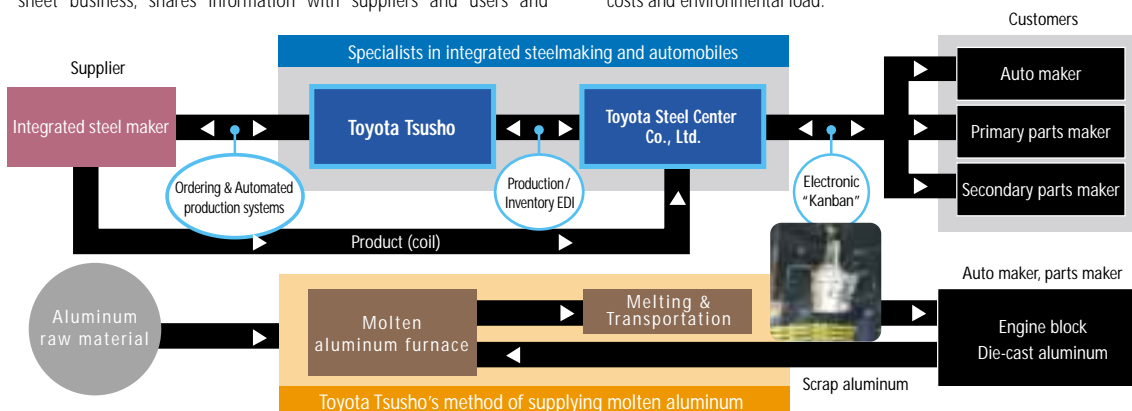
iron recovery and recycling businesses within plants in Thailand and Europe, where production has already gotten underway and is now expanding. Through these measures, in fiscal 2006 the Metals Division expects to record net sales of ¥1,444.4 billion, up ¥123.4 billion from the previous fiscal year, and operating income of ¥22.5 billion, an increase of ¥4.3 billion.

How Toyota Tsusho Creates Value—Business Model

Processing, logistics, and storage functions meet the needs of both customers and suppliers.

The core strength of the Metals business is the high level of precision and quality of its operations in collaboration with domestic and overseas manufacturing and processing companies. For example, Toyota Steel Center, our main domestic processing and logistics center for the steel sheet business, shares information with suppliers and users and

implements efficient processing, storage, and logistics operations for the specific production conditions of each company. In the nonferrous metals business, we supply molten aluminum, rather than the conventional ingots used in North America and other regions, to reduce both energy costs and environmental load.



Review of Operations



Machinery & Electronics

Ryoji Shimizu

Chief Division Officer of
Machinery & Electronics
Division

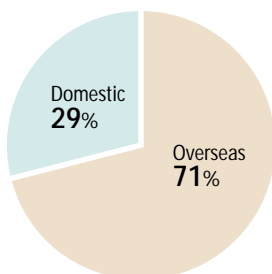
Net Sales and Operating Income

Net sales for the Machinery & Electronics Division rose ¥189.1 billion, or 28.6%, to ¥849.8 billion, while operating income increased ¥4.9 billion, or 39.9%, to ¥17.5 billion. The increase in net sales was mainly attributable to higher sales of automotive parts due to an increase in automobile production overseas. Also, a steady increase in orders was also received for car electronics parts due to favorable sales of hybrid cars in line with greater environmental consciousness. Additionally, in the machinery business, a high level of orders was received from auto makers against the backdrop of robust capital investment in both domestic and local markets.

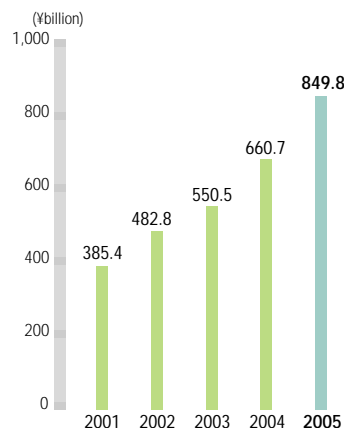
The Machinery & Electronics Division is involved in a wide assortment of activities that extend beyond merely procuring goods in Japan and overseas that respond to customer needs. The division also combines its numerous functions to provide total services, including planning, recommendations, technological development, quality control, and efficient logistics in such areas as machinery, facilities, information and electronics, and parts for overseas production.

In the machinery business, we handle a broad line of products that include production machinery, logistics equipment, power-drive equipment, equipment for rationalization and environmental equipment for all types of industries. Concurrently, we offer integrated engineering services that range from providing consultation on optimal combinations of equipment and plant layout and offering logistics most suited to customer production plans to the installation, start-up, adjustment and maintenance of equipment. In the car electronics business within the information and electronics business, we offer quality- and delivery-control services specific to automotive equipment and develop and apply outstanding technologies to devices in semiconductors, electronics and information processing. In the information business, we are proactively undertaking our systems integration business for supporting and building telecommunication networks for Japanese companies based in North America and China and other Asian countries. Responding to the rapidly expanding overseas production of automobile manufacturers, we are focusing on the global development of an efficient and high-quality parts logistics network that combines IT with logistics technologies (LT).

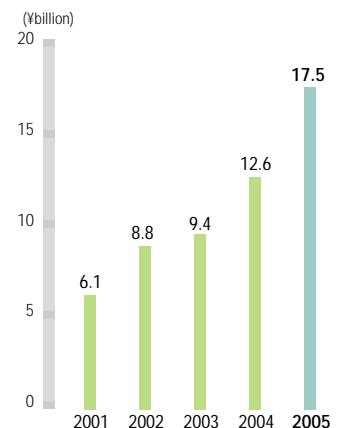
Business Composition



Net Sales



Operating Income





Fiscal 2005 Performance

In the machinery business, we strengthened our total engineering functions to secure orders for all project phases. Specifically, we focused on supporting customers with their procurement and preparations for local production at their overseas production bases by commencing operations at an engineering company in Tianjin, China, which follows the start of similar operations in the United States, Thailand and Vietnam. We also started a maintenance operations base in Europe jointly with our customers.

Turning to the information and electronics business, in the car electronics business, where market growth is being fueled by the trend toward integrating advanced information and electronics devices, we participated in the start-up of Japan Automotive Software Platform and Architecture (JASPER), an organization for the joint development of basic software for vehicle-mounted electronic control systems. Moreover, we established a company in Beijing, China, for developing map software for

car navigation systems. This is the first such foreign-capital-affiliated company to be established in China. In other Asian countries, we focused on expanding our network systems business, which is centered on our subsidiaries in Singapore, Thailand and other countries.

In the business of supplying parts for overseas automotive production, we moved to respond to the diversification of overseas transactions by completing the start-up of procurement logistics operations in Thailand and Indonesia in collaboration with the Logistics Project Team of the Global Strategic Integration Division. In tandem, as a follow-on to linking operations in Japan and the United States, we expanded our Supply Chain Management (SCM) system—a new integrated logistics framework aimed at promoting the mutual supply of parts—in eight overseas countries, including Asian and Latin American nations.

Fiscal 2006 Outlook

In the machinery business, we will strengthen our functions in China and other BRIC nations as we strive to establish a global engineering structure. In the car electronics business, we will progress with the building of a global device supply system, with bases in the five geographic regions of Japan, North America, Europe, China and other Asian countries. This supply system will be centered on Toyota Tsusho Co., Inc., which specializes in the car

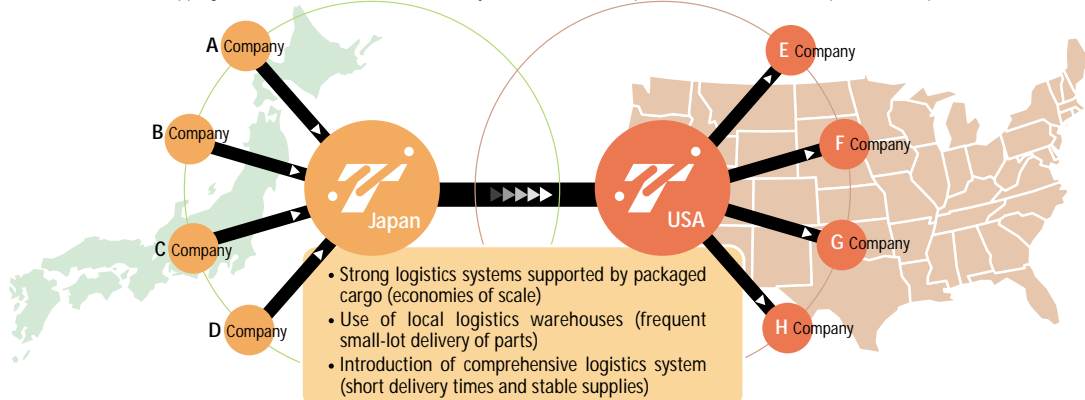
electronics business. In parallel, in Asia we will focus on the development of software with vehicle applications. We also plan to gradually expand our automobile parts logistics business utilizing G-SCM to other regions. Through these efforts, in 2006 the Machinery & Electronics Division expects to record net sales of ¥956.4 billion, a rise of ¥106.5 billion from the previous fiscal year, and operating income of ¥20.1 billion, an increase of ¥2.5 billion.

How Toyota Tsusho Creates Value—Business Model

Packaged logistics for parts for overseas automobile production—Vendor-to-Vendor

We transport, on a package basis, automotive parts produced by domestic parts manufacturers for overseas automobile fabrication and production. After visiting each parts manufacturer to collect and package parts in a “milk-run” process, we export parts packages to these overseas sites in shipping containers. We also reduce delivery time and

inventories for parts manufacturers through our extended transport service that includes delivery to production sites, thereby facilitating more frequent small-lot deliveries of each manufacturer's products. Transport costs are also reduced, benefiting from the advantages of scale and lower export-related administrative processes for parts manufacturers.



Review of Operations



Automotive Division

Kiyoshi Furubayashi

Chief Division Officer of
Automotive Division

Net Sales and Operating Income

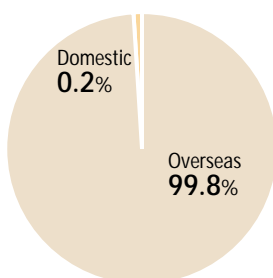
Net sales for the Automotive Division increased ¥38.5 billion, or 7.7%, to ¥538.3 billion, while operating income rose by ¥2.5 billion, or 22.7%, to ¥13.6 billion.

The increase in net sales was primarily attributable a favorable performance in the retail business overseas, owing to robust sales in Russia, Europe and Africa. This was also a major factor for an increase in operating income due to higher sales in the retail business overseas.

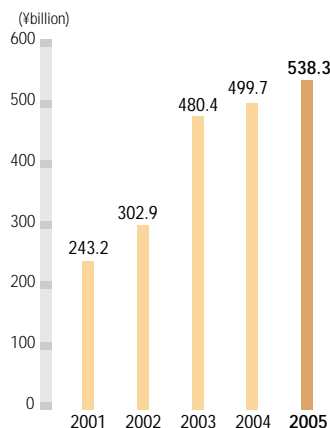
The Automotive Division exports automobiles and automotive parts, including passenger cars and trucks manufactured in Japan by the Toyota Group, to about 120 countries worldwide. We also export automobiles manufactured by the steadily growing number of the Toyota Group's overseas plants to third party countries. With the largest number of overseas staff and bases among all Toyota Tsusho's product divisions and employing specialists in local market conditions, we are able to utilize our information-gathering capabilities unique to trading companies to ascertain and provide marketing information, such as market trends and changes in user tastes and economic and risk information in each country. We then use this expertise and information as feedback to plan and develop overseas production and marketing strategies for automotive and related manufacturers. Moreover, we are utilizing a wide range of accumulated experience and expertise in various business activities that include formulating autonomous marketing strategies in accordance with market conditions and establishing dealership and financing services offered at points of sale.

Among our diverse business activities, we are currently placing particular emphasis on our overseas retail business. The product manufacturing structures of Japanese automobile manufacturers are undergoing a significant transformation, shifting away from a Japan-based development and production structure and moving toward global development and production. As this trend unfolds, Toyota Tsusho is also transitioning its business format under a global strategy that aims to shift from export-oriented businesses while aiming to become the "strongest retailing business" with firm roots in local markets.

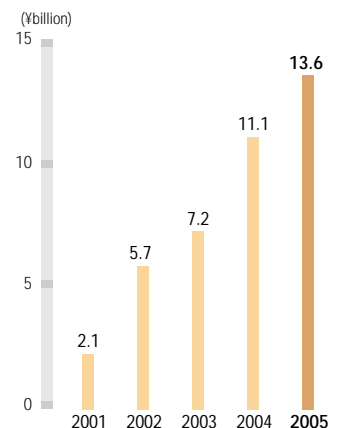
Business Composition



Net Sales



Operating Income





Fiscal 2005 Performance

In the vehicles export business, the ongoing shift to overseas production of vehicles in some regions led to a reduction in exports to these areas. Nevertheless, the overall volume of export sales of vehicles rose above the level of the previous fiscal year due to favorable demand for Toyota vehicles in African, Latin American and Pakistan markets as well as large growth in export sales of Daihatsu vehicles to Indonesia and other markets.

In retail business overseas, sales at existing sales outlets were robust in Russia and Africa, including Kenya, with overall sales rising to around 50,000 vehicles, which is over 10,000 vehicles higher than sold in the previous fiscal year. We also proactively developed our dealerships, mainly in the high-priority regions of China and Europe. In China, sales activities at five new sales offices established in the previous fiscal year got off to a

smooth start while six new sales offices in Europe, including those in Russia and Slovenia, inaugurated sales activities. Turning to Asia, our dealerships in Thailand and Malaysia commenced sales of the International Multi-purpose Vehicle (IMV) series—for which production, mainly in Asia, began in 2004—and these dealerships posted a smooth growth in sales. We also progressed with our business development, including our peripheral businesses. These included the establishment of a new joint venture dealership with Yamaha Motor Co., Ltd. utilizing the know-how and experience gained from our dealership management in Russia, and the start-up of a sales company for automotive replacement parts in Tianjin, China, together with a parts maker and electric machinery manufacturer.

Fiscal 2006 Outlook

We aim to accelerate the development of our retail business both qualitatively and quantitatively and plan to expand the number of dealerships from the current 73 bases to over 90. To achieve these objectives, we will enhance and promote improvements in efficiency at our existing business operations, while building a structure that enables dealerships in each region to mutually share information and best practices in business operations and utilize synergies. We will also actively develop

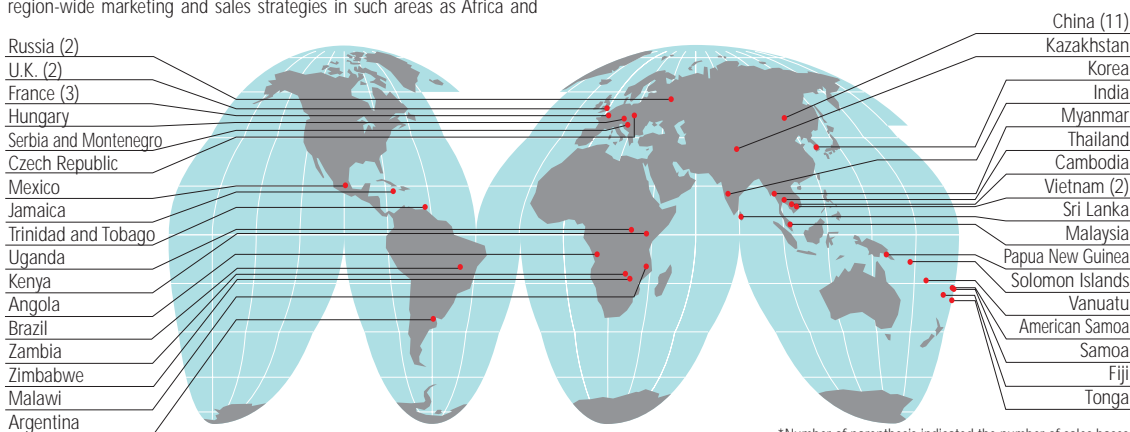
peripheral businesses, including used car sales businesses commenced in Russia and Thailand. These measures notwithstanding, in fiscal 2006 we expect that a decline in exports to China accompanying the shift toward overseas production will result in a ¥23.4 billion decline in net sales to ¥514.9 billion. Moreover, a rise in advanced investments for our retail business is expected to lead to a ¥2.4 billion decline in operating income to ¥11.2 billion.

How Toyota Tsusho Creates Value—Business Model

Dealership network expands through a regional approach, rather than by location.

We develop our operations by grouping automobile dealerships throughout the world by region and adopting optimal policies in response to the specific needs of each region. To this end, we have established regional headquarters to manage operations, including region-wide marketing and sales strategies in such areas as Africa and

the South Pacific. In addition, we acquired two dealerships in London, England, last year and set up five new sales bases in China, adding to the six existing bases we currently operate there. These efforts illustrate how we intend to achieve further growth through a regional strategy.



*Number of parenthesis indicated the number of sales bases.

Review of Operations



Energy & Chemicals Division

Masahiro Tanizeki

Chief Division Officer of
Energy & Chemicals Division

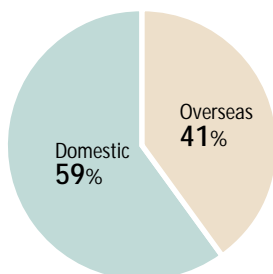
Net Sales and Operating Income

Net sales for the Energy & Chemicals Division rose ¥23.4 billion, or 8.0%, to ¥316.8 billion, while operating income rose ¥5.0 billion from a negative ¥0.5 billion in the previous fiscal year, to ¥4.5 billion. The increase in net sales was mainly the result of an increase in sales of chemical products and synthetic resins and rapidly expanding demand for coal mainly in Asia amid a rising market resulting from tight supply-demand. In addition to gains attributable to a rise in net sales, an increase in operating income was primarily on account of a ¥2.8 billion decline in one-time write-offs of consolidated adjustment accounts that reflected the absence of an impairment of assets for our Australian coal mining subsidiary recorded in the previous fiscal year.

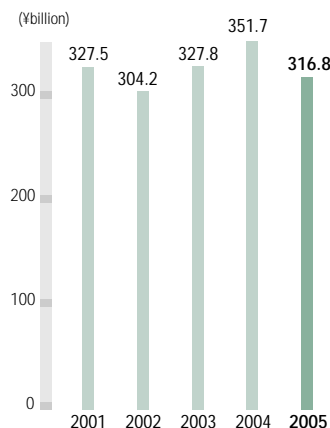
The Energy & Chemicals Division procures and supplies synthetic resins, chemical products and other production materials as well as such basic energy resources as coal and gas from all over the world. In chemical products, we supply high-quality chemical products for a diverse array of applications ranging from such automotive parts as bumpers and weather stripping to new materials for fuel cell-powered cars and hybrid cars, and for such electronics materials as special silica for semiconductors and special films for printed circuit boards. Moreover, we are broadening our business spheres in China and other Asian countries through participation in businesses for food packaging materials and automotive parts, a mobile phone case manufacturing company and a plastic compound business.

In energy products, we work to secure stable supplies for users through our involvement in such upstream operations as coal excavation businesses in Australia and Indonesia. In tandem, in such downstream fields as gasoline and kerosene, we operate a network of service stations in collaboration with such Group companies as Toyota Energy Corporation and Toyota Sekiyu Hambai Co., Ltd. In addition, we undertake business in wind power generation, a highly promising clean energy source, at six locations in Japan, and are also taking a proactive approach to such high-potential areas as emission trading rights to reduce greenhouse gases, dimethyl ether (DME), and gas-to-liquid (GTL).

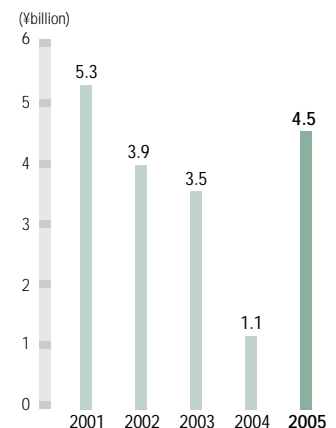
Business Composition



Net Sales



Operating Income





Fiscal 2005 Performance

In chemical products, we responded to the needs of customers with operations in China by investing in Chinese companies that manufacture plastic parts for automobiles and cases for mobile phones, as part of efforts to establish a supply chain encompassing functions that range from providing stable supplies of raw materials to manufacturing. In addition, we actively worked to create new businesses that include participation in a new business for recycling plastics from household electronic appliances.

In the energy business, amid a rising market due to tight supply-demand for coal, we recorded an increase in sales owing to such factors as acquiring business rights for coal from Tomen Corporation, with which we

have had an alliance since 2000. We also undertook a large-scale business reorganization under which Toyota Tsusho and Tomen integrated our fuel businesses, mainly marine bunker fuels, and established a new company to undertake this business. We also raised the efficiency of our service station operations in Japan by taking such measures as progressing with the consolidation and strengthening of service stations. In the wind power generation business, we began generating power at two new locations, which included supplying electricity generated from wind power to 2005 World Exposition, Aichi, Japan.

Fiscal 2006 Outlook

In chemical products, we aim for the global development of our plastics compound business, which includes materials evaluation and recycling, and intend to actively pursue this business in North America and Europe following similar efforts in China.

Turning to the energy field, we will further bolster our service station business through an alliance with Showa Shell Sekiyu K.K. while vigorously

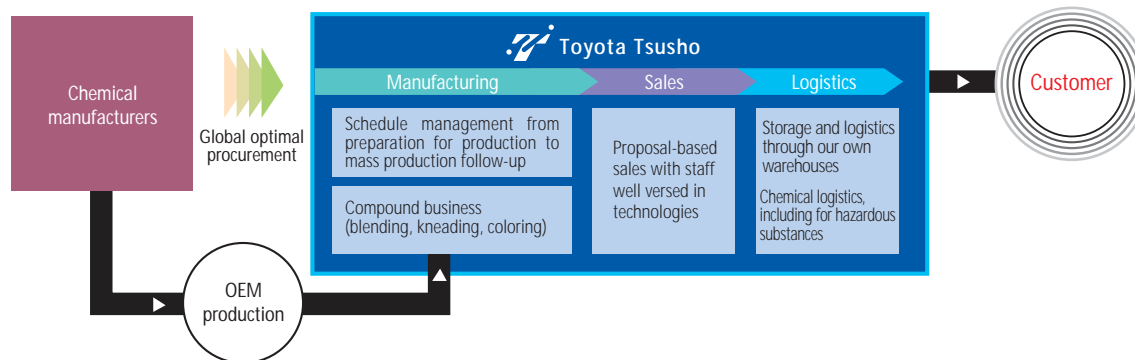
pursuing the Independent Power Producer (IPP) business in Thailand and Indonesia and securing new coal rights in Australia and other countries. For fiscal 2006, we expect that net sales will decrease ¥5.2 billion to ¥254.7 billion. However, we are forecasting a ¥5.6 billion jump in operating income to ¥8.7 billion, owing to a large improvement in earnings in the coal business along with a rising market.

How Toyota Tsusho Creates Value—Business Model

Establishing a global supply structure.

To support the overseas production of our customers, Toyota Tsusho offers integrated functions that include optimal procurement of raw materials, preparation for production, processing and materials testing, and local sales, storage and logistics functions. Particularly noteworthy,

we are also involved with product manufacturing companies in the resin compound business, with two bases in China and two in other Asian countries, as we proactively carry out business to respond to customer needs in the future as well.



Review of Operations



Consumer Products, Services

Katsunori Takahashi

Chief Division Officer of
Consumer Products,
Services & Materials Division

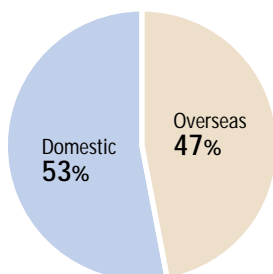
Net Sales and Operating Income

Net sales for the Consumer Products, Services & Materials Division increased ¥0.4 billion, or 0.2%, to ¥280.8 billion, while operating income rose ¥0.7 billion, or 16.5%, to ¥5.4 billion. The increase in net sales was mainly attributable to lower sales arising from the sale of a subsidiary involved in the retailing of watches and jewelry being offset by an increase in demand for textile materials, such as for uniforms, as business partners commenced overseas production, as well as higher demand for pork due to concerns regarding BSE and avian flu. An increase in operating income is mainly due to the contribution made by commission income along with expansion of the insurance business, as well as the impact of such factors as a decrease in the allowance for doubtful receivables.

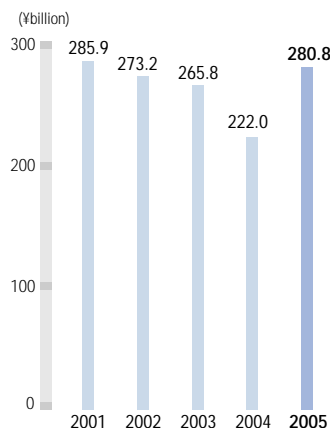
The Consumer Products, Services & Materials Division views its principal mission as ascertaining consumer needs amid a diversification of individual values and lifestyles and responding by making proposals and providing products to ensure “satisfaction” and “richness” in people’s daily lives. We create value in products and services related to clothing, food, and housing, such as textile materials and products for apparel and automobiles, agricultural and livestock products, housing materials and the construction of condominiums. For example, in automotive interior materials, besides planning and proposing new materials and technologies, we utilize our functions as a comprehensive supplier in areas ranging from design and development of value-added products—such as enhanced design features provided by our design teams—to sales and delivery functions that encompass our distribution network. In the airbag business, we are building a value chain that extends from the procurement of materials to cutting and sewing. Similarly, in the food and housing related fields, we are also creating and utilizing various expertise and functions, including processing and manufacturing functions and real estate securitization know-how, to carry out high value-added businesses.

Guided by an emphasis on “safety,” we are involved in the nursing care business, where we sell and rent nursing care equipment such as wheelchairs and beds and provide factoring services for nursing care providers. In the insurance business, a field in which we have one of the foremost agent networks in Japan, we handle automobile and other types of insurance and offer a wide range of consulting services that include insurance planning and customizing as well as financial planning.

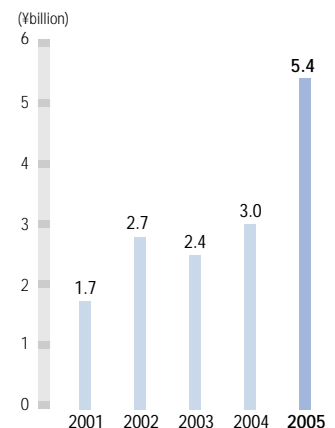
Business Composition



Net Sales



Operating Income



& Materials Division



Fiscal 2005 Performance

Regarding the textile business, in the airbag business, which is experiencing growing demand, we made progress in strengthening our airbag shell sewing business in China, as we strove for improvements in safety. Also in China, we established a joint venture company for the manufacture and sale of high-quality carpets for luxury vehicles. Together with Tomen, we commenced the joint manufacture and sale of textile products that use photocatalysts and were developed based on technologies created by Toyota Central R&D Labs, Inc. These textile products were also used in the uniforms of the medical staff at the Aichi Exposition.

In the foodstuffs business, we strengthened our food processing and production functions in China in cooperation with local and other companies. We also carried out our business activities with a view toward future sales in the China market by starting up a sesame processing business in Qingdao, a processed and frozen prepared food business in

Dalian and a bread manufacturing business in Beijing.

In the insurance business, we worked to strengthen our functions both in Japan and overseas. Amid the ongoing trend toward liberalization and deregulation in Japan, we promoted comprehensive coverage for group insurance contracts and worked to expand sales of insurance to regular and retiring employees at companies with which we do business. Determined to extend our insurance business know-how to overseas countries, we acquired an insurance broker in Thailand and established a captive insurance company in Singapore with the aim of further strengthening our risk control functions. In the nursing care business, in line with the expansion of our sales network to increase our nursing equipment rental business, we opened two new service offices and now operate a total of seven offices. In the housing business, we expanded the scope of our operations by applying our real estate securitization concepts, which we cultivated in the condominium business, to commercial facilities.

Fiscal 2006 Outlook

In the foodstuffs business, we will continue to develop processing and production bases, such as those for frozen processing and bean sorting, in China and other Asian countries. At the same time, we will raise our competitiveness utilizing our competencies in efficient production cultivated in the automotive business. In the insurance business, we will focus on strengthening overseas-oriented business supported by enhanced competitiveness resulting from integration with Tomen's insurance business

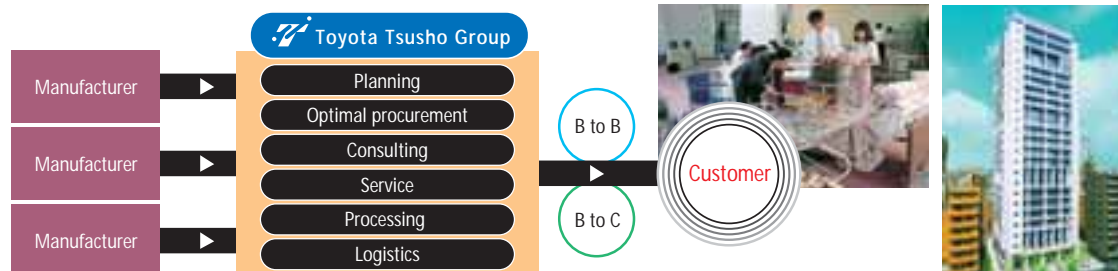
in January. In the nursing care business, which up to now has been confined to a single business model of equipment rentals, we plan to function as a comprehensive senior citizen life support business that combines insurance and other related products. Despite these measures, because of an expected decline in demand for pork, for fiscal 2006 we forecast that net sales will decline ¥12.3 billion to ¥325.4 billion and that operating income will decrease ¥0.5 billion to ¥6.4 billion.

How Toyota Tsusho Creates Value—Business Model

Value added that can be created only by Toyota Tsusho

The Consumer Products, Services & Materials Division engages in a broad assortment of businesses based on the watchwords "clothing, food, housing and safety." Because the Toyota Tsusho Group is involved in all these businesses, we have been able to build a structure for raising the level of value at the product and services planning stage. We have

also expanded various functions and are able to offer comprehensive consulting, highly focused services, advanced technological capabilities and efficient logistics. Our business partners and customers have an extremely diverse range of needs to which we are well positioned to address.



Corporate Staff Divisions

Principal Functions of Global Strategic Integration Division

- Planning of logistics, building and operation of logistics infrastructure
- Building and support of IT infrastructure
- Developing and operating new businesses
- Planning and support of overseas projects

Principal Functions of Corporate Division

- Formulating management and financial strategies
- Legal and risk management
- Human resources (personnel development), public relations and IR

In keeping with its objective of being a Value Integrator, Toyota Tsusho has established two corporate staff divisions that focus on specialized functions with the aim of enhancing competitiveness from the perspective of Companywide management and functions.

The Global Strategic Integration Division utilizes its global support functions to assist each product division and strives to make direct contributions to the profits of each product division. While building logistics, IT and other infrastructures shared by each business, the division contributes to raising corporate value by organically linking each product division to maximize synergies. Tapping its wide array of specialized functions and expertise, the Global Strategic Integration Division provides high-quality functions and services that have earned extensive acclaim in external markets. Among these functions are its central coordination role for large-scale projects that span several product divisions, incubation functions such as uncovering and cultivating new business deals and involvement in the operation of technopark and subassemblies businesses.

The Corporate Division formulates and promotes Companywide global strategies. This division is involved in a wide assortment of activities that enhance corporate value in ways not readily visible. Besides formulating management plans and financial strategies, the Corporate Division assists management by supporting governance and compliance through its risk management and public relations functions. Moreover, the division plays a “reform promotion role” by examining and rebuilding Toyota Tsusho’s business portfolio, strengthening the structure for consolidated operations and cultivating and utilizing personnel with an international perspective.

How Toyota Tsusho Creates Value—Business Model

“Fast, low-cost and reliable” product deliveries—Logistics functions focused on the basics

The ultimate objective of logistics is “fast, low-cost and reliable” delivery of products to customers. To achieve this paramount objective, we adhere to a policy of locally based decision making and ensure high-quality and efficient operations backed by the Toyota Production System (TPS), while building a “Win-Win” logistics structure that incorporates the perspectives of the product shipper and recipient. Additionally, we aim to realize optimal logistics plans and quick progress monitoring on a global scale by substituting the flow of an enormous

category of products with the flow of information spanning stages ranging from demand forecasts to ordering, packaging and transport.





Global Strategic Integration Division

Yoshimi Takai

Chief Division Officer of
Global Strategic
Integration Division



In fiscal 2005, we achieved progress in establishing a network of logistics bases in Japan and overseas to address a sharp rise in demand for parts logistics services among numerous countries accompanying an increase in overseas vehicle production. In Japan, Toyotsu Service Co., Ltd. moved its principal logistics base to a new location, and we significantly strengthened our logistics capabilities, most notably by extensively reviewing logistics and packing processes for parts exports. Overseas, we implemented a ground-up review of existing logistics, while commencing full-scale operations at our Thai logistics base—the model for our G-SCM system built from “square one”—along with the start-up of production of

IMV global strategic vehicles.

In fiscal 2006, we will continue to actively carry out our businesses, focusing mainly on automotive-related businesses. Responding to planned IMV production in South Africa and Venezuela and the progression of projects for local production in Guangzhou, China, we will continue to establish our network of overseas logistics bases. We will also expand our technopark business currently being undertaken in India and Mexico to China in addition to our subassemblies business, currently carried out in North America and Thailand, to South America.

Corporate Division

Shozo Hamana

Chief Division Officer of
Corporate Division



In fiscal 2005, we implemented a host of measures to strengthen our management based on the long-term management plan. These included completing the verification and reform of business portfolios for all product divisions. Concurrently, we made efforts to strengthen risk management by completing the measurement of consolidated risk assets and establishing a structure for checking the overall balance between risk assets and risk buffer on a quarterly basis. We also took steps to raise the precision of management and control of consolidated global operations. For example, with the number of Toyota Tsusho Group companies steadily increasing every year along with an expansion of overseas business, we are

progressing with the construction of a Groupwide backbone system while taking initiatives to bring the fiscal year-ends for all companies into conformity in fiscal 2006.

In fiscal 2006, we intend to promote semi-annual follow-ups on business portfolio reforms as we move ahead with building a CSR risk management structure centered on the CSR Committee. In addition, we plan to introduce the use of risk/return indicators as a complementary measure for assessing business portfolio reforms.

Employee Training Activities

Cultivating Global Managers

The business environment surrounding trading companies is currently undergoing a dramatic and rapid evolution. This is evidenced by the progression of globalization and IT, the advent of new technologies such as biotechnology and nanotechnology, and the transition to recycling-based economies and societies amid a growing awareness of environmental issues.

The changing environment is also apparent even when solely looking at our core automotive-related business fields. For example, overseas production has been accelerating while business models have shifted away from sales- and trade-centered formats toward models focused on the management of businesses. As these trends unfold, Toyota Tsusho continually strives to undertake self-initiated reforms as well as to improve and renew its functions. At the same time, we are fully committed to cultivating global managers capable of managing businesses overseas.

Outline of Our Global Manager Training

- Ideal thinking and theoretical communications
- Presentation skills
- Negotiation skills
- Understanding of foreign cultures and adaptation skills
- Management knowledge and analysis frameworks (marketing, finance and business analysis)
- Strategic thinking (business strategies)
- Business planning

Nurturing Growth in Each Individual to Serve as Organizational Strengths

One of our fundamental values is “emphasis on overall optimization.” This value stresses our existence as an organization that pursues greater value creation by efficiently and consistently compiling achievements through mutual cooperation among employees and numerous internal organizations rather than by relying on individual performance. From this perspective, we thus work to raise the skill levels of individual employees while emphasizing overall optimization as an organization. Further, we strive to cultivate human resources capable of acting and sharing information as a team.

Several programs aimed at bringing out the latent capabilities of individuals are being implemented. These include Practical Knowledge Training aimed at imbuing individuals with the basics of business and enabling them to independently gain confidence as entrepreneurs as quickly as possible; V.I. INNOVATION 21, an in-house business school aimed at creating new businesses; and the Business Leader Development Program for cultivating staff who can lead the way in innovation through the formulation and promotion of internal reform plans. Concurrently, we have also upgraded such systems as the Open Entry System and the Entrepreneur Support System, which allow individuals to play active roles in an even broader scope of areas.



Presentation on proposals and results during planning and proposal training



Numerous managers, including top management, listening to presentations and giving feedback



Aiming to enhance new business proposals based on presentations given by outside lecturers

Financial Section

Six-Year Financial Summary

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2005, 2004, 2003, 2002, 2001 and 2000

	Millions of Yen						Thousands of U.S. Dollars
	2005	2004	2003	2002	2001	2000	2005
Results of Operations:							
Net Sales:							
Domestic	¥1,326,755	¥1,187,389	¥1,151,335	¥1,095,087	¥1,150,593	¥ 969,189	\$12,354,549
Overseas	1,989,076	1,600,405	1,425,118	1,160,609	1,006,647	725,388	18,521,985
	3,315,831	2,787,794	2,576,453	2,255,698	2,157,240	1,694,577	30,876,534
Cost of Sales	3,161,069	2,658,589	2,462,173	2,153,454	2,059,343	1,616,096	29,435,413
Commission Income	20,921	17,223	17,039	15,048	12,892	10,756	194,813
Gross Trading Profit	175,683	146,428	131,319	117,292	110,789	89,237	1,635,934
SG&A Expenses	119,368	109,407	100,252	91,040	87,023	76,933	1,111,537
Operating Income	56,315	37,021	31,067	26,252	23,766	12,304	524,397
Net Income (Loss)	37,522	20,663	18,829	8,781	8,169	(7,379)	349,399

Financial Position at Year-End:

Current Assets	¥ 862,477	¥ 742,328	¥ 706,440	¥ 670,309	¥ 678,358	¥541,915	\$ 8,031,260
Total Assets	1,198,394	1,032,602	960,399	922,054	923,863	751,709	11,159,270
Current Liabilities	749,252	671,155	640,222	620,171	614,162	505,749	6,976,925
Total Shareholders' Equity	237,132	188,785	159,492	150,680	147,905	129,811	2,208,139

Cash Flows

Net Cash Provided by (Used in) Operating Activities ...	¥ 17,836	¥ 62,660	¥ 19,092	¥ 47,461	¥ 4,013	¥ (6,366)	\$ 166,086
Net Cash Used in Investing Activities	(29,410)	(38,220)	(20,095)	(11,745)	(14,510)	(14,497)	(273,861)
Net Cash Provided by (Used in) Financing Activities	12,027	(18,111)	5,874	(21,615)	242	22,710	111,994
Cash and Cash Equivalents at End of Year	69,548	67,704	61,666	56,674	41,013	44,966	647,621

Amounts per Share

	Yen						U.S. Dollars
Net Income:							
Basic	¥ 132.98	¥ 72.75	¥ 66.06	¥ 31.31	¥ 28.73	¥ (29.14)	\$ 1.24
Diluted	132.11	72.35	66.01	-	-	-	1.23
Cash Dividends for the Year	12.00	8.00	7.75	7.50	7.50	7.50	0.11

Thousands of Shares

Common Stock:

Number of Shares Outstanding at Year-End	282,867	282,867	282,867	282,867	282,867	253,212
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Note: The U.S. dollar amounts have been translated from the amount stated in yen, solely for the convenience of the readers, at the rate of ¥107.39=US\$1, the approximate exchange rate on March 31, 2005.

Financial Review

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

Operating Environment

During fiscal year ended March 31, 2005, the world economy was characterized by high growth overall in principal countries, led by robust expansions in the United States and China. Once again China achieved growth in the 9% range, while the U.S. economy expanded at the 4% level and the ASEAN economies grew nearly 6%. The previously sluggish eurozone economies expanded at close to 2% against a background of corporate restructuring. In the second half of the year, however, personal consumption in the United States slowed owing to the end of tax refunds at the start of 2004 on housing loan tax credits, which had spurred personal consumption since 2003, as well as to an uptrend in long-term interest rates and soaring energy prices that reflected growing demand for energy in China and other Asian countries. In contrast, corporate capital investment sustained high growth, benefiting from investment tax reductions implemented up to the end of 2004.

China witnessed steep growth in investment from the beginning of 2004, mainly for plant facilities and machinery, with year-on-year growth in investment in such materials sectors as steel, cement and aluminum soaring nearly 50%, underscoring recoveries in the economies of the world's developed countries and high economic growth in China. Concerned about overheating, the Chinese government acted to strengthen measures, such as tightening monetary policy, aimed at reigning in investment a move that temporarily sparked concerns about possible negative economic effects such as a dampening of personal consumption. These concerns proved to be unfounded, however, as personal consumption

remained strong amid an improved employment environment resulting from production-related investment by companies and an expansion in exports. Other Asian countries also enjoyed overall favorable economic growth, attributable to increased exports to developed countries and China as well as to improved consumer and corporate sentiment underpinned by relative political stability, including the smooth presidential elections in the Philippines and Indonesia. After facing continued sluggish internal and external demand due to high unemployment and a strong euro, the eurozone economies achieved mild recoveries, supported by increased capital investment and an improved employment environment underscored by progress in corporate restructuring.

The Japanese economy achieved a steady recovery centered on manufacturing industries. This rebound was driven by rising personal consumption and capital investment resulting from improved corporate earnings along with an expansion of exports fueled by firm economic growth in China and other Asian countries. Materials industries such as steel and nonferrous metals achieved a particularly strong growth in earnings, as companies in these sectors were able to proficiently pass on soaring prices for materials to prices for their own products. Additionally, conditions in such fields as regular machinery and transportation equipment also improved sharply, benefiting from increased capital investment. In the second half of the year, however, the overall recovery was moderated by a slowing recovery in transportation, food and other service sectors owing to a succession of such natural disasters as heavy rains, typhoons, and earthquakes.

Business Performance

Under these circumstances, net sales of Toyota Tsusho Corporation (hereinafter "the Company") increased 18.9% from ¥2,787.7 billion in the previous fiscal year, to ¥3,315.8 billion. Looking at sales by type of transaction, domestic sales

increased ¥139.3 billion over the amount recorded in the previous fiscal year due to strong growth in sales by the Metals Division. Overseas sales increased ¥388.6 billion over the previous fiscal year due to a rise in sales by local subsidiaries,

mainly in Asia and Europe, in addition to higher sales by the Metals Division and the Machinery & Electronics Division. As a result, domestic sales accounted for 40.0% of total sales and overseas sales accounted for 60.0%. Operating income

increased ¥19,294 million, or 52.1%, from ¥37,021 million in the previous fiscal year, to ¥56,315 million. Net income rose ¥16,859 million, or 81.6%, from ¥20,663 million in the previous year, to ¥37,522 million.

Results of Operations by Business Segment

From fiscal 2005, the Company renamed the Energy & Materials Division as the Energy & Chemicals Division and the Consumer Products & Services Division as the Consumer Products, Services & Materials Division. In addition, from the second half of the fiscal year, the automotive interior parts and materials businesses, which belonged to the Energy & Chemicals Division, were reassigned to the Consumer Products, Services & Materials Division as part of reorganization efforts aimed at realizing synergies. Segment information for the previous year has been adjusted according to the business segments used in fiscal 2005.

(1) Metals

In the steel business, our overseas subsidiaries in various countries responded proactively to an expansion in overseas automobile production. Amid an increasingly buoyant market in view of an unprecedented tightening of supplies spurred by soaring demand for steel in Asia, mainly in China, we focused on meeting the needs of our customers, streamlined our product lines and worked to secure stable supplies of steel, including ensuring sufficient volumes. These efforts supported increases in the volume and value of sales. In the raw materials business within our steel business, together with our customers, we responded to the January 2005 implementation of the Automobile Recycling Law by setting up a department specializing in the automobile shredder residue (ASR) recycling business within an affiliated company and there after commencing operations. In the nonferrous metals business, we further progressed with the development of our molten aluminum business by establishing a molten aluminum company in

Kyushu, our first such company in Japan, following the construction of plants in the United States, Poland, Indonesia and China. As a result, net sales increased ¥271.7 billion, or 25.9%, to ¥1,320.9 billion. Operating income amounted to ¥18,138 million.

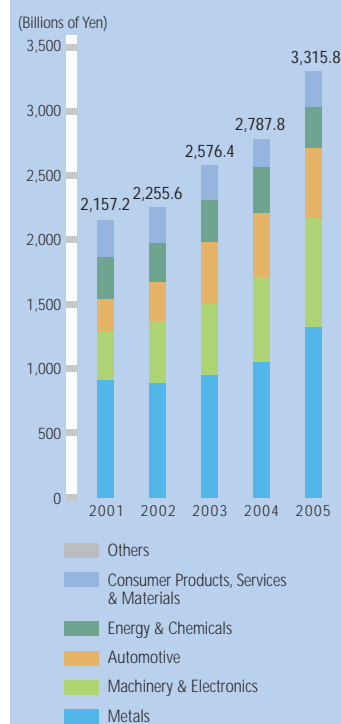
(2) Machinery & Electronics

In the machinery business, we supported customers with procurement and preparations for local production at their overseas production bases and strengthened our total engineering functions to secure orders for all project phases. In the car electronics business within the information and electronics business, we recorded an increase in sales by working to promote the greater use of hybrid vehicles and expand markets. In Asia, we focused on expanding our network systems business, which is centered on our subsidiaries in Singapore and Thailand. In the business of supplying parts for overseas automobile production, to respond to diversified overseas transactions we completed the startup of procurement logistics operations in Thailand and Indonesia. In tandem, as a follow-on to linking operations in Japan and the United States, we expanded our Supply Chain Management System—a new integrated logistics framework aimed at promoting mutual supply of parts—in eight overseas countries including Asian and Latin American nations. Consequently, net sales increased ¥189.1 billion, or 28.6%, to ¥849.8 billion. Operating income amounted to ¥17,583 million.

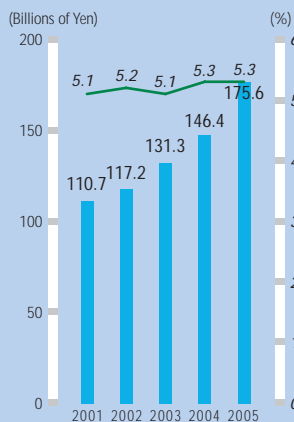
(3) Automotive

In the vehicles export business, although the ongoing shift to overseas production of vehicles in

Net Sales by Business Segment



Gross Trading Profit & Gross Trading Profit Ratio



some regions led to a reduction in exports to these areas, overall export sales of vehicles and CKDs were maintained at the same level as in the previous fiscal year due to favorable demand in the Caribbean, African, Latin American and Pakistan markets. In retail business overseas, sales at existing sales outlets were robust in Russia and Africa. We also focused on expanding sales through efforts that included increasing new sales outlets in China, Russia and Europe. Consequently, net sales increased ¥38.5 billion, or 7.7%, to ¥538.3 billion. Operating income amounted to ¥13,622 million.

4) Energy & Chemicals

In chemical products, sales of synthetic resins increased due to growth in the volume of vehicle production. To respond to the needs of customers with operations in China, we invested in Chinese companies that manufacture plastic parts for automobiles and cases for mobile phones as part of efforts to establish a supply chain encompassing functions that range from providing stable supplies of raw materials to manufacturing. In the energy business, amid a rising market resulting from tight supply-demand for coal, we increased sales by acquiring new business rights for coal. Also during the fiscal year, we focused on expanding sales of

fuel oil for cogeneration and on enhancing efficiency in our service station business. Consequently, net sales increased ¥23.4 billion, or 8.0%, to ¥316.8 billion. Operating income amounted to ¥4,550 million.

(5) Consumer Products, Services & Materials

In the textile business, we recorded favorable sales due to an increase in demand related to air bags and uniforms. Sales in the foodstuffs business rose owing to growth in demand for pork. In the insurance business, amid the ongoing trend toward liberalization and deregulation in various insurance sectors, we promoted comprehensive coverage for group insurance contracts and strived to expand sales of insurance to regular and retiring employees at companies with which we do business. In the nursing care business, in line with expanding our sales network with the aim of increasing our nursing equipment rental business, we opened two new service offices in addition to the existing five, and now operate a total of seven offices. However, the rise in net sales was held to ¥0.4 billion, or 0.2%, to ¥280.8 billion, owing to the sale of Watchman Co., Ltd., a consolidated subsidiary. Operating income amounted to ¥5,407 million.

Composition of Net Sales—Domestic and Overseas

	2005	2004
Domestic	40%	43%
Overseas	60%	57%
Total	100%	100%

Gross Trading Profit

Gross trading profit (GTP) rose ¥29.2 billion, or 20.0%, compared with the previous fiscal year, to ¥175.6 billion, marking the third consecutive year of double-digit annual growth.

By operating segment, the three main divisions (the Metals Division, Machinery & Electronics Division, and Automotive Division), which account for over 80% of the Company's total revenues, once again recorded sharp gains in GTP from the

previous fiscal year, with each segment recording increases exceeding 20%. Specifically, GTP for the Machinery & Electronics Division jumped ¥11.9 billion, or 28.7%, to ¥53.3 billion; GTP in the Metals Division surged ¥11.2 billion, or 34.8%, to ¥43.4 billion; and GTP for the Automotive Division advanced ¥6.5 billion, or 21.9%, to ¥36.2 billion.

The increase in GTP in the Machinery & Electronics Division mainly reflected robust overseas

capital investment for expanding production in the automotive industry, including by the Toyota Motor Group, our major customer. Also supporting higher GTP was an increase in overseas automotive production volumes in such countries as the United States as well as to the start of production of new models in Asia, which led to an increase in sales of parts for overseas automotive production in such countries as Thailand and Taiwan. Also, the favorable performance within the information and electronics business, especially the car electronics business, was due to increased application of IT in automobiles and favorable orders for hybrid cars, mainly in the United States. In the Metals Division, several positive factors supported increases in terms of sales volume and value, including higher sales resulting from increased volumes of automobile production in Japan and overseas as well as rising

markets for metals, reflecting rapid economic growth in China.

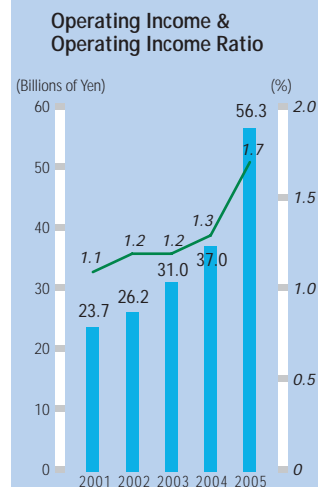
As a result, the value of sales increased by approximately ¥100.0 billion. The Automotive Division recorded a significantly higher GTP growth rate than the 7.0% growth in net sales, thanks to its ambitious transition from an export-based business to the highly profitable overseas retail business. The Energy & Chemicals Division recorded increase in GTP of ¥1.5 billion, or 9.3%, to ¥17.6 billion, owing to improved earnings resulting from a rise in coal prices. On the other hand, despite gains achieved in the foodstuffs business, GTP in the Consumer Products, Services & Materials Division declined by ¥1.2 billion, to ¥23.1 billion, due to the sale of a subsidiary involved in the retailing of watches and jewelry.

SG&A Expenses and Operating Income

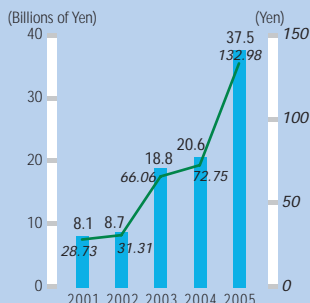
Selling, general and administrative (SG&A) expenses increased ¥9.9 billion, or 9.1%, compared with the previous fiscal year, to ¥119.3 billion. Consequently, operating income rose ¥19.2 billion, or 52.1%, to ¥56.3 billion. The main factors underlying an increase in SG&A expenses included a rise in personnel expenses of ¥6.6 billion, or 11.4%, to ¥64.5 billion, due to an increase in the number of employees along with the expansion of overseas operations. The increase in SG&A expenses was also due to a rise in depreciation expenses of ¥3.1 billion, or 69.1%, to ¥7.6 billion, resulting from our proactive investments targeted mainly at strengthening our overseas functions. We also recorded a rise in commissions paid of ¥3.1 billion, or 7.4%, mainly comprising fees to a company that supported system construction along with the introduction of an IT infrastructure being established to strengthen logistics functions and bolster our consolidated management structure. Nevertheless, the rise in total SG&A expenses was held to ¥9.9 billion because of a ¥2.8 billion decline in consolidated adjustment account write-offs that

reflected the absence of an impairment of assets for our Australian coal mining subsidiary within the Energy & Chemicals Division that was recorded in the previous fiscal year in advance of that subsidiary's adoption of International Accounting Standards in 2006.

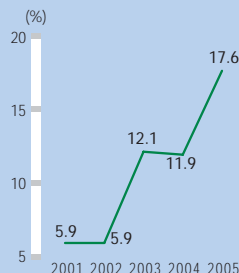
As a result, all divisions recorded increases in operating income. Specifically, operating income for the Metals Division, which recorded growth in sales and GTP, increased ¥5.8 billion, or 48.0%, from the previous fiscal year, to ¥18.1 billion. Similarly, the Machinery & Electronics Division recorded a sharp ¥4.9 billion, or 39.3%, rise in operating income, to ¥17.5 billion. The Automotive Division, which has achieved a marked improvement in its profit margin by transforming its earnings structure, recorded an increase in operating income of ¥2.5 billion, or 22.7%, to ¥13.6 billion. Operating income in the Energy & Chemicals Division improved ¥5.0 billion from the previous year, to ¥4.5 billion. The results in the Energy & Chemicals Division reflected improved earnings due to buoyant market conditions and the return of SG&A expenses to a normal level after



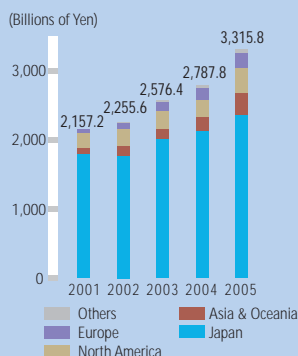
Net Income & Net Income per Share



ROE



Net Sales by Geographic Segment



temporarily expanding following a one-time write-off of consolidated adjustment accounts in the previous fiscal year. Despite a decline in GTP due to the liquidation of a subsidiary, operating income for the Consumer Products, Services & Materials

Net Income

Consolidated income before income taxes and minority interests jumped ¥21,885 million, or 59.6%, to ¥58,616 million. Among the factors that contributed to this increase were a rise in operating income as well as a ¥2,038 million increase in share in net earnings in equity method and a ¥2,313 million gain of securities sales resulting from the sale of shares of Vodafone Japan K.K. to the U.K.-based parent company as part of a takeover bid to make it a wholly owned subsidiary. Among other income (expenses), losses included ¥408 million impairment losses on fixed assets, ¥2,130 million write-down of securities and a ¥1,202 million allowance for prior year directors and corporate auditors' retirement benefits due to a change in the recording of provisions for retirement bonuses for

Division increased ¥0.4 billion, or 0.2%, to ¥5.4 billion, attributable to the contribution made by commission income along with expansion of the insurance business.

directors and corporate auditors which closely resembles directors' compensation, to the accounting period these expenses are actually incurred. This measure is aimed at more accurate accounting for profits and losses during that fiscal period.

As a result, net income increased ¥16,859 million, or 81.6%, from ¥20,663 million in the previous fiscal year, to ¥37,522 million. Net income per share increased ¥60.23 from ¥72.75 in the previous fiscal year, to ¥132.98. Return on equity reached 17.6%, a high level compared with other major trading companies in Japan, despite an increase in shareholders' equity as a result of five consecutive years of growth in profit.

Results of Operations by Geographic Segment

Japan

Net sales increased 11.1% from ¥2,118.6 billion in the previous fiscal year, to ¥2,353.2 billion, reflecting growth in sales volume and a rising market in the metals business as well as robust exports of machinery and equipment and automotive parts. Operating income increased 13.5% from ¥23,528 million in the previous year, to ¥26,693 million.

Asia & Oceania

Net sales jumped 54.9% from ¥208.7 billion in the previous fiscal year, to ¥323.2 billion. This increase was due to higher sales in the metals and automotive parts businesses in Thailand where production and sales of new vehicle models (Innovative International Multi-purpose Vehicle (IMV) series) were favorable, and to a rise in sales in the metals and machinery businesses in

Taiwan that mirrored expanding production in China. Operating income soared over fivefold (5.6 times) from ¥1,147 million in the previous fiscal year, to ¥7,509 million, reflecting a write-off of the consolidated adjustment account for an Australian subsidiary in the previous fiscal year.

North America

Net sales soared 45.7% from ¥253.8 billion in the previous fiscal year, to ¥369.9 billion, due to increased sales of metals and automotive parts accompanying a rise in the volume of automobile production and the addition of newly consolidated subsidiaries. Also supporting the increase in net sales was a rising market for metals. Operating income more than doubled (up 2.2 times) from ¥4,727 million in the previous fiscal year, to ¥10,570 million.

Europe

Net sales increased 25.3% from ¥169.1 billion in the previous fiscal year, to ¥211.8 billion. This gain was due to an increase in sales of automotive parts resulting from higher automobile production volume, growth in orders from Eastern Europe for machinery and favorable sales of our Russian automotive sales company. Operating income increased 64.7% from ¥4,460 million in the previous fiscal year, to ¥7,347 million.

Others

Net sales rose 53.6% from ¥37.4 billion in the previous fiscal year, to ¥57.5 billion, attributable to an increase in sales of automotive parts in Africa and Latin America due to increased automobile production and to robust orders for machinery for the start-up of production of new vehicle models (IMV). Operating income increased 50.2% from ¥2,791 million in the previous fiscal year, to ¥4,193 million.

Performance of Consolidated Subsidiaries and Affiliates

1) Subsidiaries and affiliates that reported profits

	Shareholding (%)	Equity earnings (Billions of Yen)		Main Business
		2005	2004	
Toyota Tsusho (Thailand) Co., Ltd.	49.0	6	3	Thailand: Export and domestic wholesale
Chen Tai Fong Co., Ltd.	70.1	6	3	Taiwan: Export and domestic wholesale
Toyota Tsusho Europe S.A.	100.0	6	3	Belgium: Export and domestic wholesale within Europe

2) Subsidiaries and affiliates that reported losses

	Shareholding (%)	Equity losses (Billions of Yen)		Main Business
		2005	2004	
P.T. Toyota Tsusho Logistic Center	97.4	(0)	0	Indonesia: Warehousing business
Toyota Tsusho Material Handling UK Ltd.	100.0	(0)	0	United Kingdom: Sale of industrial vehicles

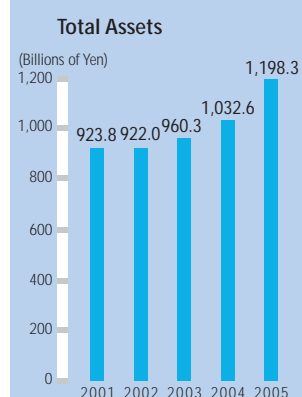
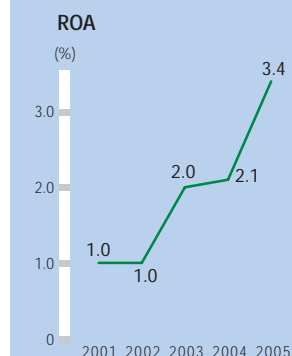
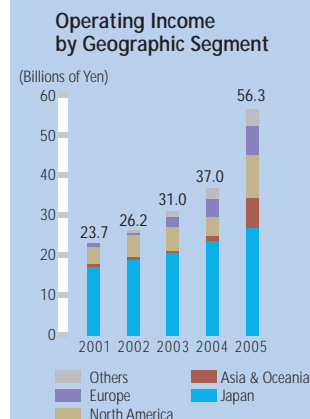
Assets, Liabilities and Shareholders' Equity

Total assets at the end of fiscal 2005 rose ¥165.7 billion, or 16.1%, from the previous fiscal year-end, to ¥1,198.3 billion. This increase mainly reflected growth in net trade notes and trade accounts receivable of ¥76.9 billion, or 16.8%, from ¥458.5 billion in the previous fiscal year, to ¥535.4 billion, due to higher sales that accompanied an expansion of business and a rising market. Inventories increased ¥35.9 billion, or 21.2%, to ¥205.1 billion compared with the previous fiscal year. This increase was due to an expansion of business and rising markets in addition to our priority on securing materials against a background of tightening supply-demand. As a result, total current assets rose ¥120.1 billion, or

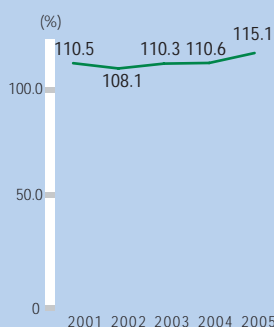
16.2%, from ¥742.3 billion in the previous fiscal year, to ¥862.4 billion.

Investments and other assets increased ¥37.3 billion, or 21.6%, from ¥172.7 billion in the previous fiscal year, to ¥210 billion. This was due to an increase in investments to expand overseas businesses and an upward revaluation of cross-held securities that reflected the solid business results of the Toyota Group.

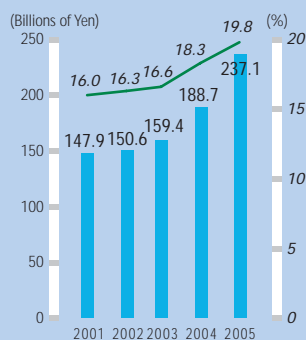
Property and equipment at cost increased ¥5.5 billion, or 5.3%, from the previous fiscal year-end, to ¥109.0 billion, due to the acquisition of land and investments in logistics facilities and metal processing equipment to strengthen our functions,



Current Ratio



Shareholders' Equity & Shareholders' Equity Ratio



mainly in our overseas operations. Intangible assets increased ¥3.4 billion, or 30.6% compared with the previous fiscal year, to ¥14.8 billion, due to continued investment in IT infrastructure, mainly software, with the aim of strengthening logistics functions and bolstering our consolidated management structure. As a result, total fixed assets rose ¥45.6 billion, or 15.7%, from ¥290.2 billion at the previous fiscal year-end, to ¥335.9 billion.

On the liabilities side, total liabilities at the end of fiscal 2005 increased ¥114.4 billion, or 13.7%, from the previous fiscal year-end, to ¥948.9 billion, chiefly owing to rises in current liabilities and long-term liabilities. This was due primarily to the fact that trade notes and accounts payable in current liabilities increased ¥54.5 billion, or 15.3%, from ¥356.3 billion in the previous fiscal year, to ¥410.8 billion, owing to an increase in net sales. Total current liabilities increased ¥78.0 billion, or 11.6%, from ¥671.1 billion in the previous fiscal year, to ¥749.2 billion. This reflected a decline in short-term debt, such as commercial paper, due to shifting a portion of short-term debt to long-term debt in an effort to reduce the risks of future rises in interest rates and reduce refinancing risk based on our

financial policy of ensuring stable funding and achieving a debt-structure commensurate with our assets.

Total long-term liabilities increased ¥36.3 billion, or 22.2%, to ¥199.6 billion, due to a transfer of a portion of domestic short-term debt to long-term debt. Deferred tax liabilities increased ¥6.1 billion from the previous fiscal year, to ¥13.0 billion, while an additional ¥1.8 billion in provisions for directors and corporate auditors' retirement benefit liabilities was recorded.

Total shareholders' equity at the end of fiscal 2005 rose ¥48.3 billion from ¥188.7 billion in the previous fiscal year, to ¥237.1 billion. This was due primarily to retained earnings increasing ¥35.8 billion, to ¥165.0 billion, because of an increase in net income, and to net unrealized gains on available-for-sale securities, net of taxes, rising ¥12.0 billion from ¥21.7 billion in the previous fiscal year, to ¥33.7 billion, reflecting rises in prices of cross-held stock of Toyota Group companies. As a result, shareholders' equity per share increased ¥172.04, or 25.4%, compared with the previous fiscal year, to ¥849.16.

Cash Flow

The balance of consolidated cash and cash equivalents at the end of fiscal 2005 increased ¥1,844 million from the fiscal 2004 year-end, to ¥69,548 million, as cash flows provided by operating activities, including a rise in income before income taxes and minority interests, and cash flows provided by financing activities more than offset cash outflows in investing activities.

Cash flows from operating activities

Cash flows provided by operating activities in fiscal 2005 declined by ¥44,823 million compared with the previous fiscal year, to ¥17,836 million. Although net income increased, the primary factor underlying the decrease was a rise in working capital along with an expansion of business.

Cash flows from investing activities

Cash flows used in investing activities in fiscal 2005 amounted to ¥29,410 million. The main factors were active investments in operational companies and acquisition of tangible and intangible fixed assets aimed at strengthening functions in our overseas operations, mainly in our vehicles business.

Cash flows from financing activities

Cash flows provided by financing activities amounted to ¥12,027 million in fiscal 2005, a difference of ¥30,138 million compared with cash flows used in financing activities in the previous fiscal year. This mainly reflected proceeds from long-term debt.

Business Risks and Uncertainties

The following risks and uncertainties related to the description of our business and financial condition as presented in our financial report may significantly influence our performance, as well as contain forward-looking statements, which are based on the judgment of the Company and its consolidated subsidiaries as of the date of publication.

1. Risk Associated with Operating Activities

(1) Dependence on specific customers

The Company and its consolidated subsidiaries consist of the Company, its 198 subsidiaries, and 113 affiliates. The main business line of the Company and its consolidated subsidiaries is the sales of automotive-related and other products in domestic and overseas markets. Sales of the Company in fiscal 2005 to the Toyota Group* accounted for 17.9% of net sales, with sales to Toyota Motor Corporation representing 9.8% of net sales. Therefore, developments in the automotive production of Toyota Motor Corporation and other major automotive manufacturers both in Japan and abroad may affect operating results of the Company.

* Toyota Motor Corporation, Toyota Industries Corporation, Aichi Steel Corporation, Toyoda Machine Works, Ltd., Toyota Auto Body Co., Ltd., Aisin Seiki Co., Ltd., Denso Corporation, Toyoda Boshoku Corporation, Kanto Automobile Corporation, Toyoda Gosei Co., Ltd., Hino Motors, Ltd., Daihatsu Motors Co., Ltd.

(2) Risk Associated with Customers' Credit

The Company and its consolidated subsidiaries face a degree of risk arising from the collection of loans and receivables associated with commercial transactions of our domestic and overseas business customers. While the Company and its consolidated subsidiaries retain allowance for doubtful accounts based on certain assumptions and estimates concerning customers' creditability, value of pledge and general economic situation, there is no guarantee that customers will repay the debts owed to the Company and its consolidated subsidiaries or that customers will be in a sound financial condition to repay debts owed by each due date.

(3) Risk Associated with Commodities

Commodities the Company and its consolidated subsidiaries deal with in their businesses, such as nonferrous metals, crude oil, rubber and food, are vulnerable to uncertainties arising from price fluctuations. While the Company and its consolidated subsidiaries take various measures to reduce such risks, it may not be possible to completely avoid them.

(4) Risk Associated with Business Investment

In the expansion of business operations, the Company and its consolidated subsidiaries intend to grow existing businesses, improve operational efficiencies and take on new business through strengthening of current partnerships or establishment of new partnerships with companies within or outside the Company and its consolidated subsidiaries. Therefore, the Company and its consolidated subsidiaries have established new ventures in partnership with other companies and have also invested in existing companies, and may continue to conduct such investing activities.

However, the Company and its consolidated subsidiaries may lose all or part of such investments or be obliged to provide additional funds in the event of a decline in the corporate worth or market value of the shares of invested companies. In such cases, the financial condition and/or results of the business operations of the Company and its consolidated subsidiaries may be adversely affected.

(5) Risk Associated with Fluctuations in Interest Rates

Certain interest-bearing debt of the Company and its consolidated subsidiaries is based on variable interest rates. For a considerable portion of such debt, we are able to absorb the effect of changes in interest rates within working capital. Thus, we believe the risk associated with such fluctuations in interest rates is limited. However, the results of the business operations of the Company and its

consolidated subsidiaries may nevertheless be affected, depending upon the magnitude of changes in future interest rates.

(6) Risk Associated with Exchange Rates

A large part of the merchandise that the Company and its consolidated subsidiaries deal with in their sales and investing activities is denominated in yen. However, in some cases, we conduct such activities in U.S. dollars or other foreign currencies. Therefore, the profitability of some transactions and investing activities of the Company and its consolidated subsidiaries may be affected by changes in exchange rates. While the Company and its consolidated subsidiaries take measures to constrain the impact of such risks, we may be unable to completely avoid them.

(7) Risk Associated with Countries

The Company and its consolidated subsidiaries deal with many overseas counterparts in the trade of foreign products or investment. Therefore, the Company and its consolidated subsidiaries are exposed to risks arising from the manufacturing and purchase of foreign products, such as regulations imposed by foreign governments, political uncertainties, and fund transfer restraints, as well as loss on investment or reduced asset value.

Furthermore, export and import activities of the Company and its consolidated subsidiaries are generally affected by competitive conditions arising from international trade barriers, trade conflicts, free trade agreements and multilateral agreements. While the Company and its consolidated subsidiaries endeavor to avoid the concentration of our business on specific regions or countries, there is the possibility that future losses incurred in specific regions or countries may impact the overall performance of the Company and its consolidated subsidiaries.

(8) Competition in Export and International Trade

Major export and other international trade of the Company and its consolidated subsidiaries are

conducted in a fiercely competitive environment. The Company and its consolidated subsidiaries compete with domestic and overseas manufacturers and trading companies operating in international markets on a global level. Some of these competitors possess merchandise, technologies and experience superior to that of the Company and its consolidated subsidiaries. Thus, there is no guarantee that the Company and its consolidated subsidiaries will maintain their competitive edge.

2. Relationship with Tomen Corporation

The Company and its consolidated subsidiaries have operated in partnership with Tomen Corporation, one of the affiliates of the Company, in anticipation of a full business alliance. However, the specific structure and timing of an alliance have not yet been determined.

3. Risk Associated with a Major Earthquake in Tokai and Other Major Seismic Events

To minimize the effect of earthquakes on the operations of the Company and its consolidated subsidiaries, including a possible major earthquake in the Tokai region of Japan, the Company and its consolidated subsidiaries inspect and review the seismic structure of all facilities and have implemented necessary measures for facilities requiring remedial work. In addition, we conduct sufficient review and training in cooperation with the establishment and operation of earthquake response agencies in order to quickly and safely deal with the possible occurrence of earthquakes.

While the effect of such earthquakes on the operations of the Company and its consolidated subsidiaries will be limited given the implementation of the above measures as long as the scale of an earthquake is within the assumed range, our operations may be affected if the magnitude of an earthquake exceeds projections.

Significant Accounting Policies and Estimates

The consolidated financial statements of the Toyota Tsusho Corporation (hereinafter “the Company”) and its consolidated subsidiaries have been prepared in accordance with generally accepted accounting principles and practices in Japan. In producing these consolidated financial statements, the Company recognizes the following critical accounting policies can significantly affect important judgments and estimates the Company has employed to produce the consolidated financial statements of the Company and its consolidated subsidiaries.

(1) Allowance for Doubtful Accounts

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

(2) Inventories

The Company and its consolidated subsidiaries record as write-offs an estimated obsolescence amount equal to the difference between cost and estimated fair value based on projected future demand and market conditions. Additional write-offs may be required in the event declines in future demand and market conditions exceed our projections.

(3) Impairment of Tangible and Intangible Fixed Assets

The Company and its consolidated subsidiaries own tangible and intangible fixed assets in order to enhance our operational capabilities and expand business. Calculation of the impairment of fixed assets is based on reasonable and supportable assumptions and projections of the grouping of assets, total undiscounted cash flows and recoverable value, with due consideration for the specific condition of each company. Additional write-offs may be required should losses or the

uncollectible amount of book value beyond that reflected in present estimates arise due to a reduction in land prices, the impairment of assets or other causes.

(4) Impairment of Marketable Securities

The Company and its consolidated subsidiaries own the stock of specific customers and financial institutions in order to ensure continued business. Such stock includes publicly traded stock with highly volatile prices and stock of non-public companies for which it is difficult to determine fair market value.

For publicly traded stock, an impairment of value is recorded when the stock market price at our closing date is more than 30% lower than book value and such decline is seen to not be temporary. For the stock of non-public companies, an impairment of value is recorded when net assets corresponding to our equity position are less than 50% of book value. In addition, additional write-offs may be necessary should losses or the uncollectible amount of book value beyond that reflected in present estimates arise due to market decline or poor performance by the invested company.

(5) Deferred Tax Assets

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

(6) Employee Retirement Benefits

Calculation of costs and obligations from retirement benefits is based on actuarial assumptions. These assumptions include discount rates, future levels of compensation, retirement ratios as well as mortality rates using recent statistical data and long-term return on pension assets. In the pension system applied to the parent company and its domestic subsidiaries, discount rates are calculated by adjusting the market yield of Japanese government bonds by the number of years during which existing employees receive the pension. The expected return on assets is calculated using the weighted average

of expected long-term return on each category of assets in which the pension assets are invested. The extent to which actual results differ from the assumptions, or the extent to which assumptions are revised, will generally affect recognized expenses or recorded obligations in future periods, since such effect is accumulated and regularly recognized in the future. The amortization of the unrecognized actuarial difference comprising a portion of pension expenses is a regularly recognized expense of the effect of the change in assumptions and the impact of the difference between assumptions and actual results.

Financial Strategy

The financial strategy of the Company and its consolidated subsidiaries is focused on the efficient use of assets and finance that corresponds to the conditions of the assets in order to achieve solid growth for the Company and its consolidated subsidiaries and to maintain a strong financial position.

For the efficient use of assets, we endeavor to gain maximum profits with minimum funds. To this end, we strive to use funds more efficiently by the early collection of sales receivables, the efficient use of working capital through such efforts as inventory reduction and the reduction of idle or inefficient fixed assets. We intend to simultaneously enhance corporate value and improve our financial position by using funds generated by the above measures to invest in businesses with high growth potential and reduce interest-bearing debt.

In finance that corresponds to the condition of

assets, we address the funding requirements of fixed assets through long-term loans and shareholders' equity while funding working capital with short-term borrowings. We have also adopted a policy for funding the less-liquid portion of working capital with long-term debt. In addition, to deal with the recent volatile financial environment, we established multi-currency revolving credit facilities in order to respond to unexpected events and meet funding requirements of overseas subsidiaries of the Company and its consolidated subsidiaries.

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

Corporate Governance

In accordance with a basic management policy of creating value that meets the expectations of all stakeholders, the Company and its consolidated subsidiaries are proactively working to achieve soundness of their financial structures, enhance the efficiency and transparency of corporate management, and ensure thorough compliance. In

addition, we have also established the CSR Promotion Committee, as we undertake various activities, including our traditional compliance activities, with a focus on fulfilling our corporate social responsibility (CSR). To foster a wider understanding of the Company and its consolidated subsidiaries, we are also upgrading our public and

investor relations activities.

1. Organization for Decision-Making, Execution, and Auditing of Management Activities and Corporate Governance Structure

(1) Reason for Selecting a Company with Auditor System versus a Company with Committees System and the Current Status of the Company with Auditor System

We have adopted an Auditor System. Although we could have chosen the Company with Committees System as our corporate governance structure, we believe our current governance system of auditing by auditors and mutual auditing of the execution of duties by directors is functioning sufficiently and that this system is a suitable structure for management oversight.

(2) Election of External Directors and Auditors

We have no external directors. Three of the five corporate auditors are independent, non-standing auditors.

(3) Assignment of Full-Time External Directors

We assign no such specific directors, but will respond at the department level when appropriate.

(4) Framework for Executing Operations and Conducting Audits

In addition to regular monthly meetings and extraordinary meetings, directors maintain close communication to mutually monitor operations and ensure the efficient execution of operations.

(5) Internal Control System and Risk Management System

In line with efforts to ensure strict compliance with corporate ethics and laws, we established the Corporate Ethics Committee and undertake all our corporate activities from both ethical and legal

perspectives. Moreover, we have distributed the Action Ethics Guide to all employees as we make comprehensive efforts to familiarize employees with corporate ethics. The Action Ethics Guide clarifies our Action Guidelines, which are based on the Company's corporate philosophy. Additionally, we have established a structure that includes a hotline for consultation with legal counsel for quick discovery, response and self-remediation of any problems. Highlighting our determination to further carry out CSR activities, in January 2005 we renamed the Corporate Ethics Committee as the CSR Promotion Committee.

Turning to risk management, in October 2001 we established the Risk Management Department. To manage risk for the Company and its consolidated subsidiaries, we are strengthening and building a risk management system for consolidated operations through collaboration with various departments and Group companies. For finance-related risk management, we measure risk assets and strive to balance total risk assets and allowable risk on a consolidated basis. In addition, we are considering using the risk return index as a performance indicator for assessing risk assets and their potential return.

(6) Internal Auditing, Auditing by Auditors and Accounting Audits

As our traditional internal auditing framework, we set up the Auditing Department as an independent organization under the direct control of the president. In fiscal 2005, this structure consisted of seven auditors. In keeping with our internal auditing regulations and based on auditing policies and plans approved by the president, all domestic and overseas bases of the Company and its consolidated subsidiaries are subject to auditing. Our auditors meet monthly to report the results of auditing and exchange opinions while striving to raise auditing efficiency and quality. Additionally, we also implement Control Self-Assessment at the Company and consolidated subsidiaries in Japan and plan to implement this at overseas Group companies in the future.

Based on auditing plans and policies approved at the Board of Corporate Auditors, which is made up of five auditors (two standing and three non-standing external auditors) elected at the General Meeting of Shareholders, auditors audit the execution of duties by directors, with particular emphasis on internal controls, mainly pertaining to our risk management structure and response to compliance issues. Auditing is also performed to

ascertain the adequacy of the results of auditing by the independent accounting auditor.

We have selected ChuoAoyama PricewaterhouseCoopers as our independent accounting auditor. In addition to undergoing regular accounting audits, we also receive appropriate advice on management and organizational problems within a scope that ensures the independence of the auditor is not jeopardized.

[Certified public accountants]	[Auditing company Execution of duties]
Designated employee: Masaki Horie	ChuoAoyama PricewaterhouseCoopers
Designated employee: Hitoshi Kiuchi	ChuoAoyama PricewaterhouseCoopers
Designated employee: Chika Matsumoto	ChuoAoyama PricewaterhouseCoopers

Besides the above-mentioned persons, our accounting audits are also supported by nine CPAs, 15 assistant CPAs, and one additional staff member.

(7) Relationship with External Directors and External Auditors

External auditors Kanji Kurioka and Yoshio Uesaka also serve as advisors at Toyota Motor Corporation, an affiliated company, while Tadashi Ishikawa serves as chairman of Toyota Industries. The Company and the aforementioned two companies engage in various business activities. However, prices and other business transactions are determined in the same manner as with regular business transactions upon engaging in separate negotiations.

2. Initiatives in the Most-Recent One-Year Period to Upgrade Corporate Governance

The Board of Directors' Meetings convene at least once a month to decide basic management policies and other urgent matters. In principle, all directors and all auditors attend this meeting. In addition, the Executive Board Members' Meeting, consisting of executive management at the level of executive vice president and above, convenes weekly, and directors at the business division level and higher meet with the standing auditors in a Board of Directors' Meeting held every other week to report on the status of operations, exchange information and discuss key issues. We further upgraded compliance with the establishment of the CSR Promotion Committee and bolstered internal control by implementing Control-Self Assessment.

3. Directors' Compensation in Fiscal 2005

Compensation of Directors and Auditors

Category	Directors		Auditors		Total	
	No. of directors	Amount (Millions of Yen)	No. of auditors	Amount (Millions of Yen)	No. of directors and auditors	Amount (Millions of Yen)
Compensation in accordance with the Articles of Incorporation or by resolution at the General Meeting of Shareholders	34 (Note 2)	¥496	5	¥52	39	¥548 (Note 3) (Note 4)
Directors' bonuses by appropriation of earnings	29	215	5	33	34	248
Retirement benefits in accordance with resolutions at the General Meeting of Shareholders	2	281	1	10	3	292
Total	-	993	-	96	-	1,089

Notes: 1. Directors received the following additional compensation in fiscal 2005: Compensation (including bonus) for service as employee: ¥213 million (for directors functioning as both employee and director).
 2. Including two directors who retired June 24, 2004.
 3. The maximum total director's compensation, in accordance with the resolution at the Ordinary General Meeting of Shareholders held in June 1985, is ¥50 million a month.
 4. The maximum total auditor's compensation, in accordance with the resolution at the Ordinary General Meeting of Shareholders held in June 1989, is ¥6 million a month.

4. Auditors Compensation in Fiscal 2005

(1) Based on work prescribed by Article 2-1 of the Certified Public Accountant Law (1948, Law No. 103), compensation for services to ChuoAoyama

PricewaterhouseCoopers was ¥40 million.

(2) Compensation for work other than the above was ¥3 million.

Future Outlook

Looking ahead to fiscal 2006, a number of concerns preclude optimism, including a continued high market for metals and other commodities and persistently high energy prices due to strong economic growth in China. Additionally, U.S. interest rates will likely continue to be raised, albeit at a measured pace. Nevertheless, the world economy is expected to be generally robust, reflecting strong growth in China and other countries comprising the BRICs alliance. Amid these economic conditions, the Company expects to record increases in revenues and earnings, owing to anticipated increases in orders for machinery along with the further advance into overseas markets by domestic automobile-related manufacturers, which boast a high degree of

international competitiveness. Other factors expected to support results are increased demand for metals and automotive parts in tandem with an expansion of local production by these Japanese manufacturers as well as an improvement in profits due to a rise in coal prices. Nevertheless, the scope of the expected profit increases is likely to be small due to an anticipated rise in SG&A expenses as a result of a high level of early investment and reinforcement of personnel undertaken to strengthen various functions as well as a decline in vehicle exports along with an increase in overseas production. Specifically, we are forecasting a 6.8% increase in net sales, to ¥3,540.0 billion, a 17.2% rise in operating income, to ¥66.0 billion, and a 3.9% rise in net income, to ¥39.0 billion.

Consolidated Balance Sheets

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
March 31, 2005 and 2004

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Current Assets:			
Cash and cash equivalents	¥ 69,548	¥ 67,704	\$ 647,621
Receivables:			
Trade notes and trade accounts (Note 3)	535,488	458,516	4,986,386
Allowance for doubtful receivables	(6,654)	(5,353)	(61,961)
Inventories (Note 3)	205,179	169,274	1,910,597
Deferred tax assets—current (Note 7)	7,645	5,160	71,189
Other current assets	51,271	47,027	477,428
Total current assets	862,477	742,328	8,031,260
Investments and Other Assets:			
Investment securities (Notes 3 and 11)	136,666	120,160	1,272,614
Investments in and loans to unconsolidated subsidiaries and affiliates	54,823	41,037	510,504
Long-term loans	1,452	1,248	13,521
Others	21,506	15,889	200,260
Less: allowance for doubtful receivables	(4,274)	(5,550)	(39,799)
Total investments and other assets	210,173	172,784	1,957,100
Property and Equipment, at Cost:			
Land (Note 3)	34,553	33,463	321,752
Buildings and structures (Note 3)	76,625	72,217	713,521
Machinery, equipment and vehicles (Note 3)	69,843	63,326	650,368
Construction in progress	1,663	2,126	15,486
Others	10,874	10,388	101,257
Less: accumulated depreciation	(84,547)	(78,031)	(787,289)
Net property and equipment	109,011	103,489	1,015,095
Intangibles and Deferred Charges:			
Deferred tax assets—non-current (Note 7)	1,910	1,609	17,786
Intangible assets	14,823	11,352	138,029
Others	—	1,040	—
	16,733	14,001	155,815
Total Assets	¥1,198,394	¥1,032,602	\$11,159,270

See accompanying notes to consolidated financial statements.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Current Liabilities:			
Short-term debt (Note 5)	¥ 127,294	¥ 124,178	\$ 1,185,343
Commercial paper	65,000	80,000	605,270
Current portion of long-term debt (Note 5)	25,145	16,623	234,147
Trade notes and accounts payable	410,881	356,360	3,826,064
Income taxes payable	12,361	6,511	115,104
Deferred tax liabilities—current (Note 7)	290	150	2,700
Other current liabilities	108,281	87,333	1,008,297
Total current liabilities	749,252	671,155	6,976,925
Long-term Liabilities:			
Long-term debt, less current portion (Note 5)	171,894	151,056	1,600,652
Employee retirement benefits liability (Note 13)	1,671	1,538	15,560
Deferred tax liabilities—non-current (Note 7)	13,065	6,866	121,659
Provision for guarantees	401	114	3,734
Other long-term liabilities	12,621	3,725	117,525
Total long-term liabilities	199,652	163,299	1,859,130
Total Liabilities	948,904	834,454	8,836,055
Commitments and Contingent Liabilities (Notes 9 and 10)			
Minority Interests in Consolidated Subsidiaries	12,358	9,363	115,076
Shareholders' Equity (Notes 6 and 15):			
Common stock, no par value:			
Authorized: 997,525,000 shares			
Issued: 282,867,304 shares in 2005 and 2004	26,749	26,749	249,083
Capital surplus	24,705	24,761	230,050
Retained earnings	165,020	129,162	1,536,642
Net unrealized gains on available-for-sale securities, net of taxes	33,753	21,733	314,303
Foreign currency translation adjustments	(9,677)	(10,769)	(90,111)
Less: treasury stock, at cost—			
4,234,631 shares in 2005 and 4,688,580 shares in 2004	(3,418)	(2,851)	(31,828)
Total shareholders' equity	237,132	188,785	2,208,139
Total Liabilities, Minority Interests and Shareholders' Equity	¥ 1,198,394	¥1,032,602	\$11,159,270

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Net Sales (Note 14)	¥3,315,831	¥2,787,794	\$30,876,534
Cost of Sales (Note 14)	3,161,069	2,658,589	29,435,413
	154,762	129,205	1,441,121
Commission Income (Note 14)	20,921	17,223	194,813
Gross Trading Profit	175,683	146,428	1,635,934
Selling, General and Administrative Expenses (Note 14)	119,368	109,407	1,111,537
Operating Income (Note 14)	56,315	37,021	524,397
Other Income (Expenses) (Note 7)			
Interest income	1,201	930	11,184
Interest expenses	(4,751)	(4,616)	(44,241)
Dividend income	3,277	3,256	30,515
Other, net (Note 8)	2,574	140	23,969
	2,301	(290)	21,427
Income before Income Taxes and Minority Interests	58,616	36,731	545,824
Income Tax Expenses			
Current	22,519	14,379	209,693
Deferred	(4,449)	135	(41,428)
	18,070	14,514	168,265
Minority Interests in Earnings of Consolidated Subsidiaries	3,024	1,554	28,160
Net Income	¥37,522	¥ 20,663	\$ 349,399

Amounts per Share

Net income:	Yen		U.S. Dollars (Note 1)
	¥	¥	\$
Basic	132.98	72.75	1.24
Fully Diluted	132.11	72.35	1.23
Cash dividends	12.00	8.00	0.11

See accompanying notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Common Stock:			
Beginning Balance	¥ 26,749	¥ 26,749	\$ 249,083
Ending Balance	¥ 26,749	¥ 26,749	\$ 249,083
Capital Surplus:			
Beginning Balance	¥ 24,761	¥ 24,711	\$ 230,571
(Loss) gain on the disposition of treasury stock	(56)	50	(521)
Ending Balance	¥ 24,705	¥ 24,761	\$ 230,050
Retained Earnings:			
Beginning Balance	¥ 129,162	¥ 111,740	\$ 1,202,738
Net income	37,522	20,663	349,399
Increase/decrease of consolidated subsidiaries and companies accounted for by the equity method	1,506	(581)	14,024
Cash dividends paid	(2,500)	(2,224)	(23,280)
Bonuses to directors and corporate auditors	(427)	(436)	(3,976)
Loss on the disposition of treasury stock	(243)	-	(2,263)
Ending Balance	¥ 165,020	¥ 129,162	\$ 1,536,642
Net Unrealized Gains on Available-for-Sale Securities, Net of Taxes:			
Beginning Balance	¥ 21,733	¥ 5,509	\$ 202,375
Change in unrealized gains	12,020	16,224	111,928
Ending Balance	¥ 33,753	¥ 21,733	\$ 314,303
Foreign Currency Translation Adjustments:			
Beginning Balance	¥ (10,769)	¥ (6,941)	\$ (100,279)
Change in translation adjustment	1,092	(3,828)	10,168
Ending Balance	¥ (9,677)	¥ (10,769)	\$ (90,111)
Treasury Stock, at Cost:			
Beginning Balance	¥ (2,851)	¥ (2,276)	\$ (26,548)
Change in purchase or disposition, net	(567)	(575)	(5,280)
Ending Balance	¥ (3,418)	¥ (2,851)	\$ (31,828)
Total Shareholders' Equity	¥ 237,132	¥ 188,785	\$ 2,208,139

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2005 and 2004

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2005	2004	2005
Cash Flows from Operating Activities			
Income before income taxes and minority interests	¥ 58,616	¥ 36,731	\$ 545,824
Adjustments for:			
Depreciation and amortization	12,710	13,206	118,354
Net change in allowance for doubtful receivables-net	1,427	1,371	13,288
Impairment losses on fixed assets	408	2,416	3,799
Increase in receivables	(72,829)	(21,763)	(678,173)
Increase in inventories	(32,908)	(4,727)	(306,435)
Increase in payables	48,002	38,680	446,988
Others, net	18,394	11,618	171,282
Subtotal	33,820	77,532	314,927
Interest and dividends received	5,588	4,727	52,035
Interest paid	(4,684)	(4,738)	(43,617)
Income taxes paid	(16,888)	(14,862)	(157,259)
Net cash provided by operating activities	17,836	62,659	166,086
Cash Flows from Investing Activities			
Payments for purchase of property and equipment	(15,314)	(16,319)	(142,602)
Proceeds from sale of property and equipment	2,592	2,711	24,137
Payments for purchase of investment securities	(12,897)	(22,658)	(120,095)
Proceeds from sale of investment securities	3,323	5,137	30,943
Increase in loans	(29,344)	(23,630)	(273,247)
Collection of loans	28,972	22,949	269,783
Others, net	(6,742)	(6,410)	(62,780)
Net cash used in investing activities	(29,410)	(38,220)	(273,861)
Cash Flows from Financing Activities			
Change in short-term debt	(13,389)	(16,025)	(124,676)
Proceeds from long-term debt	45,728	23,810	425,812
Repayment of long-term debt	(16,368)	(23,243)	(152,416)
Dividends paid	(2,500)	(2,224)	(23,280)
Others, net	(1,444)	(429)	(13,446)
Net cash provided by (used in) financing activities	12,027	(18,111)	111,994
Effect of Exchange Rate Changes on Cash and Cash Equivalents	687	(1,113)	6,397
Net Increase in Cash and Cash Equivalents	1,140	5,215	10,616
Cash and Cash Equivalents at Beginning of Year	67,704	61,666	630,450
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	704	823	6,555
Cash and Cash Equivalents at End of Year	¥ 69,548	¥ 67,704	\$ 647,621

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries

1. Basis of Financial Statements

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

The accompanying consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and principally operates. The translations of Japanese yen amounts into U.S. dollar amounts with respect to the year ended March 31, 2005 are included solely for the convenience of readers outside Japan and have been made at the rate of ¥107.39 = U.S.\$1, the rate prevailing on March 31, 2005. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

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

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 inter-company transactions and accounts have been eliminated. Investments in principal unconsolidated subsidiaries and affiliates are accounted for by the equity method. The Company determined its unconsolidated subsidiaries and affiliates in conformity with the accounting principles and practices under the control and influence approach in addition to determination by share of ownership. The excess of the cost of investments in subsidiaries over the equity in net assets at dates of acquisition is amortized over periods of normally five years using the straight-line method. The number of consolidated subsidiaries,

unconsolidated subsidiaries and affiliates for the years ended March 31, 2005 and 2004 were as follows.

	2005	2004
Consolidated subsidiaries	132	125
Unconsolidated subsidiaries and affiliates, accounted for by the equity method	54	51
Unconsolidated subsidiaries and affiliates, stated at cost	125	115

The Company's overseas consolidated subsidiaries principally close their books on 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 generally accepted in Japan as allowed under accounting principles generally accepted in Japan.

Assets and liabilities of consolidated subsidiaries are revalued at their fair value as of the date of acquisition except minority interest proportion, which is stated at pre-acquisition carrying value.

(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:

Held-to-maturity securities	Amortized cost method.
Available-for-sale securities	
Securities with market price	Market value based on the market price on balance sheet dates (Net unrealized gains or losses on these securities are reported as a separate item in shareholders' equity, net of applicable income taxes. Sales costs are principally determined by the moving average method).
Securities without market price	At cost, determined principally by the moving average method.

(4) 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) Impairment on fixed assets

The Company applied Accounting Standards for Impairment on Fixed Assets (Opinions Concerning Establishment of Accounting Standards for Impairment of Fixed Assets) issued on August 9, 2002 by the Business Accounting Council in Japan, and the application guideline for Accounting Standards for Impairment of Fixed Assets (the Financial Accounting Standard Implementation Guideline No. 6 issued on October 31, 2003), to the consolidated financial statements for fiscal 2004, as early adoption of such standards and guidelines, which shall be effective for fiscal years beginning on and after April 1, 2005, is permitted for the consolidated accounting for the fiscal year ended March 31, 2004.

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

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

(7) Bond issue costs

Bond issue costs are charged to income as incurred.

(8) 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 basis for a certain past period.

(9) Employee retirement benefits

To prepare for the payment of employee retirement benefits, projected accrued amounts recognized as having occurred during the fiscal years have been included in the accompanying consolidated financial statements based on the projected amounts for retirement benefit obligations and pension assets at the end of the respective fiscal years. The Company showed a debit balance in its employee retirement benefit liability and accordingly, ¥2,218 million (\$20,654 thousand) and ¥2,235 million were reported on the

accompanying consolidated balance sheets as of March 31, 2005 and 2004, respectively, as Others included in Investments and Other Assets. Past service costs are accounted for within the consolidated accounting period in which they have accrued.

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

(10) Directors' and corporate auditors' retirement benefits

To prepare for the payment of directors' and corporate auditors' retirement benefit, the provision was recognized on the accompanying consolidated balance sheets in accordance with the corporate regulations and guidelines as of March 31, 2005, assuming all directors and corporate auditors terminate their service at the balance sheet dates.

The payments are subject to an approval of shareholders. Previously, several consolidated subsidiaries made provisions for directors' and corporate auditors' retirement benefits payable at the end of the accounting period, and the Company recorded these as expenses at the time of payment in accordance with the corporate regulations and guidelines. However, in recognizing that making provisions for directors' and corporate auditors' retirement benefits has become a firmly entrenched practice in recent years, from the current fiscal year, the Company has changed its method for making provisions payable at the end of the fiscal year in accordance with the corporate regulations and guidelines. This measure is aimed at ensuring a more transparent and accurate accounting for profits and losses during that fiscal period. This change had the effect of reducing operating income by ¥148 million (\$1,378 thousand) as well as reducing consolidated income before income taxes and minority interests by ¥1,351 million (\$12,580 thousand) compared with when using the previous method. The amount of provisions for directors' and corporate auditors' retirement benefits payable (¥451 million) at the end of March 31, 2004 at several consolidated subsidiaries was included in Other long-term liabilities.

(11) Provision for guarantees

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

based on the estimated exposure.

(12) Translation of foreign currency assets and liabilities

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

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

(13) 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 a manner consistent with operating lease transactions.

(14) 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	<ol style="list-style-type: none"> a. Forward exchange contracts b. Interest rate swaps c. Commodity futures
Hedge targets	<ol style="list-style-type: none"> a. Foreign currency transactions b. Interest on deposits and loans c. Commodity transactions in the nonferrous metal, oil, rubber, foodstuffs, and other markets
3. Method of evaluating the effectiveness of hedges
 - The effectiveness of a hedge is determined by comparing the movement in market prices for the hedge method and the hedge target instruments and by comparing the changes in cumulative cash flow to determine the degree of correlation between the two instruments in order to qualify for such deferred hedge accounting.
4. Others
 - The Company believes that, due to its selection of foreign and domestic exchanges and financial institutions with high credit ratings as its counter parties in hedge transactions, there is inconsequential credit risk involved.

(15) Income taxes

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

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

(16) Appropriation of retained earnings

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

(17) 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 as if warrants were exercised at the beginning of the relevant year or (if later) on their first exercise date and as if the funds obtained thereby were used to purchase common stock at the average market price during the respective years under the treasury stock method. Diluted net income per share is not presented, as the dilutive effect of stock options 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.

(18) Appropriation of retained earnings

Cash dividends, bonuses to directors and fees to corporate auditors are recorded in the fiscal year when a proposed appropriation of retained earnings is approved by the shareholders. Bonuses paid to directors and fees to corporate auditors are recorded as a part of the appropriation of retained earnings, instead of charging to income, as permitted by the Japanese accounting standards.

3. Pledged Assets

Pledged assets as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Trade notes and trade accounts receivable	¥ 38,579	¥ 31,562	\$ 359,242
Inventories	37,611	27,992	350,228
Buildings and structures	219	1,979	2,039
Machinery, equipment and vehicles	5,069	11,260	47,202
Land	991	2,163	9,228
Investment securities	4,566	4,774	42,518
Others	2,864	2,028	26,669
Total	¥ 89,899	¥ 81,758	\$ 837,126

4. Multi-currency Revolving Facilities

As of the end of fiscal 2005 and 2004, the Company and its consolidated subsidiaries, such as Toyota Tsusho America, Inc., Toyota Tsusho U.K. Ltd., Toyota Tsusho Europe S.A. Neuss Branch (Dusseldorf Branch in 2004), and Toyota Tsusho (Singapore) Pte. Ltd., maintain a line of credit amounting to ¥30 billion in the form of multi-currency revolving facilities

provided by 11 financial institutions (12 financial institutions in 2004) in order to obtain required funds should unexpected events arise.

As at March 31, 2005 and 2004, the unused line of credit of the multi-currency revolving facilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Maximum line of credit of the multi-currency revolving facilities	¥ 30,000	¥ 30,000	\$ 279,356
Less, outstanding drawdown on revolving facilities	-	-	-
Balance	¥ 30,000	¥ 30,000	\$ 279,356

5. Short-term and Long-term Debt

Short-term debt

Short-term debt, principally to banks, as of March 31, 2005 and 2004 was generally repayable with maturities of 90 days, bearing interest at annual rates ranging from 0.28% to 20.11% at March 31, 2005.

Summary of long-term debt

Long-term debt as of March 31, 2005 and 2004 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
1.5% mortgage bonds due 2004	¥ -	¥ 150	\$ -
1.54% straight bonds due 2005	15,000	15,000	139,678
0.6% straight bonds due 2006	5,000	5,000	46,559
2.0% straight bonds due 2007	15,000	15,000	139,678
0.5% straight bonds due 2008	5,000	5,000	46,559
0.64% straight bonds due 2009	5,000	-	46,559
1.55% straight bonds due 2012	10,000	10,000	93,119
1.09% straight bonds due 2015	10,000	10,000	93,119
2.20% in 1st year* straight bonds due 2016	10,000	-	93,119
* Interest rates for subsequent years until redemption: Swap rate for 20-year issues - swap rate for two-year issues + 0.20%. However, if this is less than zero, the rate will be 0%.			
Long-term loans, principally from commercial and trust banks and insurance companies, maturing serially through 2017 at interest rates of 1.04% to 7.75% at March 31, 2005	122,039	107,529	1,136,409
Total	197,039	167,679	1,834,799
Less, current portion	(25,145)	(16,623)	(234,147)
	¥ 171,894	¥ 151,056	\$ 1,600,652

The aggregate annual maturities of long-term debt at March 31, 2005 were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
	2005	2005
2006	¥ 25,145	\$ 234,147
2007	28,356	264,047
2008	34,348	319,844
2009	21,279	198,147
2010	10,442	97,234
2011 and thereafter	77,469	721,380
Total	¥ 197,039	\$ 1,834,799

6. Shareholders' Equity

Under the Japanese Commercial Code, amounts equal to at least 10 per cent of all cash payments made as an appropriation of retained earnings must be set aside as a legal reserve until a total amount of additional paid-in capital and such reserve equals 25 per cent of common stock.

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

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividend is applicable.

In addition, a semi-annual interim dividend may be paid upon resolution of the Board of Directors, subject to limitations imposed by the Japanese Commercial Code.

7. Income Taxes

As of March 31, 2005 and 2004, tax effects of temporary differences that give rise to deferred tax assets and deferred tax liabilities were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Deferred tax assets:			
Unrealized profit	¥ 1,886	¥ 1,764	\$ 17,562
Allowance for doubtful receivables	1,939	2,294	18,056
Employees' retirement benefits	2,155	1,562	20,067
Write-down of securities	4,178	4,079	38,905
Others	11,626	6,092	108,259
Subtotal	21,784	15,791	202,849
Valuation allowance	(438)	(638)	(4,078)
Total deferred tax assets	21,346	15,153	198,771
Deferred tax liabilities:			
Net unrealized gains on available-for-sale securities	22,593	14,657	210,383
Valuation of debt and equity securities of consolidated subsidiaries	357	357	3,324
Others	2,196	386	20,448
Total deferred tax liabilities	25,146	15,400	234,155
Net deferred tax liabilities	¥ (3,800)	¥ (247)	\$ (35,384)

Reconciliation items of differences 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, 2005 and 2004 were as follows:

	Percentage of pretax income	
	2005	2004
Japanese statutory tax rate	40.3 %	41.6 %
Increase (decrease) due to:		
Tax benefits not recognized on losses of consolidated subsidiaries	(1.0)	(1.9)
Permanently nondeductible expenses	1.3	2.0
Differences of tax rates for foreign consolidated subsidiaries	(4.7)	(4.4)
Sale of consolidated subsidiary	(5.0)	—
Other	(0.1)	2.2
Effective income tax rate	30.8 %	39.5 %

8. Other Income (Expenses)

Details of others, net, included in other Income (expense) for the years ended March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Share in net earnings in equity method	¥ 2,603	¥ 565	\$ 24,239
Impairment losses on fixed assets*	(408)	(2,416)	(3,799)
Gain of securities sales	2,313	-	21,538
Write-down of securities	(2,131)	(1,651)	(19,844)
Recovery of prior-period bad debt	-	1,207	-
Transitional provision for prior year directors' and corporate auditors' retirement benefit	(1,203)	-	(11,202)
Others, net	1,400	2,435	13,037
Total	¥ 2,574	¥ 140	\$ 23,969

*Note: During the fiscal years ended March 31, 2005 and 2004, given the continued decline in land prices and in rental levels on rental properties, the Company and certain consolidated subsidiaries reduced the carrying amounts of the following two idle properties and one rental property in 2005 and seven idle properties and four rental properties in 2004 to recoverable amounts. Impairment losses included in other income (expenses) were summarized as follows:

Year ended March 31, 2005

Region	Items	Details of Fixed assets	Amounts for impairment losses	
			Millions of Yen	Thousands of U.S. Dollars
Kansai	Two idle properties One rental property	Land and buildings	¥ 408	\$ 3,799
Total			¥ 408	\$ 3,799

Year ended March 31, 2004

Region	Items	Details of Fixed assets	Amounts for impairment losses	
			Millions of Yen	
Tokai	Three rental properties Three idle properties	Land and buildings	¥ 840	
Hokuriku	One rental property	Land	1,439	
Kanto	Three idle properties	Land and buildings	132	
Kansai	One idle property	Land	5	
Total			¥ 2,416	

9. Contingent Liabilities

Contingent liabilities as of March 31, 2005 and 2004 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Discounted exports bills	¥ 15,894	¥ 19,298	\$ 148,003
For guarantees of indebtedness to:			
Unconsolidated subsidiaries and affiliates	¥ 12,312	¥ 8,174	\$ 114,648
Others	1,887	1,579	17,571
Subtotal	14,199	9,753	132,219
Provision for guarantees	(401)	(114)	(3,734)
Total	¥ 13,798	¥ 9,639	\$ 128,485

10. Lease Transactions

Year ended March 31, 2005

Finance Leases

Finance lease transactions without transfer of ownership for the year ended March 31, 2005 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	¥ 3,241	¥ 2,425	¥ 816	\$ 30,180	\$ 22,582	\$ 7,598
Others	5,289	2,480	2,809	49,250	23,093	26,157
Total	¥ 8,530	¥ 4,905	¥ 3,625	\$ 79,430	\$ 45,675	\$ 33,755

Future minimum lease payments

	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥ 1,305	\$ 12,152
More than one year	2,320	21,603
Total	¥ 3,625	\$ 33,755

	Millions of Yen	Thousands of U.S. Dollars
Annual lease payments	¥ 1,420	\$ 13,223
Depreciation	1,420	13,223

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	¥ 20	¥ 20	¥ -	\$ 186	\$ 186	\$ -
Total	¥ 20	¥ 20	¥ -	\$ 186	\$ 186	\$ -

	Millions of Yen	Thousands of U.S. Dollars
Annual lease commitments to be received	¥ 5	\$ 47
Depreciation	5	47

Noncancelable Operating Leases

Lease payments for noncancelable operating lease transactions as of March 31, 2005 were as follows:

Lessee

	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥ 76	\$ 708
More than one year	95	884
Total	¥ 171	\$ 1,592

Year ended March 31, 2004

Finance Leases

Finance lease transactions without transfer of ownership for the year ended March 31, 2003 were as follows:

Lessee	Millions of Yen		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥ 3,148	¥ 2,033	¥ 1,115
Others	4,846	2,720	2,126
Total	¥ 7,994	¥ 4,753	¥ 3,241

Future minimum lease payments	Millions of Yen
Within one year	¥ 1,256
More than one year	1,985
Total	¥ 3,241

	Millions of Yen
Annual lease payments	¥ 1,449
Depreciation	1,449

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	¥ 36	¥ 31	¥ 5
Total	¥ 36	¥ 31	¥ 5

Future minimum lease commitments to be received	Millions of Yen
Within one year	¥ 5
More than one year	—
Total	¥ 5

	Millions of Yen
Annual lease commitments to be received	¥15
Depreciation	15

Noncancelable Operating Leases

Lease payments for noncancelable operating lease transactions as of March 31, 2004 were as follows:

Lessee	Millions of Yen
Within one year	¥ 63
More than one year	101
Total	¥ 164

11. Market Value of Available-for-Sale Securities

	Millions of Yen						Thousands of U.S. Dollars		
	2005			2004			2005		
	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	¥53,373	¥112,336	¥58,963	¥51,092	¥90,357	¥39,265	\$497,001	\$1,046,056	\$549,055
Market value less than original cost amount:									
Equity securities	12,383	9,494	(2,889)	12,127	9,235	(2,892)	115,309	88,407	(26,902)
Total	¥65,756	¥121,830	¥56,074	¥63,219	¥99,592	¥36,373	\$612,310	\$1,134,463	\$522,153

12. Derivative Transactions

(1) Contents of derivative transactions

The Company and its consolidated subsidiaries use the following derivative financial instruments: foreign exchange forward contracts in the "currency" area, interest rate swap agreements in the "interest rate" area, and commodity forwards and futures, commodity swaps, and commodity option contracts in the "commodity" area.

(2) Policy on derivative transactions

The Company and its consolidated subsidiaries use derivative financial instruments to hedge market risks associated with business activities, including exchange risk, interest rate risk, and commodity price risk. Meanwhile, the Company and its consolidated subsidiaries use a limited volume of derivatives to gain profit.

(3) Purpose of derivative transactions

The Company and its consolidated subsidiaries use derivative transactions in order to hedge market risks associated with the business activities as described below:

- Foreign exchange forward contracts to hedge exchange risk associated with orders, credit, and obligations denominated in foreign currencies.
- Interest rate swaps to hedge interest rate risk associated with short-term borrowings and long-term debt.
- Commodity forwards and futures, commodity swaps, and commodity options to hedge commodity price risk.

(4) Control of derivative transactions

Risk management system for derivative transactions

Transactions in derivative financial instruments by the Company and its consolidated subsidiaries are carried out in accordance with company rules and guidelines that provide for transaction conditions such as maximum transaction volume. The conclusion and execution of the contracts are, in principle, carried out by each division. Individual divisions are also responsible for certain position management of derivatives. Derivative transactions are reported to the company management every month and are also reported to the Corporate Division, which is responsible for risk management.

(5) Fair value of derivative transactions

Year ended March 31, 2005			Millions of Yen			Thousands of U.S. Dollars			
	Type of product	Type of trading	Contract or notional	Estimated fair value	Valuation gain (loss)	Contract or notional	Estimated fair value	Valuation gain (loss)	
Categories:									
Exchange-traded	Commodity	Futures							
		Nonferrous metal	(Sell)	¥15,655	¥16,183	¥ (528)	\$145,777	\$150,694	\$(4,917)
			(Buy)	15,055	15,682	627	140,190	146,029	5,839
Over-the-counter	Commodity	Futures							
		Nonferrous metal	(Sell)	170	157	13	1,583	1,462	121
			(Buy)	704	698	(6)	6,556	6,500	(56)
Total					¥ 106			\$ 987	

Year ended March 31, 2004			Millions of Yen			
	Type of product	Type of trading	Contract or notional	Estimated fair value	Valuation gain (loss)	
Categories:						
Exchange-traded	Commodity	Futures				
		Nonferrous metal	(Sell)	¥108,096	¥111,477	¥(3,381)
			(Buy)	103,318	106,660	3,342
Over-the-counter	Commodity	Futures				
		Nonferrous metal	(Sell)	1,840	2,025	(185)
			(Buy)	6,786	6,971	185
Total					¥ (39)	

Notes: 1. Basis of determining estimated fair value: The estimated fair value amounts were determined using market information, including closing prices on the Tokyo Commodity Exchange.

2. Excludes transactions for derivative financial instruments to which hedge accounting is applied.

13. 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 Retirement Benefits Liability	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Employee retirement benefits obligation	¥ (37,007)	¥ (36,918)	\$ (344,604)
Fair value of pension plan assets	29,772	27,535	277,233
Unfunded benefits obligation	(7,235)	(9,383)	(67,371)
Unrecognized actuarial difference	7,782	10,080	72,465
Net amount recognized	547	697	5,094
Prepaid pension	(2,218)	(2,235)	(20,654)
Employee retirement benefits liability	¥ (1,671)	¥ (1,538)	\$ (15,560)

Note: Consolidated subsidiaries are accounted for mainly through the application of the rule of thumb.

	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Retirement Benefit Expenses			
Service expenses	¥ 1,894	¥ 1,832	\$ 17,637
Interest expenses	665	701	6,192
Expected return on pension plan assets	(480)	(384)	(4,470)
Amortization of actuarial difference	1,099	1,686	10,234
Retirement benefit expenses	3,178	3,835	29,593
Contribution to new retirement plan for employees	–	(46)	–
Others	136	123	1,266
Total	¥ 3,314	¥ 3,912	\$ 30,859

Basis of Calculation of Benefit Obligations

	2005	2004
Allocation of payments of expected retirement benefits	Straight-line method	Straight-line method
Discount rate	mainly 2.0%	mainly 2.0%
Expected rate of return on pension plan assets	mainly 3.0%	mainly 3.0%
Amortization of actuarial difference	mainly 12 years	mainly 12 years
Amortization of prior service cost	1 year	1 year
Amortization of initial transitional provision	1 year	1 year

14. Segment Information

Industry Segments

Note: Starting in fiscal 2005, the company changed the name of the "Energy & Materials" division to "Energy & Chemicals," and also changed "Consumer Products & Services" to "Consumer Products, Services & Materials."

Effective from October 1st 2004, the automotive interior parts and materials business previously included in the Energy & Materials division has been transferred to the Consumer Products, Services & Materials division.

Adjustments have been made to reflect the current segments for comparative purposes as indicated on page 66.

Year ended March 31, 2005	Millions of Yen						Total	Elimination	Consolidation
	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Consumer Products, Services & Materials	Others			
Net Sales:									
Outside customers	¥1,320,967	¥849,826	¥538,348	¥316,845	¥280,868	¥ 8,977	¥3,315,831	¥ –	¥3,315,831
Inter-segment	201	5,265	12	2,648	1,523	4,972	14,621	(14,621)	–
Total	1,321,168	855,091	538,360	319,493	282,391	13,949	3,330,452	(14,621)	3,315,831
Commissions	1,742	7,470	2,053	1,632	6,608	1,643	21,148	(227)	20,921
Cost of sales and selling, general and administrative expenses	1,304,772	844,978	526,791	316,575	283,592	18,573	3,295,281	(14,844)	3,280,437
Operating income (loss)	¥ 18,138	¥ 17,583	¥ 13,622	¥ 4,550	¥ 5,407	¥ (2,981)	¥ 56,319	¥ (4)	¥ 56,315
Total assets	¥ 396,121	¥ 262,626	¥ 104,675	¥ 95,139	¥111,536	¥263,378	¥1,233,475	¥(35,081)	¥1,198,394
Depreciation	2,878	1,537	1,234	2,287	1,082	3,532	12,550	–	12,550
Impairment losses on fixed assets	–	–	–	73	–	335	408	–	408
Capital expenditure for long-lived assets	2,234	2,818	2,671	3,988	2,261	9,034	23,006	–	23,006

Thousands of U.S. Dollars

Year ended March 31, 2005	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Consumer Products, Services & Materials	Others	Total	Elimination	Consolidation
Net Sales:									
Outside customers	\$12,300,652	\$7,913,456	\$5,013,008	\$2,950,414	\$2,615,402	\$ 83,592	\$30,876,534	\$ -	\$30,876,534
Inter-segment	1,872	49,027	122	24,658	14,182	46,298	136,149	(136,149)	-
Total	12,302,524	7,962,483	5,013,130	2,975,072	2,629,584	129,890	31,012,683	(136,149)	30,876,534
Commissions	16,221	69,559	19,117	15,197	61,532	15,300	196,926	(2,113)	194,813
Cost of sales and selling, general and administrative expenses ..	12,149,846	7,868,312	4,905,401	2,947,900	2,640,767	172,949	30,685,175	(138,225)	30,546,950
Operating income (loss) ...	\$ 168,899	\$ 163,730	\$ 126,846	\$ 42,369	\$ 50,349	\$ (27,759)	\$ 524,434	\$ (37)	\$ 524,397
Total assets	\$ 3,688,621	\$2,445,535	\$ 974,718	\$ 885,920	\$1,038,607	\$2,452,538	\$11,485,939	\$(326,669)	\$11,159,270
Depreciation	26,800	14,312	11,491	21,296	10,075	32,890	116,864	-	116,864
Impairment losses on fixed assets	-	-	-	680	-	3,119	3,799	-	3,799
Capital expenditure for long-lived assets	20,803	26,241	24,872	37,136	21,054	84,123	214,229	-	214,229

Millions of Yen

Year ended March 31, 2004	Metals	Machinery & Electronics	Automotive	Energy & Materials	Consumer Products & Services	Others	Total	Elimination	Consolidation
Net Sales:									
Outside customers	¥1,049,215	¥660,721	¥499,779	¥351,799	¥222,002	¥ 4,278	¥2,787,794	¥ -	¥2,787,794
Inter-segment	115	5,527	28	1,766	1,168	4,630	13,234	(13,234)	-
Total	1,049,330	666,248	499,807	353,565	223,170	8,908	2,801,028	(13,234)	2,787,794
Commissions	98	5,909	1,261	1,702	5,425	3,167	17,562	(340)	17,222
Cost of sales and selling, general and administrative expenses	1,037,170	659,532	489,965	354,115	225,562	15,314	2,781,658	(13,662)	2,767,996
Operating income (loss) ...	¥ 12,258	¥ 12,625	¥ 11,103	¥ 1,152	¥ 3,033	¥ (3,239)	¥ 36,932	¥ 88	¥ 37,020
Total assets	¥ 326,185	¥220,455	¥ 82,721	¥118,419	¥ 83,048	¥236,689	¥1,067,517	¥(34,915)	¥1,032,602
Depreciation	2,552	1,161	1,186	1,947	912	2,567	10,325	-	10,325
Impairment losses on fixed assets	-	-	-	-	2,247	169	2,416	-	2,416
Capital expenditure for long-lived assets	4,149	4,070	2,860	2,719	2,046	6,224	22,068	-	22,068

Changing the Segmentation

The following is supplementary information of previous segment information that has been reclassified to conform to the current year's presentation.

Year ended March 31, 2004	Millions of Yen						Total	Elimination	Consolidation
	Metals	Machinery & Electronics	Automotive	Energy & Materials	Consumer Products & Services	Others			
Net Sales:									
Outside customers	¥1,049,215	¥ 660,721	¥499,779	¥293,388	¥280,413	¥ 4,278	¥2,787,794	¥ -	¥2,787,794
Inter-segment	115	5,527	28	1,233	2,155	4,630	13,688	(13,688)	-
Total	1,049,330	666,248	499,807	294,621	282,568	8,908	2,801,482	(13,688)	2,787,794
Commissions	98	5,909	1,261	1,574	5,553	3,167	17,562	(340)	17,222
Cost of sales and selling, general and administrative expenses	1,037,170	659,532	489,965	296,663	283,480	15,314	2,782,124	(14,128)	2,767,996
Operating income (loss) ...	¥ 12,258	¥ 12,625	¥ 11,103	¥ (468)	¥ 4,641	¥ (3,239)	¥ 36,920	¥ 100	¥ 37,020
Total assets	¥ 326,185	¥ 220,455	¥ 82,721	¥ 88,224	¥113,258	¥236,689	¥1,067,532	¥ (34,930)	¥1,032,602
Depreciation	2,552	1,161	1,186	1,897	962	2,567	10,325	-	10,325
Impairment losses on fixed assets	-	-	-	-	2,247	169	2,416	-	2,416
Capital expenditure for long-lived assets	4,149	4,070	2,860	2,702	2,063	6,224	22,068	-	22,068

Geographic Segments

Year ended March 31, 2005	Millions of Yen					Total	Elimination	Consolidation
	Japan	Asia & Oceania	North America	Europe	Others			
Net Sales:								
Outside customers	¥2,353,228	¥323,221	¥369,972	¥211,855	¥57,555	¥3,315,831	¥ -	¥3,315,831
Inter-segment	326,513	60,477	16,245	11,509	453	415,197	(415,197)	-
Total	2,679,741	383,698	386,217	223,364	58,008	3,731,028	(415,197)	3,315,831
Commissions	13,712	4,988	2,013	782	917	22,412	(1,491)	20,921
Cost of sales and selling, general and administrative expenses ..	2,666,760	381,177	377,660	216,799	54,732	3,697,128	(416,691)	3,280,437
Operating income	¥ 26,693	¥ 7,509	¥ 10,570	¥ 7,347	¥ 4,193	¥ 56,312	¥ 3	¥ 56,315
Total assets	¥ 962,192	¥124,934	¥120,639	¥ 86,409	¥24,135	¥1,318,309	¥(119,915)	¥1,198,394

Year ended March 31, 2005	Thousands of U.S. Dollars							
	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
Net Sales:								
Outside customers	\$ 21,912,915	\$ 3,009,787	\$ 3,445,125	\$ 1,972,763	\$ 535,944	\$ 30,876,534	\$ -	\$ 30,876,534
Inter-segment	3,040,442	563,153	151,271	107,170	4,218	3,866,254	(3,866,254)	-
Total	24,953,357	3,572,940	3,596,396	2,079,933	50,162	34,742,788	(3,866,254)	30,876,534
Commissions	127,684	46,447	18,745	7,282	8,539	208,697	(13,884)	194,813
Cost of sales and selling, general and administrative expenses	24,832,480	3,549,464	3,516,715	2,018,801	509,656	34,427,116	(3,880,166)	30,546,950
Operating income	\$ 248,561	\$ 69,923	\$ 98,426	\$ 68,414	\$ 39,045	\$ 524,369	\$ 28	\$ 524,397
Total assets	\$ 8,959,791	\$ 1,163,367	\$ 1,123,373	\$ 804,628	\$ 224,742	\$ 12,275,901	\$(1,116,631)	\$ 11,159,270

Year ended March 31, 2004	Millions of Yen							
	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
Net Sales:								
Outside customers	¥2,118,635	¥208,702	¥253,863	¥169,119	¥37,475	¥2,787,794	¥-	¥2,787,794
Inter-segment	259,578	49,436	31,856	33,626	303	374,799	(374,799)	-
Total	2,378,213	258,138	285,719	202,745	37,778	3,162,593	(374,799)	2,787,794
Commissions	12,256	3,462	3,270	426	621	20,035	(2,813)	17,222
Cost of sales and selling, general and administrative expenses	2,366,941	260,453	284,262	198,711	35,608	3,145,975	(377,979)	2,767,996
Operating income	¥23,528	¥1,147	¥4,727	¥4,460	¥2,791	¥36,653	¥367	¥37,020
Total assets	¥888,861	¥85,576	¥98,636	¥55,556	¥18,698	¥1,147,327	¥(114,725)	¥1,032,602

Overseas Trading Transactions

Year ended March 31, 2005	Millions of Yen				
	Asia & Oceania	North America	Europe	Others	Total
Overseas trading transactions	¥906,776	¥362,390	¥228,761	¥165,152	¥1,663,079
Consolidation					3,315,831
Share of consolidated net sales	27.4%	10.9%	6.9%	5.0%	50.2%

Year ended March 31, 2005	Thousands of U.S. Dollars				
	Asia & Oceania	North America	Europe	Others	Total
Overseas trading transactions	\$8,443,766	\$3,374,523	\$2,130,189	\$1,537,871	\$15,486,349
Consolidation					30,876,534

Year ended March 31, 2004	Millions of Yen				
	Asia & Oceania	North America	Europe	Others	Total
Overseas trading transactions	¥718,792	¥248,192	¥205,127	¥122,018	¥1,294,129
Consolidation					2,787,794
Share of consolidated net sales	25.8%	8.9%	7.3%	4.4%	46.4%

15. Subsequent Event

On June 24, 2005, the following appropriations of retained earnings were approved at an annual general meeting of shareholders of the Company:

	Millions of Yen	Thousands of U.S. Dollars
	2005	2005
Cash dividends	¥ 1,950	\$ 18,158
Bonuses to directors and fees to corporate auditors	352	3,278

ChuoAoyama PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS 

Dai Nagoya Building
3-20-12, Meieki, Nakamura-ku
Nagoya, 450-8563 Japan
Telephone 01-52-551-1001
Facsimile 01-52-551-1005

Report of Independent Auditors

To the Board of Directors and Shareholders of
TOYOTA TSUSHO CORPORATION

We have audited the accompanying consolidated balance sheets of TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

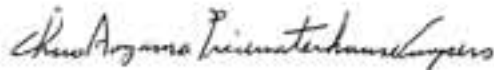
We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries as of March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 2, TOYOTA TSUSHO CORPORATION changed their accounting policy to provide for accrued Directors' and Corporate auditors' Retirement Benefits.

As described in Note 14, TOYOTA TSUSHO CORPORATION changed the segmentation. The automotive interior parts and materials business previously included in the Energy & Materials division has been transferred to the Consumer Products, Services & Material division.

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.



ChuoAoyama PricewaterhouseCoopers
Nagoya, Japan
June 24, 2005



Corporate Data

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General Information

(As of March 31, 2005)

Toyota Tsusho Corporation

Head Office	9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan Phone: +81-52-584-5000
Establishment	July 1, 1948
Number of Employees	Parent company: 1,963 Consolidated: 13,979
Paid-in Capital	¥26,748,717,188
Common Stock	Authorized: 997,525,000 Issued: 282,867,304
Number of Shareholders	12,969

Major Shareholders

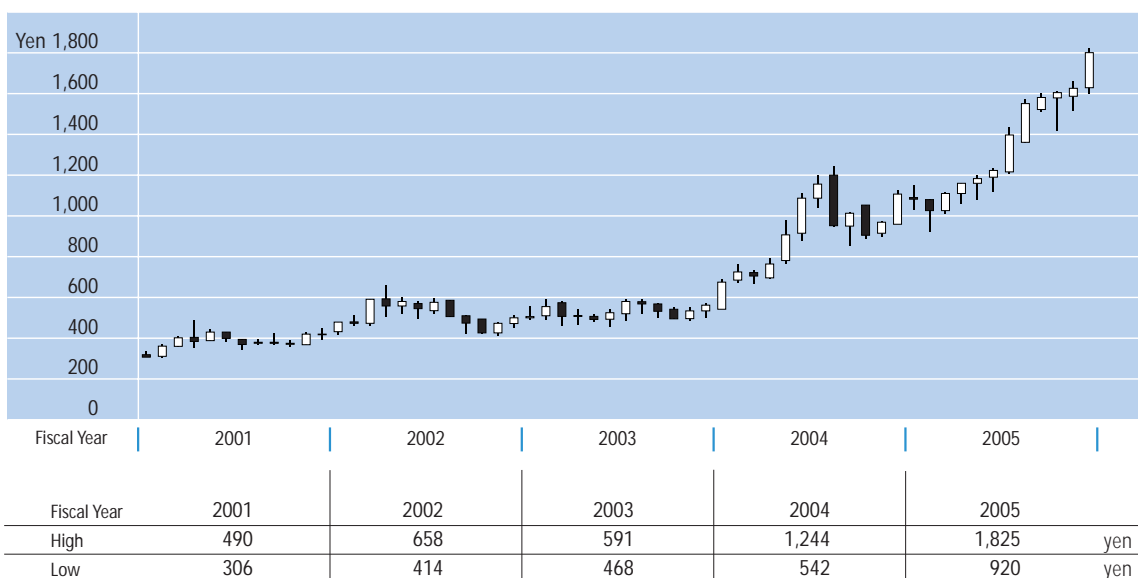
	Number of shares (thousands)	Voting rights (%)
Toyota Motor Corporation	65,030	23.5
Toyota Industries Corporation	36,421	13.2
Japan Trustee Services Bank, Ltd.	25,357	9.2
The Master Trust Bank of Japan, Ltd.	12,009	4.3
Mitsui Sumitomo Insurance Co., Ltd.	9,519	3.4
UFJ Bank Ltd.	8,250	3.0
Trust & Custody Services Bank, Ltd.	6,126	2.2
Tokio Marine & Nichido Fire Insurance Co., Ltd.	5,869	2.1
Aioi Insurance Co., Ltd.	5,650	2.0
The Sumitomo Trust & Banking Co., Ltd.	5,645	2.0

Stock Listings	Tokyo, Nagoya
Independent Auditors	ChuoAoyama PricewaterhouseCoopers
Transfer Agent for Shares	UFJ Trust Bank Limited Stock Transfer Agency Department 10-11, Higashi Suna 7-chome, Koto-ku, Tokyo 137-8081, Japan Phone: +81-3-5683-5111
Contact	Corporate Communications Office, Toyota Tsusho Corporation 14-9, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-8655, Japan Phone: +81-3-3242-8198 Facsimile: +81-3-3242-8695 E-mail: TTC_IR@gw.toyotsu.co.jp

Nagoya Office	9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan Phone: +81-52-584-5011 Facsimile: +81-52-584-5659
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Internet <http://www.toyotsu.co.jp/english/>

Stock Price Range



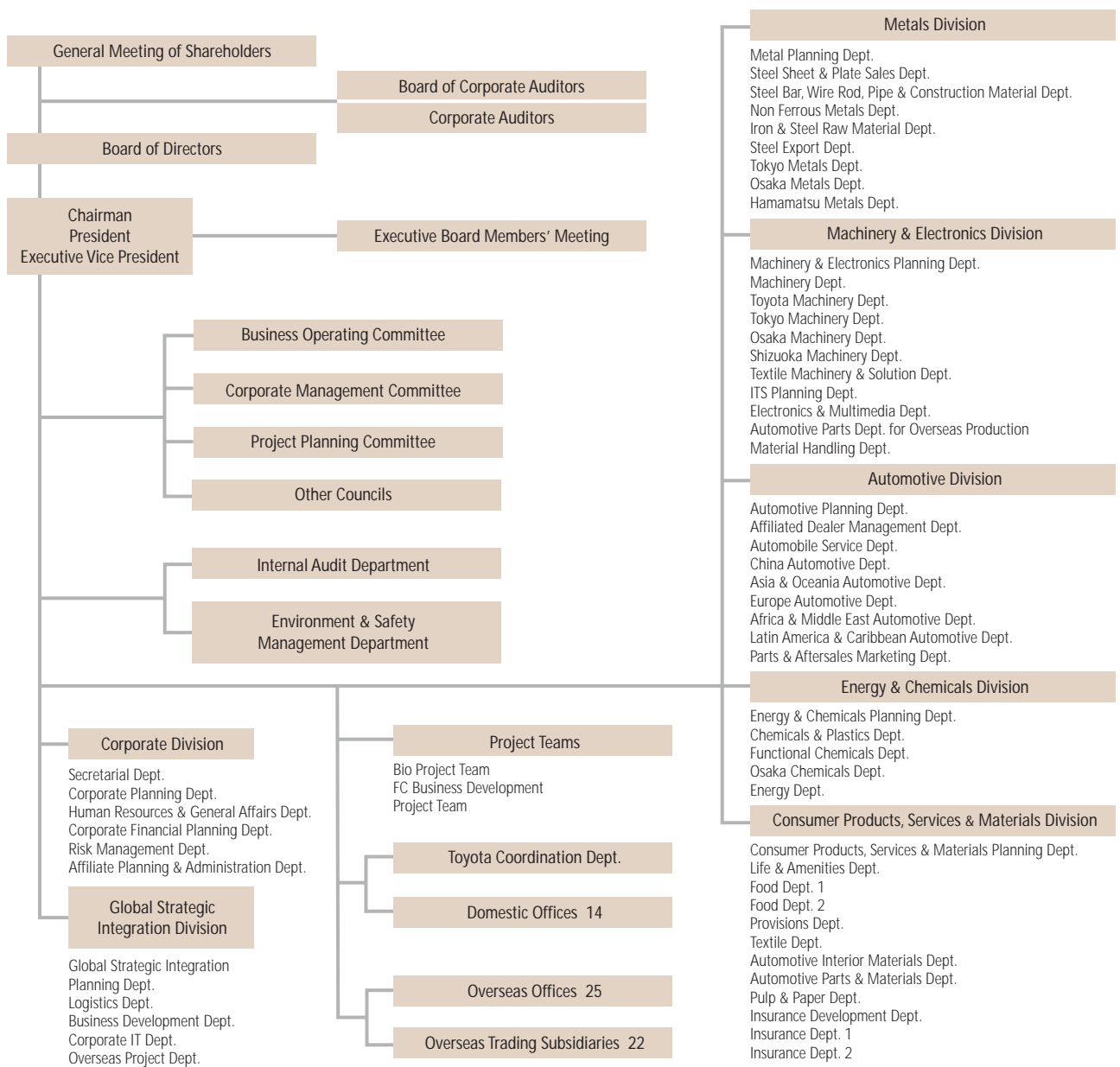
Major Developments in Toyota Tsusho's History

1936	Toyoda Kinyu Kaisha (forerunner of Toyota Tsusho Corporation) was established to provide sales financing for Toyota vehicles	1985	Cumulative total in exports of finished vehicles by Toyota Motor Corporation, Daihatsu Motors Co., Ltd. and Hino Motors, Ltd. exceeded one million units
1942-45	Changed name to Toyoda Sangyo Kaisha, Ltd., and subsequently extended the range of its activities to include trade	1987	Changed name to Toyota Tsusho Corporation
1948	With paid-in capital of ¥9 million, the trading division of Toyoda Sangyo Kaisha was established as a separate company (now Toyota Tsusho Corporation) under the name Nisshin Tsusho Kaisha, Ltd.	1991-92	Consolidated net sales exceeded ¥2 trillion Introduced CI (Corporate Identity) along with the establishment of the Company's 21st Century Vision, renewed its corporate philosophy and action guidelines, and adopted the current corporate logo
1952-54	Following the opening of an office in Dhaka, established overseas offices in Taipei, Hong Kong, Dallas, Bangkok, and Jakarta	1999	Formed business tie-up with Kasho Company, Ltd. toward expanding into non-automotive-related businesses, such as foodstuffs and chemical additives
1957	Established its first overseas joint venture, Toyoda Thailand Co., Ltd. (now Toyota Tsusho (Thailand) Co., Ltd.)	2000	Established the Company's 2010 Vision with the objective of becoming a Value Integrator that creates, integrates, and provides value for all stakeholders Entered a capital and business alliance with Tomen Corporation to bolster functions and expand both core and strategic business fields Formed a merger with Kasho Company, a former alliance partner
1960	Established its first overseas subsidiaries, Toyoda New York, Inc. (now Toyota Tsusho America, Inc.)	2000-02	Acquired the steel, nonferrous metals, and textile machine export businesses of Tomen Corporation to achieve synergies with Toyota Tsusho's core businesses and to take advantage of economies of scale at an early stage
1961	Stock listed on the Second Section of the Nagoya Stock Exchange	2003	Accepted third-party allotment of new shares to increase capital position in Tomen Corporation by ¥5.0 billion in order to reinforce capital and business alliances
1964	Began exporting Toyota vehicles, starting with the Dominican Republic	2004	Integrated our businesses for temporary staff servicing, bunker oil, and petroleum products with Tomen Corporation
1964-75	Established regional subsidiaries in Brazil, Taiwan, Belgium, the Philippines, Malaysia, Hong Kong, Australia, and Singapore, thereby completing the current overseas network including regional subsidiaries in Thailand and the U.S.A.	2005	Integrated our insurance business with Tomen Corporation
1977	Stock listed on the First Section of the Tokyo Stock Exchange		
1979-81	Starting with the opening of an office in Beijing, made full-scale expansion of our network in China, including Shanghai and Guangzhou		

Network

(As of July 1, 2005)

TTC Organization Chart



Note: The Company implemented the following corporate reorganization measures, effective in June 24, 2004.

1. The Automotive Material Department, the Automotive Parts Department and the Pulp & Paper Department from the Energy & Materials Division were transferred to the Consumer Products & Services Division in order to reestablish strategies of our businesses that focus on the energy and chemicals fields, as well as to enhance synergies through closer collaboration among the operations of automotive parts businesses, notably interior materials and textile materials, including seat belts and airbags. The newly constituted divisions were renamed the Energy & Chemicals Division and the Consumer Products, Services & Materials Division, respectively.
2. In order to strengthen expertise in the formulation of management strategy and planning Company-wide, as well as to create new businesses for future corporate growth and enhance operational functions, some of the functions of the Corporate Division were separated out to form the Global Strategic Integration Division.

Toyota Tsusho Corporation (As of July 31, 2005)

Head Office	9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan	Tokyo Head Office	14-9, Nihonbashi 2-chome, Chuo-ku, Tokyo 103-8655, Japan
Phone	+81-52-584-5000	Phone	+81-3-3242-8001
Facsimile	+81-52-584-5636	Facsimile	+81-3-3242-8531
Branches & Offices	Hokkaido, Tohoku, Niigata, Hamamatsu, Matsumoto, Numazu, Toyota, Kariya, Osaka, Hokuriku, Hiroshima, Kyushu, Fukuyama, Takamatsu		

Network

• Japan

Toyota Tsusho Corporation

Nagoya Head office: 9-8, 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, Kyushu, Matsumoto, Numazu, Fukuyama, Takamatsu

• North America

Toyota Tsusho America, Inc.

Head office: Turfway Ridge Office Park, 7300 Turfway Road, Suite 500, Florence, KY 41042, U.S.A.
Ontario, Huntsville, Fremont, San Francisco, West San Jose, Torrance, Union City, Chula Vista, Howey-in-the-Hills, Miami, Hollywood, Elk Grove Village, Columbus, Princeton, Georgetown, Burlington, Battle Creek, Southfield, Troy, New York, Tigard, Maryville, Memphis, Houston, Eleanor

• Central and South America

Toyota Tsusho Corporation

Bogota

Toyota Tsusho America, Inc.

Mexico City, Apodaca, Tijuana, San Jose

Toyota Tsusho de Venezuela, C.A

Head office: 4-8.Av. Francisco Demirada 4TA Avenida, Los Palos Grandes, Chacao Estado Miranda, Caracas, Venezuela

S.C. Toyota Tsusho do Brasil Ltda.

Av. Paulista, 854, 15 andar, Bela Vista, Sao Paulo / SP CEP. 01310-913, Brazil

Toyota Tsusho Argentina S.A.

Ruta Panamericana Km.29.4 (1617), El Talar, Provincia de Buenos Aires, Argentina

• Europe

Toyota Tsusho Corporation

Paris

Toyota Tsusho Europe S.A.

Head office: Belgicastraat 13, 1930 Zaventem, Belgium, Paris, Valenciennes, Sophia Antipolis, Neuss, Walbrzych, Prague, Liberec

Toyota Tsusho U.K. Ltd.

Head office: 7th Floor, 140 London Wall, London EC2Y 5DN England
Derby

• Russia & The CIS

Toyota Tsusho Corporation

Moscow, Tashkent

• Africa

Toyota Tsusho Corporation

Nairobi

Toyota Tsusho Africa Pty. Ltd.

Head office: 5th Floor, 138 West Street Sandton, 2196 P.O. Box 785155, SANDTON, 2146, Republic of South Africa
Durban, Nairobi

• Middle East

Toyota Tsusho Corporation

Sharjah, Tehran

Toyota Tsusho Europe S.A.

Istanbul

• Asia

Toyota Tsusho Corporation

Manila, Yangon, Hanoi, Hai Phong, Ho Chi Minh, New Delhi, Mumbai, Bangalore, Dhaka, Karachi, Islamabad, Lahore, Kathmandu, Changchun, Wulumuqi, Beijing, Guangzhou, Taipei

Toyota Tsusho Korea Corporation

Kuk Dong Bldg, #1809 60-1 3KA Chungmuro Chung-ku (C.P.O. Box No.1691) Seoul, Korea

Toyota Tsusho Philippines Corporation

Block 4, Lot 2, Main Road 3, Calamba Premiere International Park, Calamba Laguna, Philippines

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

SUMMITMAS II Building 12th Floor, Jl. Jend. Sudirman KAV. 61-62 Jakarta Selatan 12190, Indonesia

Toyota Tsusho (Singapore) Pte. Ltd.

600 North Bridge Road #19-01 Parkview Square, Singapore 188778

Toyota Tsusho (Malaysia) Sdn. Bhd.

Room No.1404, Wisma Lim Foo Yong, No.86 Jalan Raja Chulan, 50718 Kuala Lumpur (P.O. Box No.10400), Malaysia

Toyota Tsusho (Thailand) Co., Ltd.

607, Asoke-Dindaeng Road, Kwaeng Dindaeng Khet Dindaeng (P.O. Box No.494, Samsennai Post Office), Bangkok 10400, 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.

12th Floor, K. WAH CENTER, 1010 Huaihai Zhong Road, Shanghai, People's Republic of China
Chengdu, Chongqing, Qingdao, Yantai, Nantong

Toyota Tsusho (Tianjin) Co., Ltd.

Room No.1710, Tianjin Guoji Daxia, 75 Nanjing Lu, Heping Qu, Tianjin, People's Republic of China
Beijing

Toyota Tsusho (Guangzhou) Co., Ltd.

Room 5503, Citic Plaza, 233 Tian He North Road, Guangzhou, Postal Code : 510613
People's Republic of China

Toyota Tsusho (Dalian) Co., Ltd.

7F SENMAO Building, 147 Zhongshan Road Dailian, People's Republic of China
Shenyang, Harbin

Toyota Tsusho (Hong Kong) Co., Ltd.

27th Floor, United Centre, No.95 Queensway, Hong Kong, People's Republic of China
Xiamen

Chen Tai Fong Co., Ltd.

5th Floor, No.10, Songren Rd., Sinyi District Taipei City 110 Taiwan (R.O.C.)

• Oceania

Toyota Tsusho (Australasia) Pty. Ltd.

231-233 Boundary Road, Laverton North VIC 3026, Australia

Principal Subsidiaries and Affiliates

(As of March 31, 2005)

Main Regional Subsidiaries

Company Name	Country	Shareholding (%)	Main Business
Toyota Tsusho America, Inc.	U.S.A.	100.00	Trading and investment
Toyota Tsusho (Hong Kong) Co., Ltd.	Hong Kong	100.00	Trading and investment
Chen Tai Fong Co., Ltd.	Taiwan	63.80	Trading and investment
Toyota Tsusho (Singapore) Pte. Ltd.	Singapore	100.00	Trading and investment
Toyota Tsusho (Shanghai) Co., Ltd.	China	100.00	Trading
Toyota Tsusho (Australasia) Pty. Ltd.	Australia	100.00	Trading and investment
P.T. Toyota Tsusho Indonesia	Indonesia	100.00	Trading
Toyota Tsusho (Thailand) Co., Ltd.	Thailand	50.00	Trading and investment
Kasho International (Thailand) Co., Ltd.	Thailand	49.00	Trading
Toyota Tsusho Europe S.A.	Belgium	100.00	Trading and investment
Toyota Tsusho U.K. Ltd.	U.K.	100.00	Trading
S.C. Toyota Tsusho do Brasil Ltda.	Brazil	100.00	Trading and investment
Toyota Tsusho Argentina S.A.	Argentina	99.00	Trading and investment
Toyota Tsusho (Malaysia) Sdn. Bhd.	Malaysia	51.00	Trading and investment
Toyota Tsusho Africa (Pty) Ltd.	South Africa	100.00	Trading
Toyota Tsusho (Guangzhou) Co., Ltd.	China	100.00	Trading
Toyota Tsusho (Tianjin) Co., Ltd.	China	100.00	Trading
Toyota Tsusho Korea Corporation	Korea	100.00	Trading
Toyota Tsusho Philippines Corporation	Philippines	100.00	Trading

Metals Division

Company Name	Country	Shareholding (%)	Main Business
Toyota Steel Center Co., Ltd.	Japan	58.00	Processing and warehousing of steel sheets
Toyotsu Tekkou Hambai Co., Ltd.	Japan	90.00	Sales and processing of steel sheets
Toyotsu Recycle Corporation	Japan	100.00	Collection and sales of nonferrous metals and used automotive parts
Toyota Metal Co., Ltd.	Japan	50.00	Collection, processing and sales of metal scrap; disposal and recycling of industrial waste
Aichi Kokan Kogyo Co., Ltd.	Japan	100.00	Processing and sales of steel pipes
Kanto Coil Center Co., Ltd.	Japan	100.00	Processing and sales of steel sheets
Oriental Steel Co., Ltd.	Japan	100.00	Processing and sales of steel sheets
Toyotsu Hitetsu Center Corporation	Japan	65.00	Processing and sales of aluminum and sheets
Toyotsu Material Corporation	Japan	100.00	Sales of metal products
Ecoline Corporation	Japan	100.00	Development and sales of software and hardware and communication services
Pro Steel Co., Ltd.	Japan	47.00	Processing and sales of special steel sheets
Tianjin Fengtian Steel Process Co., Ltd.	China	70.00	Processing and sales of steel sheets
Toyota Tsusho Metals Ltd.	U.K.	100.00	Metal dealer and broker
Steel & Logistics Center Private Ltd.	India	95.40	Processing of steel sheets, warehousing and logistics services
Hanshin Kogyo Co., Ltd.	Japan	25.00	Manufacture and sales of steel pipes
Siam Hi-Tech Steel Center Co., Ltd.	Thailand	45.76	Processing and sales of steel sheets
P.T. Steel Center Indonesia VEHICLES DIVISION	Indonesia	50.00	Processing and sales of steel sheets
Nanjing Yunhai Magnesium	China	20.00	Manufacture and sales of magnesium alloy
P.T. Central Motor Wheel Indonesia	Indonesia	45.00	Manufacture and sales of automotive wheels

Machinery & Electronics Division

Company Name	Country	Shareholding (%)	Main Business
Toyotsu Engineering & Manufacturing Co., Ltd.	Japan	100.00	Manufacture, sales, mediation, and maintenance of machinery and equipment
Toyotsu Syscom Corporation	Japan	100.00	Mobile communications services and handsets, other communication services and equipment
Toyotsu S.K. Co., Ltd.	Japan	100.00	Sales of textile, food processing, and precision machinery and equipment
Vestech Japan Co., Ltd.	Japan	51.00	Import and engineering support of wind power generators
Wind Tech Corporation	Japan	100.00	Wind power generation
Toyotsu Electronics Corporation	Japan	100.00	Development and sales of semiconductors and electronic components
P.T. Toyota Tsusho Mechanical & Engineering Service Indonesia	Indonesia	99.63	Engineering services
Industrial Tech Services, Inc.	U.S.A.	43.80	Engineering services
Toyota Tsusho Corporation de Mexico S.A. de C.V.	Mexico	99.99	Trade of Toyota industrial equipment and genuine parts
Toyota Tsusho Material Handling UK Ltd.	U.K.	85.00	Toyota forklift dealer
Toyota Tsusho Austria G.m.b.H.	Austria	97.00	Toyota forklift dealer
Toyota Digital Cruise Inc.	Japan	10.00	Installation, operation, and maintenance of information and communications equipment
TDK (Australia) Pty. Ltd.	Australia	25.00	Import and distribution of audio and video cassette tapes
Noritake Porcelana Manufacturing, Inc.	Philippines	22.75	Manufacture and sales of porcelain dinnerware
Sanyo Malaysia Sdn. Bhd.	Singapore	24.50	Sales of electronic products
P.T. Fuji Presisi-Tool Indonesia	Indonesia	23.20	Manufacture, sales, and repair of cement carbide tools
Kohoku Electronics (Singapore) Pte. Ltd.	Singapore	15.08	Manufacture of lead tab terminals
Makita France S.A.	France	45.00	Import and wholesale of electric hand tools

Principal Subsidiaries and Affiliates

(As of March 31, 2005)

Automotive Division

Company Name	Country	Shareholding (%)	Main Business
Toyotsu Auto Service, Inc.	Japan	100.00	Sales and repair of automotive parts and machinery
TMSC Ltd.	Hong Kong	100.00	Lease of premises
Toyota Lanka (PVT) Ltd.	Sri Lanka	100.00	Import, retail, and services of Toyota vehicles and genuine parts
Toyota TC Hanoi Car Service Corporation	Vietnam	67.00	Retail and services of Toyota vehicles and genuine parts
T.T.H.K. Co., Ltd.	Cambodia	41.00	Retail and services of Toyota vehicles and genuine parts
Toyota Tsusho South Pacific Holdings Pty. Ltd.	Australia	100.00	Holding company
T.T.A.S. Co., Ltd.	Myanmar	75.00	Retail and services of Toyota vehicles and genuine parts
Toyota Tsusho Saigon Motor Service Corporation	Vietnam	62.36	Retail and services of Toyota vehicles and genuine parts
Toyota Tsusho Praha spol.s.r.o.	Czech	100.00	Retail and services of Toyota vehicles and genuine parts
Toyota Tsusho Budapest KFT	Hungary	100.00	Retail and services of Toyota vehicles and genuine parts
Business Car	Russia	92.00	Wholesale, retail, and services of Toyota vehicles, folkklifts, and genuine parts
Toyota Tsusho del Ecuador S.C.C.	Ecuador	100.00	Trade, wholesale, and investment
Comercio de Veiculos Toyota Tsusho Ltda.	Brazil	99.99	Retail and services of Toyota vehicles and genuine parts
Toyota Trinidad & Tobago Ltd.	Trinidad & Tobago	100.00	Retail and services of Toyota vehicles and genuine parts
Toyota Tsusho Vostok Auto Co., Ltd.	Russia	100.00	Retail and services of Toyota vehicles and genuine parts
TTC Auto Argentina S.A.	Argentina	100.00	Retail and services of Toyota vehicles and genuine parts
TTAF Management Ltd.	U.K.	95.00	Management services
Toyota de Angola, S.A.R.L.	Angola	95.00	Import and distribution of Toyota vehicles and genuine parts
Toyota Zambia Ltd.	Zambia	100.00	Retail and services of Toyota vehicles and genuine parts
Establishment Florden S.A.	British West Indies	100.00	Holding company
LMI Holdings B.V.	Netherlands	100.00	Holding company
LMI Ltd.	Zimbabwe	100.00	Holding company
Toyota Tsusho Auto Valenciennes S.A.R.L.	France	100.00	Retail and services of Toyota vehicles and genuine parts
Toyota East Africa Ltd.	Kenya	100.00	Import and distribution of Toyota vehicles and genuine parts
Toyota Malawi Ltd.	Malawi	50.00	Import and distribution of Toyota vehicles and genuine parts
Toyota Zimbabwe (Private) Ltd.	Zimbabwe	17.80	Retail and services of Toyota vehicles and genuine parts
Toyota Adria, podjetje za izvoz, uvoz in promet z vozili, d.o.o.	Slovenia	96.50	Wholesale of Toyota vehicles and genuine parts
Toyota Lakozy Auto Private Ltd.	India	93.17	Retail and services of Toyota vehicles and genuine parts
Too Toyota Tsusho Kazakhstan Auto	Kazakhstan	51.00	Retail and services of Toyota vehicles, folkklifts, and genuine parts
Toyota Jamaica Ltd.	Jamaica	80.00	Retail and services of Toyota vehicles and genuine parts
CJSC Toyota Tsusho Butya	Kazakhstan	51.00	Retail and services of Toyota vehicles, folkklifts, and genuine parts
Toyota Motor (China) Ltd.	Hong Kong	25.00	Distribution of Toyota products
Jiangmen Huatong Toyota Motor Sales & Service Co., Ltd.	China	50.00	After-sales services of Toyota vehicles
Hinopak Motors Ltd.	Pakistan	29.67	Manufacture and sales of truck, buses, and automotive parts
Toyota Motor Hungary KFT	Hungary	50.00	Distribution of Toyota products
Toyotoshi S.A.	Paraguay	23.00	Retail and services of Toyota vehicles and genuine parts
Toyota Motor Czech spol.s.r.o.	Czech	40.00	Distribution of Toyota products
Harbin Huatong Toyota Motor Service Co., Ltd.	China	50.00	Retail and services of Toyota vehicles and genuine parts
D&T Motors Corporation	Korea	49.00	Retail and services of Toyota vehicles and genuine parts
OOO Toyota Motor	Russia	30.00	Distribution of Toyota products

Energy & Chemicals Division

Company Name	Country	Shareholding (%)	Main Business
Toyota Chemical Engineering Co., Ltd.	Japan	100.00	Disposal of industrial waste, manufacture and sales of recycled dust fuel
Toyotsu Sekiyu Hambai Co., Ltd.	Japan	100.00	Sales of petroleum products
Toyotsu Energy Corporation	Japan	100.00	Sales and warehousing of LPG and petroleum products
Toyotsu Plachem Co., Ltd.	Japan	100.00	Sales of resin and chemical products
Toyota Tsusho Mining (Australia) Pty. Ltd.	Australia	100.00	Investment and management for Camberwell coal project
Toyota Tsusho Investment (Australia) Pty. Ltd.	Australia	100.00	Financing for Camberwell coal project
Togo Jyushi Co., Ltd.	Japan	39.71	Processing of synthetic resin
Nihon Mistron Co., Ltd.	Japan	34.00	Processing of talc and sales of talcum products
Toyoda Gosei UK Ltd.	U.K.	20.00	Manufacture and sales of rubber and plastic parts for automobiles

Consumer Products, Services & Materials Division

Company Name	Country	Shareholding (%)	Main Business
Toyotsu Family Life Corporation	Japan	100.00	Insurance agency
Toyomac, Ltd.	Japan	100.00	Sales of office and home equipment and home nursing care goods
Towa Sewing Co., Ltd.	Japan	80.00	Manufacture of textile goods
Toyotsu Insurance Management Corporation	Japan	100.00	Insurance broker
Toyotsu Foods Corporation	Japan	100.00	Import and sales of food products
Sunfeed Co., Ltd.	Japan	100.00	Import and sales of feed products
Toyotsu New Pack Co., Ltd.	Japan	75.00	Manufacture and sales of packing supplies
Toyota Tsusho Corretora de Seguros Ltda.	Brazil	15.44	Insurance broker
Tianjin Commercial River Cereals, Oils & Foodstuffs Co., Ltd.	China	100.00	Sorting and processing of green mung beans
Kyushu Maruichi Foods Co., Ltd.	Japan	45.00	Processing and sales of foods (cod roe, noodles, etc.)
Tomita Shoji Co., Ltd.	Japan	30.00	Sales of seeds for organic farms
Quingdao Jiaodong Foodstuffs Development Co., Ltd.	China	40.00	Sales of frozen vegetables
Quingdao Jingxi Food Co., Ltd.	China	30.00	Processing and organic of frozen vegetables
Fujian New Oolong Drink Co., Ltd.	China	24.50	Manufacture and sales of concentrated liquid of oolong tea
Fujian Daguan Stone Co., Ltd.	China	20.00	Processing, manufacture and sales of stone products

Principal Subsidiaries and Affiliates

(As of March 31, 2005)

Corporate Division

Company Name	Country	Shareholding (%)	Main Business
Toyotsu Logistics Service Co., Ltd.	Japan	100.00	Warehousing and logistics services
Toyotsu Business Service Corporation	Japan	100.00	Factoring and accounting services
Fong Yu Investment Co., Ltd.	Taiwan	90.00	Investment
P.T. Toyota Tsusho Logistic Center	Indonesia	84.17	Warehousing and logistics services
Tomen Corporation	Japan	19.75	Trade and investment
Chuo Precision Industrial Co., Ltd.	Japan	14.71	Manufacture and sales of automotive wheels
Tianjin Fengtian International Logistics Co., Ltd.	China	33.40	Warehousing and logistics services
Central Motor Wheel of America, Inc.	U.S.A.	40.92	Manufacture and sales of automotive wheels

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

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