G VALUE with you

Annual Report 2008
Toyota Tsusho Corporation

Advancing Toward Value

Profile

In April 2006, Toyota Tsusho Corporation and Tomen Corporation merged with the aim of further increasing corporate value by maximizing synergies between our respective strengths.

In addition to offering the basic trading house functions of providing customers with a broad range of products sourced in Japan and overseas, Toyota Tsusho will organically fuse four unique platforms reinforced through the merger—Resources and the Environment, Processing and Manufacturing Businesses, Logistics, and Product and Market Development—to generate new value, and provide value-added functions and services matched to customer needs.

Business Strategies for the Automotive Field : Non-automotive Fields

2015 50:50

The Toyota Tsusho Group has formulated VISION 2015—LEAD THE NEXT to guide its efforts in achieving sustained growth well into the future. The highest priority is to generate an equal share of earnings from automotive and non-automotive fields by 2015. Initiatives are already under way to reach this goal.

G VALUE with you

Our Group slogan, "G'VALUE with you," was created as a symbol of our new resolve. As our "flagship message," this slogan is the embodiment of both our guiding principles and commitment to stakeholders.

The letter "G" stands for three keywords that are important to the Toyota Tsusho Group:

Global Development of our activities on the global stage

Glowing Sustaining a healthy yet glowing morale and passion

Generating Constant generation of new businesses

Contents

"The ultimate goal of our five-year vision is to generate an equal share of earnings from the automotive and non-automotive fields, as we grow our businesses in each field."

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. Earnings forecasts and other projections in this annual report were formulated and announced as of May 2008.

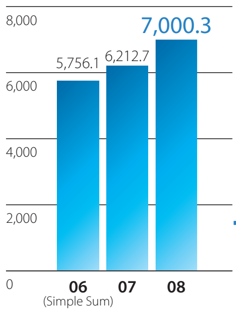
Financial Highlights

Years Ended March 31, 2008, 2007 and 2006

	TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries				Former TOMEN CORPORATION and its consolidated subsidiaries	Simple Sum
	Millions of Yen			Thousands of U.S. Dollars (Note 2)	Millions of Yen	Millions of Yen
	2008	2007	2006 (Note 1)	**2008**	2006	2006
For the Year:						
Net Sales (Note 3)	**¥7,000,353**	¥6,212,726	¥3,945,319	**$69,870,776**	¥1,810,844	¥5,756,163
Gross Trading Profit	**369,524**	328,459	221,593	**3,688,233**	77,135	298,727
Operating Income	**131,671**	110,003	80,057	**1,314,213**	21,066	101,122
Net Income (Loss)	**67,506**	77,212	45,733	**673,780**	(48,317)	(2,585)
Free Cash Flow	**68,011**	13,440	(86,290)	**678,821**	48,303	(37,986)
At Year-End:						
Total Assets	**2,603,207**	2,462,229	1,602,702	**25,982,703**	698,322	2,301,024
Total Net Assets (Note 4)	**639,731**	626,539	314,319	**6,385,178**	13,986	328,305
Interest-bearing Liabilities	**775,167**	804,453	508,897	**7,736,970**	393,365	902,260
	Yen			U.S. Dollars (Note 2)	Yen	
Per Share:						
Net Income (Loss) Basic	**¥ 192.44**	¥ 231.47	¥ 161.88	**$ 1.92**	¥ (60.03)	
Total Net Assets (Note 4)	**1,669.23**	1,651.56	1,125.12	**16.66**	(72.10)	
Cash Dividends	**30.00**	26.00	18.00	**0.30**	0.00	
	%				%	
Gross Trading Profit Ratio	**5.3**	5.3	5.6		4.3	
Return on Average Shareholders' Equity (ROE)	**11.6**	15.7	16.6		–	
Shareholders' Equity Ratio	**22.5**	23.5	19.6		2.0	
Return on Average Total Assets (ROA)	**2.7**	3.2	3.3		–	
Current Ratio	**127.4**	127.8	108.6		90.4	
	Times				Times	
Interest Coverage Ratio	**7.7**	6.5	11.6		2.3	
Debt Equity Ratio (Net)	**1.0**	1.2	1.4		22.1	

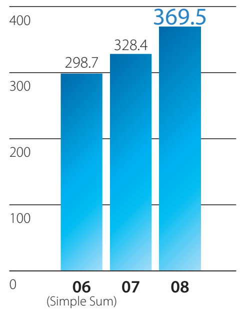
Notes:
1. TOYOTA TSUSHO CORPORATION merged with TOMEN CORPORATION on April 1, 2006. The figures for fiscal 2006 were based on the former TOYOTA TSUSHO CORPORATION.
2. The U.S. dollar amounts have been translated from the amounts stated in yen, solely for the convenience of readers, at the rate of ¥100.19=U.S.$1, the approximate exchange rate on March 31, 2008, which was the final business day of financial institutions in fiscal 2008.
3. Commission Income was included in Net Sales from fiscal 2007, as a result of the reconsideration of the presentation of consolidated financial statements.
4. Effective from the fiscal year ended March 31, 2007, the Company and its consolidated subsidiaries adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" and its "Related Implementation Guidance."

Net Sales
(¥ billion)



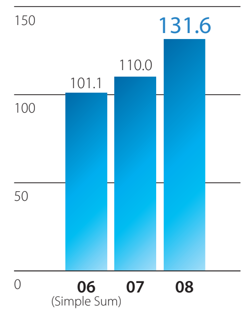
+787.6 billion yen

Gross Trading Profit
(¥ billion)



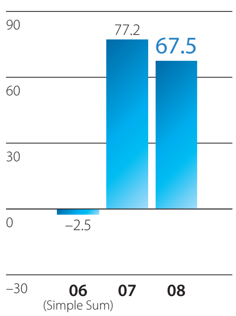
+41.1 billion yen

Operating Income
(¥ billion)



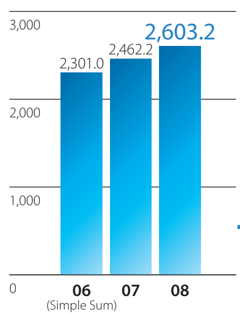
+21.6 billion yen

Net Income (Loss)
(¥ billion)



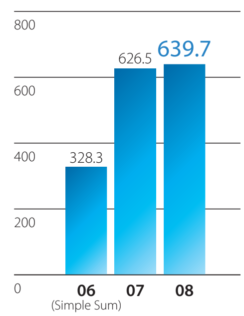
−9.7 billion yen

Total Assets
(¥ billion)



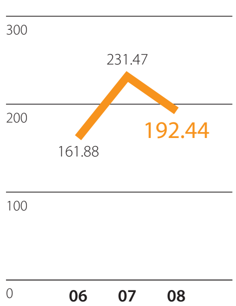
+141.0 billion yen

Total Net Assets
(¥ billion)



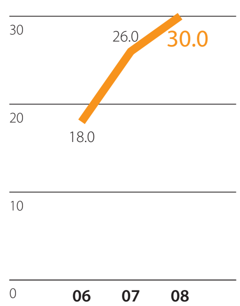
+13.2 billion yen

Net Income (Basic) per Share
(¥)



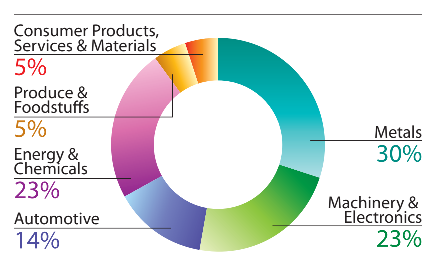
−39.03 yen

Cash Dividends per Share
(¥)



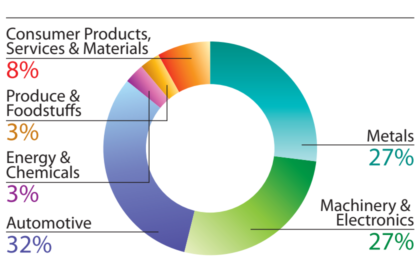
+4.0 yen

Segment Sales* (FY2008)
(%)



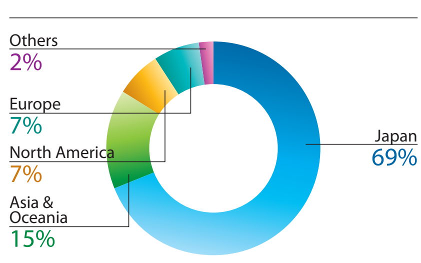
* Not including Others segment

Segment Operating Income* (FY2008)
(%)

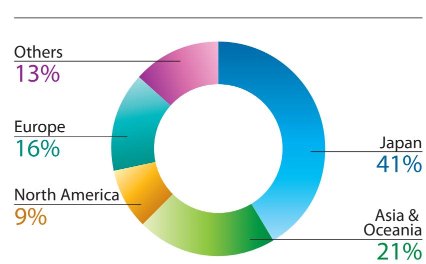


* Not including Others segment

Regional Sales (FY2008)
(%)



Regional Operating Income (FY2008)
(%)



To Our Stakeholders

JUNZO SHIMIZU
President

Steady Progress With Post-merger Long-term Business Plan

Two years have elapsed since the former Tomen Corporation and former Toyota Tsusho Corporation merged. The new Toyota Tsusho formed from this merger has achieved steady growth and progress over this time toward realizing its management vision. Guided by Vision 2015—LEAD THE NEXT, which was formulated upon the merger, all six product divisions are aiming for new growth through the creation of future core businesses in their respective fields. Another goal is to generate an equal share of earnings from automotive and non-automotive fields by 2015.

To put this into perspective, these fields accounted for 73% and 27% of earnings, respectively, at the time of the merger. In fiscal 2007, the year ended March 31, 2007, the automotive field rose to account for 80% of earnings due to steady growth. However, in fiscal 2008, as a result of a more precise breakdown of earnings in each segment, the

earnings composition was a ratio of 65:35. This reflects steady progress with measures to enhance our business portfolio and allocate business resources more effectively in non-automotive fields, as we structure non-automotive businesses for higher growth.

We believe that achieving a balanced earnings structure that does not put undue reliance on the automotive field is critical to maintaining our soundness and stability as a corporation and going concern. Meanwhile, with the auto industry undergoing profound changes, we cannot overlook the fact that we must capture even more synergies between automotive and non-automotive fields and further integrate the two. Therefore, we will accelerate the pace of investment in non-automotive fields to expand the Group's earnings as a whole, while seeking to balance earnings evenly between automotive and non-automotive fields.

Paving the way for Higher Growth Following a 19.7% Increase in Operating Income

In terms of our fiscal 2008 performance, we initially projected net income of ¥65.0 billion, but raised this forecast to ¥70.0 billion midway through the fiscal year. Ultimately, net income was ¥67.5 billion, falling short of our revised forecast. This underperformance primarily reflected the effect of the weaker yen, impairment losses on shares of publicly listed group companies in a flagging domestic stock market, and other factors. Nonetheless, Toyota Tsusho reported higher net sales and earnings at the core operating level. Consolidated net sales rose 12.7% year on year to ¥7,000.3 billion, while operating income climbed 19.7% to ¥131.6 billion.

Dividends Linked to Performance

In the past, Toyota Tsusho maintained a policy of making stable dividend payments. However, effective from March 31, 2008, we adopted a policy of linking dividends to our earnings performance, partly in response to strong calls from shareholders. This policy will ensure that we return profits to shareholders in line with consolidated net income every fiscal year. Regarding the status of dividends at the fiscal year-end, Toyota Tsusho raised its consolidated dividend payout ratio from 11.2% in the previous fiscal year to 15.6%, bringing the annual dividend applicable to fiscal 2008 to ¥30 per share. Going forward, we aim to progressively raise the consolidated payout ratio to 20%. We are currently accelerating efforts to sow the seeds of new growth in order to develop and incubate new businesses centered on non-automotive fields. While carefully monitoring investment levels, we are confident that we can reach our dividend payout ratio target over the next few years. By continuing to further enhance our operating structure and implement balanced growth strategies, we are working to increase corporate value in order to meet the expectations of shareholders and all other stakeholders.

June 2008

J. Shimizu

Junzo Shimizu, *President*

Special Feature: Interview With the President

Long-term Business Plan

Question:
In May 2008, you made a new announcement concerning the Long-term Business Plan. What was the background and purpose of the announcement?

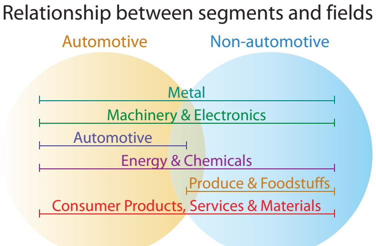
Answer:
The purpose wasn't to announce a new long-term business plan from fiscal 2009 based on a different concept than before. Every year, we update the Plan in line with business progress. Our basic approach to setting revisable targets is to start with a clear idea about where we see ourselves in five years. First, management sets an overall direction for each product division. Under this direction, product divisions set their own respective targets and formulate strategies for the current year.

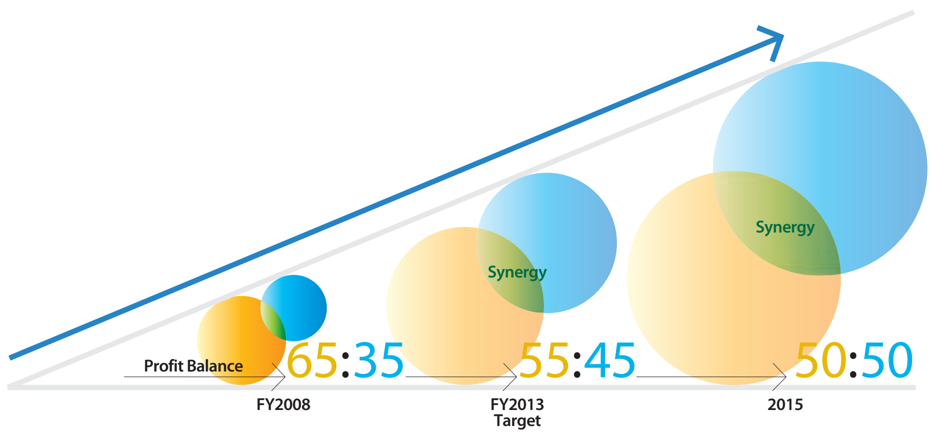
As I said at the time of the merger, the ultimate goal of our five-year vision is to generate an equal share of earnings from the automotive and non-automotive fields, as we grow our businesses in each field. Currently, the auto industry can count on the global auto market as a whole to achieve a certain level of growth, driven by expanding motorization fueled by economic advancement in emerging countries and resource-rich nations. By reinforcing the value-added business chains we have built in the automotive field, Toyota Tsusho expects earnings from this field to grow by around 15% annually. We therefore need to grow non-automotive earnings at an even faster pace to meet our 50:50 target. This would give us an operating structure that is not unduly susceptible to trends in the auto industry, allowing us to maintain soundness and stability as a corporation. After all, even if the auto industry were to suffer a downturn, we must remain a healthy enterprise.

Staying in tune with major changes taking place in the auto industry is also important. To respond to the roll-out of electric vehicles and other environmental initiatives, it is now increasingly crucial that we fortify our businesses in non-automotive fields, as well as the automotive field.

VISION 2015

Relationship between segments and fields





Overall Numeric Targets

(¥ billion)

	Fiscal 2008	Fiscal 2009 Estimate	Long-term Target at the Time of Merger (Fiscal 2011)	Fiscal 2013 Target
Net Sales	7,000.3	7,800.0		12,000.0
Gross Trading Profit	369.5	400.0		630.0
Operating Income	131.6	150.0		250.0
Net Income	67.5	74.0	100.0	140.0

The long-term target of generating net income of
¥100 billion for fiscal 2011
established at the time of merger to remain in place

Question:
Could you please give us more details about your plans for the automotive field, including your response to industry change?

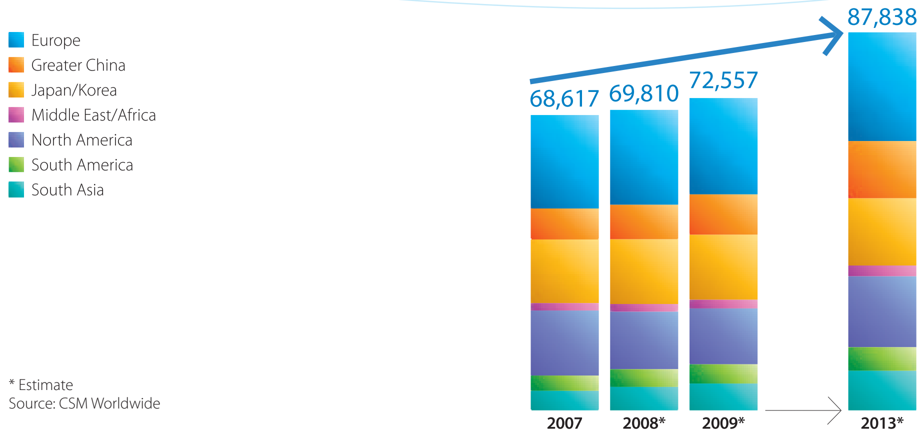
Answer:

Our results are likely to continue growing since the automotive field still has growth potential. In fact, growing businesses in the automotive field under current conditions is not a difficult proposition. However, when looking to the future, we must consider our next step. For example, our parts supply operations are cited as one source of Toyota Motor Corporation's competitiveness. Indeed, we are sometimes approached by other automakers wanting to see our parts supply operations. Clearly, these automakers see our operations as very attractive. We believe that our strengths in these areas can be developed horizontally to automakers other than Toyota.

The environment and safety are issues for the entire auto industry. Much is expected of Toyota Tsusho in these and many other areas. Let me give you an example. Progress in developing hybrid vehicles and electric vehicles is expected to boost demand for rare earth elements, rare metals and other scarce materials, as well as for resin filters and other chemical materials used in motors and batteries. Rare earth elements are a case in point. China currently accounts for more than 80% of the world's supply of rare earth

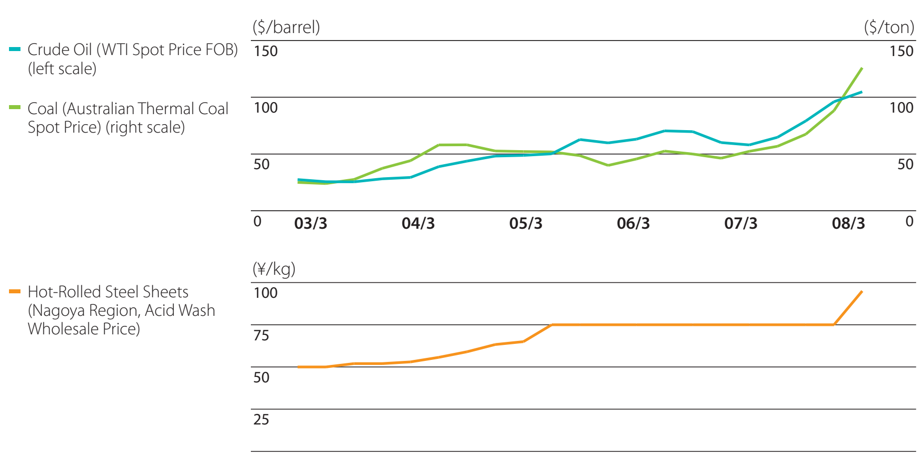
Global Automobile Production

(Calendar year; 1,000 vehicles)



* Estimate
Source: CSM Worldwide

Crude Oil, Steel and Coal Prices



Plug-in Hybrid Vehicle

Flex Fuel (Ethanol Mixed with Gasoline) Vehicle

elements, despite the fact that reserves of these elements have been found in various regions around the world. Furthermore, China is encouraging operators to process rare earth ores locally before exporting them. In response, Toyota Tsusho has established an alloy production joint venture in China, while at the same time conducting surveys in other regions with the aim of developing new mines.

Meanwhile, we are also experimenting in many ways with new types of fuel. However, balancing energy needs with the need to circumvent global food shortages is a major challenge, particularly with respect to bioethanol and biodiesel. Another issue is the higher costs of trying to develop fuels from resources other than human food or animal feed. Faced with this situation, we are exploring the use of sugar cane as an alternative fuel source to corn. In Brazil, we are currently pursuing research into bioethanol together with farm operators. We are also carrying out simulations for constructing a chemical plant there. If the plant can produce bioethanol on a commercial scale, it could also produce bioplastics. However, growth in fields like these requires more than just expertise in the automotive field. Expanding business contacts and networks in non-automotive fields are also crucial. In the past, our main approach to expanding business overseas was to follow Japanese automakers as they moved into overseas markets. But this approach no longer allows us to keep up with the pace of change. Therefore, how we harness the expanded networks and business contacts gained from the merger will determine in large part whether we can reinvent Toyota Tsusho. You can see how the 50:50 target I talked about earlier also relates to this priority.

Question:

You have vowed to accelerate growth in non-automotive fields in your Long-term Business Plan. What are your concrete numerical targets?

Answer:

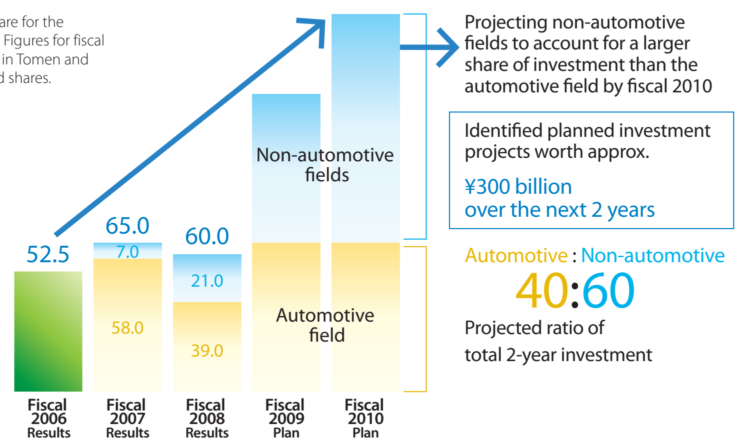
The traditional trading company business model can no longer generate earnings and sustain growth into the future. Adding value in a unique way, rather than mere trading activities, will be crucial to success in the future. Trading companies will need to conduct businesses where they can add value along their value chain. By "added-value," I mean value both for producers and consumers of goods. In addition to intangible forms of value, such as traditional information gathering, critical thinking and negotiating skills, we must figure out how to add tangible forms of value that are clear to everyone. This requires investment and underscores the need to accelerate efforts to sow the seeds of new growth, as I've said since last year.

We already generate high added-value in the automotive field. We have honed our capabilities in the process of meeting various demands from Toyota over the years. We have built up our operations to ensure that we can fulfill the roles required of us and expectations. I'm convinced that we can harness this expertise in non-automotive areas. We are uniquely placed to provide daily operational enhancements for

Past Investments and Future Investment Plans

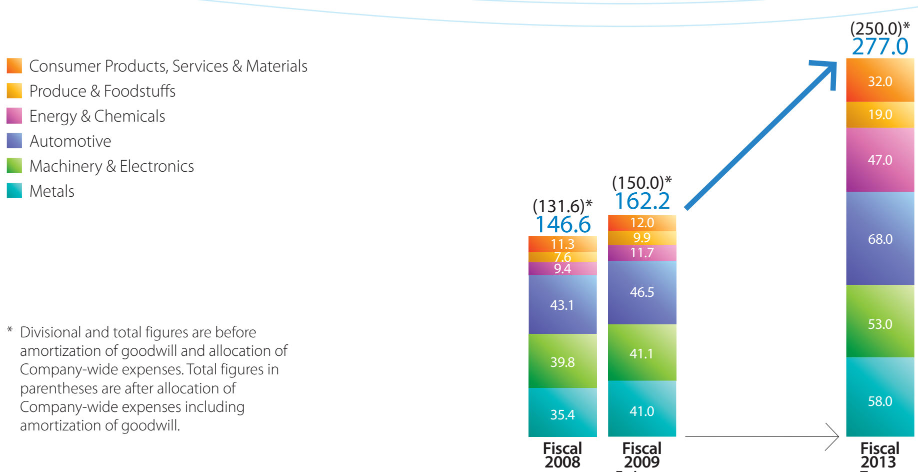
(¥ billion)

* Investments in fiscal 2006 are for the pre-merger Toyota Tsusho. Figures for fiscal 2006 exclude investments in Tomen and the acquisition of preferred shares.



Operating Income by Division

(¥ billion)



* Divisional and total figures are before amortization of goodwill and allocation of Company-wide expenses. Total figures in parentheses are after allocation of Company-wide expenses including amortization of goodwill.

customers in a multitude of fields. For example, Toyota Tsusho may be able to halve inventories or eliminate ordering errors and parts shortages at companies it teams up with. Our overriding goal is to become a trading company strongly grounded in manufacturing principles. Put another way, this means a trading company well versed in the Toyota Production System (TPS). The driving force behind faster growth in the non-automotive fields will be the expertise we have developed over the years, which is inseparable from TPS. By leveraging this expertise and developing business, we believe that Toyota Tsusho can build "win-win" relationships with customers.

Utilizing the Toyota Production System (TPS) to Achieve High-quality, Highly Efficient Logistics Operations at an Automobile Parts Logistics Subsidiary in Thailand

Outlook and Strategies for Automotive and Non-automotive Fields

Question:

Which businesses have the potential to become future core growth drivers in each segment? Please begin with the non-automotive fields.

Answer:

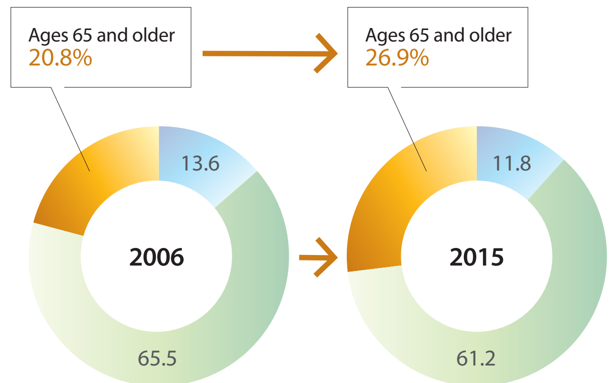
In the Produce & Foodstuffs Division, we have transferred the domestic foodstuffs business and almost all other downstream businesses that require flexibility and agility to Group companies. In the process, we have clearly narrowed down the businesses that Head Office will focus on. One is the grain silo business. This business involves building grain silos in proximity to feed grain manufacturers, and supplying grains in the required quantities to customers at low cost in a timely manner. Our plans call for expanding this business in Japan, while also moving into overseas markets. In some emerging countries, there is rising demand for a stable supply of high-quality, safe livestock feed as the consumption of meat in local diets becomes more prevalent. We are thus looking to take our business model in Japan to overseas countries. Meanwhile, in the foodstuffs business, which has so far mainly focused on the Japanese market, we launched a high-quality pastry manufacturing and sales business in China targeting local consumers. Here, we are strategically conducting business across the breadth of our value chain, from upstream to downstream areas. In addition to the grain silo business, we are focusing on import sales of processed marine products, sesame seeds, bean sprout ingredients and other products where we have traditionally held a high domestic market share. Retail operations such as supplying wines to fine restaurants, as well as chocolates and other products to retailers, are another priority.

Tohoku Grain Terminal, Aomori Prefecture: The Grain Silo Business is One of the Produce & Foodstuffs Division's Core Businesses

Japan’s Demographic Structure

(%)

Ages 0 through 14
Ages 15 through 64
Ages 65 and older



* Based on population census and population estimates compiled by the Statistics Bureau of the Ministry of Internal Affairs and Communications of Japan.

In the Consumer Products, Services & Materials Division, we expect further growth in the senior citizens market, which we refer to as the “harvest age” market. Based on this outlook, we are developing multifaceted businesses, including a nursing care equipment rental and wholesaling business and condominium projects integrated with general hospitals as well as financial planning (FP) consulting services for the “harvest age” market. The textile departments are exploring new business opportunities by expanding their horizons to downstream sectors, such as brand-name apparel. These efforts have involved equity-based business alliances with Biscaye Holdings, Co., Ltd. and Fukuske Corporation. The latter alliance has strengthened ties between Toyota Tsusho and Fukuske in all stages of the leg wear and undergarment supply chain, from product planning to production, procurement, distribution and sales. At the same time, we plan to reach out to new manufacturing partners in China in order to establish an efficient distribution network and grow this business.

We see the Energy & Chemicals Division as offering the strongest prospects for growth over the medium and long terms. In particular, I believe that Toyota Tsusho must give top priority to reinforcing the energy business, from the standpoint of ensuring a stable supply of energy and capturing synergies with the automotive field by developing new alternative fuels to gasoline, among other means. From an even broader perspective, the energy business is one where we must ask ourselves how we can help mitigate global warming, an issue that affects the entire planet. Investment in new forms of energy will thus certainly increase at Toyota Tsusho. In fact, we plan to make extremely large investments for a company of our size. We are strengthening our presence in the new energy domain, through our recent acquisition of exploration rights to a natural gas concession area in Australia and other projects, as we step up efforts to win new independent power producer (IPP) accounts and acquire existing ones. We will also strengthen new energy initiatives in fields such as ethanol and biodiesel.

In the chemicals business, we continue to shift our center of gravity from trading activities to businesses where manufacturing functions are important. To this end, we are strengthening ties with Group company investees engaged in resin compound and chemicals manufacturing worldwide. With a view to expanding alliances with chemicals manufacturers, we are reinforcing high-margin pharmaceutical ingredient and other businesses, growing our PET resin business, and fortifying development functions in new materials and technologies.

Question:
Could you now please outline your plans and strategies for the automotive field, which is supporting the current growth in your earnings?

Answer:

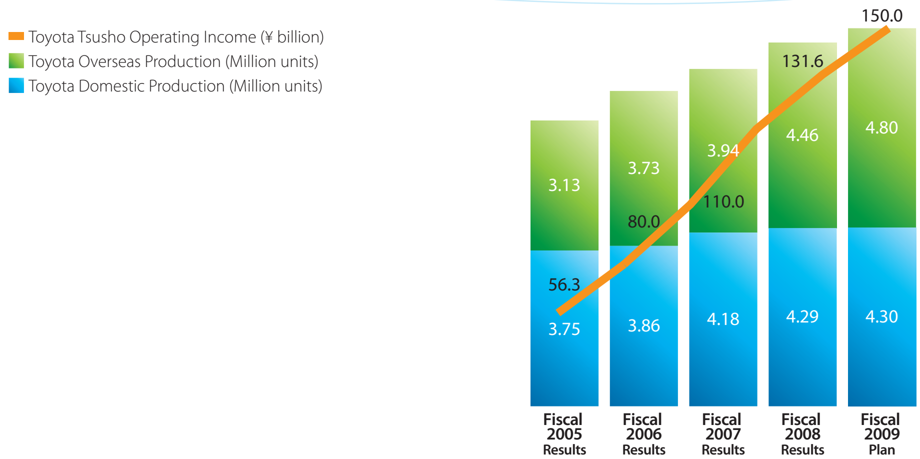
In the automotive field, the main thrust of our strategy is to strengthen and expand the value chains we have assembled so far, as we develop the functions needed to solve new issues posed by the continuing evolution of automobiles.

In the Metals Division, we are building supply chains where we conduct primary processing of materials in line with customer needs for timely delivery in a form that is easy for the customer to use. For example, we are engaged in a molten aluminum business where we deliver aluminum materials to customers' plants in a molten state rather than in the usual form of ingots. In April 2008, we established a new company in Hokkaido in response to growing demand for aluminum materials from various automakers in the region, where the auto industry is actively establishing new production centers. This business model helps to optimize efficiency in the initial investment and manufacturing stages by eliminating the process of melting aluminum on the customer side. At the same time, it yields environmental benefits such as reducing energy use, and lowers costs. Furthermore, securing and developing stable supply sources for rare earth elements, which are used in batteries and motors, is becoming increasingly crucial to the future of automobiles. We thus plan to enter midstream businesses, such as overseas alloy production, as we develop new sources of supply for these elements in order to diversify procurement sources so as to avoid over-concentration in any single region. Separately, the Metals Division will see the recycling business become increasingly important going forward. Around 20 years have elapsed since the launch of Toyota's first hybrid vehicle. Some of these vehicles are now approaching their end of life and must be scrapped. It turns out that these hybrid vehicles contain large

Molten Aluminum Supply Plant

Steel Sheet Processing Plant

Toyota Tsusho's Operating Income and Toyota Automobile Production



Toyota Tsusho's Overseas Business Network

quantities of rare metals and rare earth elements that can be recycled and reused. In this manner, in addition to searching for new mines, we are developing business models for efficiently tapping into and recycling these kinds of existing resources.

In the Machinery & Electronics Division, we must continue to make investments in upgrading engineering services and logistics functions in order to support growing overseas automobile production. We also plan to reinforce functions such as quality control and development of embedded software in the electronic components field on a global scale. This field is increasing in sophistication and growing in tandem with digitization and the expanding use of automotive electronics.

In the Automotive Division, as overseas automobile production expands, the export business no longer offers prospects for large growth. This business has been central to our traditional trading operations. Going forward, plans call for focusing our operations on driving growth in the automotive retail domain. Expanding our dealership network is our main priority, especially in Central and South America, Africa, and Eastern Europe, as well as emerging countries and resource-rich nations in Asia.

Pursuit of Synergies and Higher Efficiency

Question:

Could you please tell us more about synergies between the automotive and non-automotive fields and the launch of strategic business units (SBUs)?

Answer:

Toyota Tsusho plans to double synergies between the automotive and non-automotive fields in numerical terms over the next three years. As of March 31, 2008, we had captured all projected integration synergies in terms of cost savings. Going forward, we must strive to generate net sales and earnings growth through stepped-up cross-selling initiatives, where we introduce products and services in one field to customers in the other, and vice versa. In fiscal 2008, we continued to establish businesses spanning both the automotive and non-automotive fields, as well as across product divisions. For example, we expanded the scope of our business with the transfer of export operations for vehicles bound for Tunisia, began dealing in edible corn for food manufacturers in Japan, and started procuring metal scrap from non-automotive business partners in Eastern Europe.

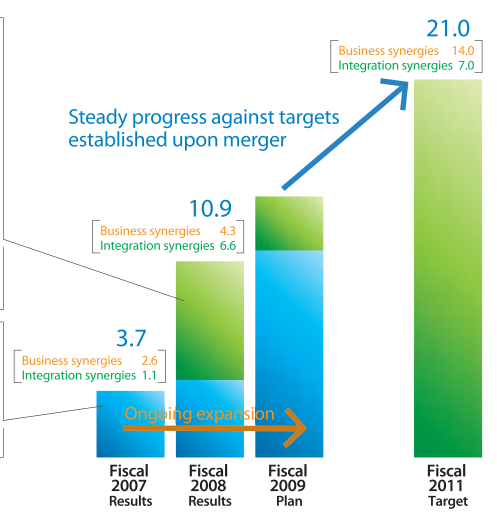
Rapidly Capturing Merger Synergies

(¥ billion)

Newly Captured Synergies in Fiscal 2008

- Expanded scope of operations through transfer of export operations for vehicles bound for Tunisia
- Began dealing in edible corn for domestic food manufacturers
- Began sourcing metal scrap from non-automotive business partners in Eastern Europe
- Began sales of steel materials for client plasma and LCD manufacturers
- Reduced liabilities and interest expenses by introducing Cash Management Service (CMS) at affiliated companies, etc.

- Dump trucks for Chinese resource operations
- Export operations for vehicles bound for Central Asia
- Distribution system for a customer in the textiles industry
- Reduced costs at operating bases
- Reduced insurance and freight expenses, etc.



New Energy Fields with the Potential for Synergies Between Non-automotive and Automotive Fields:
A Dimethyl Ether (DME) Production Plant in Which Toyota Tsusho is a Project Participant

Driven by innovation in automobile technologies and further growth in the worldwide auto market in recent years, the auto industry has been significantly expanding in scope, resulting in more overlap between automotive and non-automotive fields. For example, non-automotive business domains like resin materials and recycled materials now have a major role to play in reducing the body weight of automobiles, enhancing the recycling rate and addressing other issues facing the auto industry. In the fields of automation and computerization, which help to ensure the safety and comfort of automobiles, stronger links with business fields such as IT and content development are also vital. Based on an accurate grasp of these changes, Toyota Tsusho aims to maximize synergies by harnessing its respective strengths in the automotive and non-automotive fields.

In response to the overlap that now exists between these diverse business domains, Toyota Tsusho has established SBUs. Our approach is to manage operations at the SBU level, or in other words, to manage operations as Group-wide business lines closely tied to value chains, rather than at the product division level as before. In this context, SBUs will carry out everything from formulating strategies to planning and business execution. This structure will allow us to respond adroitly to changes in the business environment, while optimally allocating business resources.

Investment Plans and Financial Strategies

Question:
Toyota Tsusho has made steady investments so far and plans to make more large investments in the future. Could you please tell us about your financial strategy going forward?

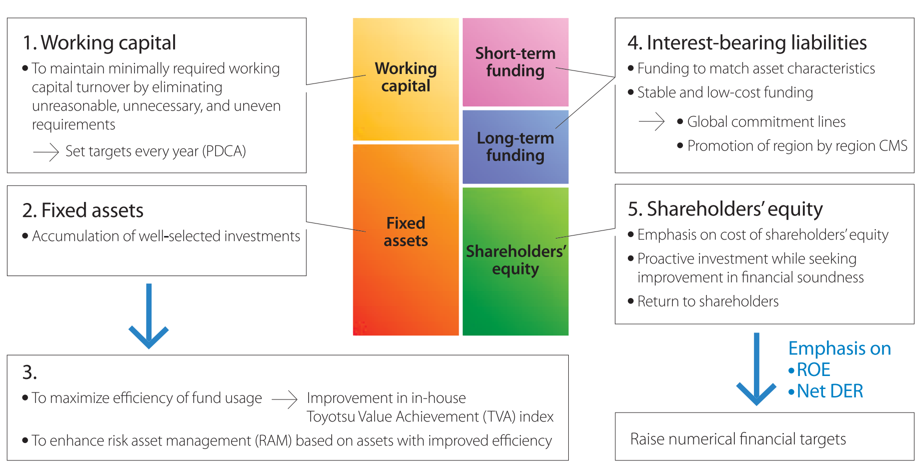
Answer:

Toyota Tsusho plans to make total investments of roughly ¥300.0 billion over the next two years. Recently, the view that general trading companies are similar in nature to investment companies has become increasingly prevalent, particularly among the stock markets. However, one point I would like to stress is that, as I touched on in last year's annual report, our policy for starting up new businesses and making investments is to constantly develop business together with partners, and to incubate and grow businesses as a team in order to build long-term "win-win" relationships. Therefore, none of our investment decisions is based only on short-term investment returns, and in this respect I believe we differ from investment companies.

As part of the Long-term Business Plan, we are targeting net sales of ¥12,000 billion and operating income of ¥250 billion in fiscal 2013. At the same time, we are targeting even more challenging numerical targets than before in terms of our financial position. For example, we are implementing risk asset management (RAM) to maintain financial soundness on a par with top-tier trading companies. RAM is a benchmark for keeping total risks within a sustainable amount, and thus generating earnings commensurate with risk. It involves holding risk assets (RA) to no more than our risk buffer (RB; mostly net worth) at all times. Through these initiatives, we are targeting consolidated ROE of 15% and net debt-equity ratio (DER) of 1.0 over the long term.

Currently, Toyota Tsusho has numerous investment projects that were initiated in a move to develop new post-merger businesses. We are executing growth strategies in order to realize our corporate vision. For shareholders, as I mentioned in my opening message in this report, we hope to share the fruits of new growth with them through our policy of linking dividends with our earnings performance, which was adopted in the current fiscal year.

Basic Concept of Financial Strategy



Risk Asset Management

As of end of December 2007

Risk assets (RA) ¥400 billion

Risk buffer (RB) (Mostly net worth) ¥520 billion

Ratio of RA to RB (RA/RB): 0.77

Risk return (RR) ratio (After-tax ordinary income/risk assets): 20%

Basic policy on risk asset management (RAM)

1) Total risk within sustainable amount (RA≦RB)
2) Sufficient earnings for risk (RR ratio over 15%)

Introduction of RAM measures

1) Measures already in place by last fiscal year

[Measures for individual risks]

- Credit risks (application for transactions, application for commodities positions)
- Business investment risks (application for individual business investments), etc.

2) Measures to be in place from current fiscal year onward

- Target management of RA/RR targets on corporate, divisional, and SBU basis
  → Establishment and monitoring of RA/RR plans in long-term business plan and 2-year plans

→

Improvement of assessment of business investment projects

Increases in non-automotive investments are expected to achieve the vision of 50:50 ratio between automotive and non-automotive areas

Introduction of earnings approach in measuring risks of fluctuations in business values due to future earnings variations when investing in large non-automotive projects (natural resources, etc.)

→ Trial introduction in fiscal 2008 for relevant projects, to be officially introduced in fiscal 2009

Main Investment Projects in the Automotive and Non-Automotive Fields

Automotive Field	Metals Division	Enhancing steel material and aluminum processing capabilities and facilities worldwide
	Machinery & Electronics Division	Establishing a Quality Center for Automotive Electronic Components and developing embedded software
		Reinforcing logistics bases for parts for overseas automobile production
	Automotive Division	Establishing sales networks in emerging countries
		Creating new businesses in peripheral retail domains (used cars and parts, etc.)
	Energy & Chemicals Division	Reinforcing manufacturing and processing functions in resin fields
		Entering the new materials development and manufacturing business
	Consumer Products, Services & Materials Division	Equity investment and management participation in automotive materials manufacturers
Non-automotive Fields	Metals Division	Reinforcing operating bases worldwide in the metals recycling business
		Strengthening initiatives to reliably procure and supply rare earth elements
	Machinery & Electronics Division	Strengthening overseas sales networks for industrial vehicles and construction machinery
		Bolstering the overseas network systems business and domestic mobile communications business
	Energy & Chemicals Division	Expanding the IPP business (developing new projects and M&As, etc.)
		Entering natural gas-related businesses and building value chains
		Participating in the pharmaceutical business
	Produce & Foodstuffs Division	Securing overseas grain procurement bases
		Expanding the food production and sales business in the Asian region
	Consumer Products, Services & Materials Division	Developing businesses targeting the "harvest age" generation
		Developing commercial facilities and reinforcing the condominium management business
		Strengthening the overseas insurance agency business

Business Highlights

Segment Sales / Net Sales (¥ billion) / Operating Income (¥ billion)

Metals Division

Segment Sales: 30%

	Net Sales	Operating Income
04/3	1,049.2	12.2
05/3	1,320.9	18.1
06/3	1,565.6	24.4
07/3	1,845.5	34.4
08/3	2,109.0	35.4

Machinery & Electronics Division

Segment Sales: 23%

	Net Sales	Operating Income
04/3	660.7	12.6
05/3	849.8	17.5
06/3	1,072.9	24.0
07/3	1,535.1	30.6
08/3	1,581.9	35.6

Automotive Division

Segment Sales: 14%

	Net Sales	Operating Income
04/3	499.7	11.1
05/3	538.3	13.6
06/3	639.2	20.0
07/3	751.7	33.2
08/3	938.3	42.6

Energy & Chemicals Division

Segment Sales: 23%

	Net Sales	Operating Income
04/3	351.7	1.1
05/3	316.8	4.5
06/3	297.8	7.3
07/3	1,269.2	4.5
08/3	1,562.3	4.0

Produce & Foodstuffs Division

Segment Sales: 5%

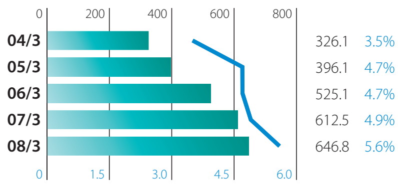
	Net Sales	Operating Income
04/3		
05/3		
06/3		
07/3	349.6	3.7
08/3	335.4	4.3

Consumer Products, Services & Materials Division

Segment Sales: 5%

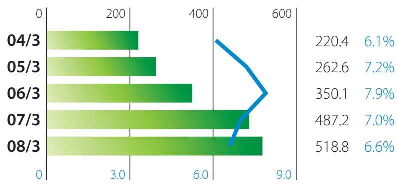
	Net Sales	Operating Income
04/3	222.0	3.0
05/3	280.8	5.4
06/3	316.5	6.2
07/3	382.7	7.8
08/3	379.0	10.5

Total Assets (¥ billion)/ROA (%) | Fiscal 2008 Results | Main Products and Services



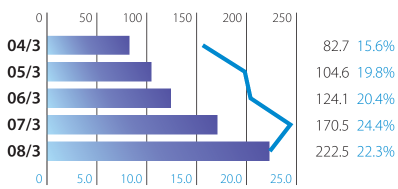
Net sales and operating income increased 14% and 3% year on year, respectively. This mainly reflected increasing worldwide automobile demand and rising prices for commodities such as steel raw materials and nonferrous metals.

- Ordinary and special steel products
- Unwrought nonferrous and precious metals
- Rolled light metal products, copper, and copper alloy products
- Scrap iron and scrap nonferrous metals
- Ferro-alloy products
- End-of-life vehicle (ELV) recycling and disposable catalysts
- Manufacturing, processing, disposal, and sales of the above products



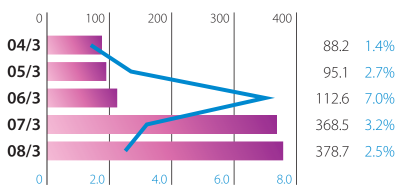
Net sales and operating income increased 3% and 16% year on year, respectively. This was mainly the result of steady growth in the overseas machinery business, as well as a higher handling volume of electronics components.

- Machine tools, industrial machinery and textile machinery
- Testing and measuring instruments
- Environmental equipment
- IT devices and equipment
- Electronic devices and semiconductors
- PCs, PC peripherals and software
- Component parts for automobiles
- Material handling and construction machinery
- Network integration and support
- Sales and services for the above products



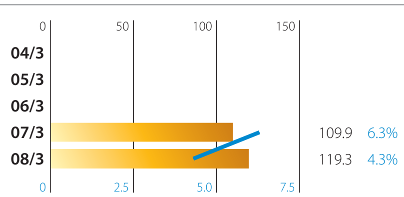
This Division posted a major increase in sales and earnings year on year. Supported by market expansion due to economic growth in BRIC and resource-rich countries, a growing number of overseas dealerships and other positive developments, net sales rose 25% year on year. Operating income climbed 28% over the previous fiscal year.

- Automobiles
- Trucks and buses
- Automotive parts
- Sales and services for the above products



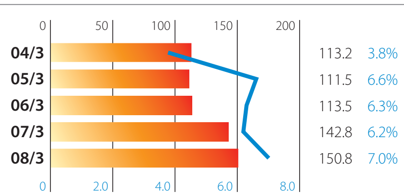
Despite solid growth in demand for synthetic resin for use in automobiles, home electric appliances and a higher handling volume of petroleum products and other factors, this Division reported lower earnings but higher sales. Net sales rose 23% year on year, but operating income was down 10%, mainly due to the impact of exchange rates.

- Petroleum products and liquefied petroleum gas (LPG)
- Coal
- Petrochemical products
- Fat and oil products, synthetic resin, and chemical additives
- Natural and synthetic rubber
- Processing, manufacturing, sales and services for the above products



This Division recorded lower sales but higher earnings. Net sales declined 4% year on year mainly due to the impact of the yen's sharp appreciation. However, operating income climbed 17% year on year, mainly reflecting an increasing in handling volume in the livestock feed business.

- Feed & oilseeds
- Grains
- Processed foods
- Food ingredients
- Agriculture, marine and livestock products
- Alcoholic beverages



This Division posted lower sales but higher earnings. Net sales decreased 1% year on year mainly due to the withdrawal from unprofitable businesses. Operating income increased 34% year on year mainly due to steady growth in demand for automotive interior materials in Japan.

- Condominiums and commercial buildings
- Construction materials, housing materials and furniture
- Textile products, textile materials and jewelry
- Automotive interior parts and materials
- Packaging materials
- Paper and pulp
- Life and health insurance and property and casualty insurance
- Sales and services for the above products

Notes: 1. Effective from fiscal 2007, the year ended March 31, 2007, commission income is included in net sales.
2. Effective from fiscal 2007, the Produce & Foodstuffs Division became a business segment.

Segment Overview

Steel Sheet Rolls

Metals Division

The Metals Division's basic strategy is to generate steady earnings that are not readily susceptible to changes in commodity prices by adding more value to its products through the creation and enhancement of unique functions in value chains.

Steel Wire

Toyota Tsusho Steel Processing Center in Mexico

Overview of Division and Strengths

The Metals Division considers steel and nonferrous metals not just as simple materials, but also as products possessing unique characteristics and functions, and strives to offer products optimally suited to the requirements of each user and supplier. Moreover, we actively collaborate with our business partners in developing new materials and processing technologies, as we endeavor to promote innovative businesses that enable win-win relationships with steel manufacturers and users.

In our steel sheet, bars and tubes business, Toyota Tsusho deploys its domestic and overseas processing bases as the nucleus of an ordering system that utilizes cutting-edge IT and an efficient logistics structure for delivery control that ensures the most timely delivery of optimal sizes and weights matched to specific applications. Additionally, we undertake a steel blanking business worldwide for processing and delivering irregular-shaped steel sheets tailored to user needs.

We engage in the nonferrous metals business and have built a global trading structure centered mainly in London and Singapore that plays a central role in reducing the risk of price fluctuations for nonferrous metals. In addition, we undertake a molten aluminum business that contributes to lowering costs and reducing environmental loads. In this manner, we have established an optimal supply structure for nonferrous metals that is constantly attuned to conditions in each local region and that supports highly efficient production.

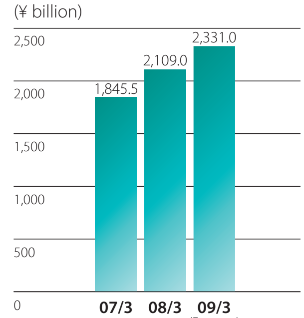
Our steel raw materials businesses give top consideration to the Earth's environment and include a scrap iron recovery and recycling business within plants as well as an ELV recycling business. We are redoubling efforts to broaden the scope of these business activities to new spheres beyond metals.

Changes in Business Environment and Company Initiatives

Global auto production has been rapidly expanding in the automotive field, the Metals Division's core business area, fueling even fiercer competition among various countries' automobile and component manufacturers not only in mature markets such as the U.S.A. and Europe, but also in emerging markets like China and Russia. In this business environment, there is a growing range of emerging needs on the part of auto and component manufacturers.

Net Sales

(¥ billion)



Besides securing reliable supplies of materials in each country where production is based, automakers are looking to outsource certain internal production processes previously performed in-house so that they can focus resources on high-value fields such as planning and design, and the development of safety and environmental technologies. Having identified these needs at an early stage, the Metals Division has established operating bases in various countries and overseas regions in step with moves by Japanese automakers to expand their operations abroad. These include high-precision, high-quality steel sheet and aluminum processing and logistics bases and molten aluminum supply centers, and facilities to collect and recycle scrap metal generated in manufacturers' production processes. In these and other ways, Toyota Tsusho is driving steady growth in its business by casting itself as an indispensable business partner in global production.

Basic Strategies and Long-term Policies

The Metals Division's basic strategy is to generate steady earnings that are not readily susceptible to changes in commodity prices by adding more value to its products through the creation and enhancement of unique functions in value chains. The Division divides its business into four fields based on products handled: steel sheets; steel bars, tubes and construction materials; nonferrous metals; and steel raw materials. Guided by its basic strategy, the Division is steadily expanding operations in automotive and non-automotive domains in each field. We are achieving this by utilizing procurement capabilities that draw on our overseas networks as well as our responsiveness to customer needs, which leverages our processing and logistics functions.

Today, the Metals Division has 38 operating bases worldwide specializing in functions such as steel sheet and aluminum processing and logistics, as well as the supply of molten aluminum and recycling of scrap metal. The Division will continue to augment each specialized operating base by strengthening measures related to business fundamentals such as personnel development, and quality and safety. Ensuring stable supplies and procurement of resources has become a major issue against the backdrop of rapid economic growth in China and other factors. In addressing this and other trends, we are actively working to establish stronger ties with resource-rich countries by enhancing our overseas network, among other measures.

Outlook for Fiscal 2009

Demand for metals from the automotive and various other industries is projected to grow steadily, based on expectations for continued high economic growth in Asia, mainly driven by fast-growing China and India, as well as firm economic expansion in resource-rich countries and regions such as Russia and the Middle East. However, this outlook is tempered by several risk factors, including rising prices for steel and nonferrous metals due to soaring resource prices, as well as the U.S. economy, which is sliding into deeper recession mainly due to fallout from the subprime loan issue and high crude oil prices. In this operating climate, for fiscal 2009 the Metals Division is forecasting net sales of ¥2,331.0 billion, up 11% year on year, and operating income of ¥41.0 billion, a year-on-year increase of 16%, mainly on projections of higher overseas auto production.

A System-based Service to Efficiently Control Commercial Waste

Toyota Tsusho has joined forces with IBM Japan, Ltd. to develop a Waste Disposal and Resource Recycling System. The new system, which went into operation in April 2008, allows companies to centrally manage their waste disposal status. It sharply boosts the efficiency of daily internal waste and emissions management processes. The system also enables the preparation of paperless, electronic manifests of industrial waste and greatly streamlines the process of preparing mandatory annual reports on industrial waste for the government. Toyota Tsusho also provides business consulting and training services related to waste management to operators in order to support waste management operations.

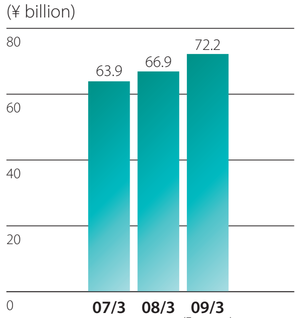
Waste Disposal and Resource Recycling System

Ecomanage Network Corporation

The Logo for the New Company and New Recycling System

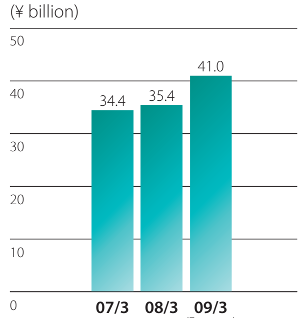
Gross Trading Profit

(¥ billion)



Operating Income

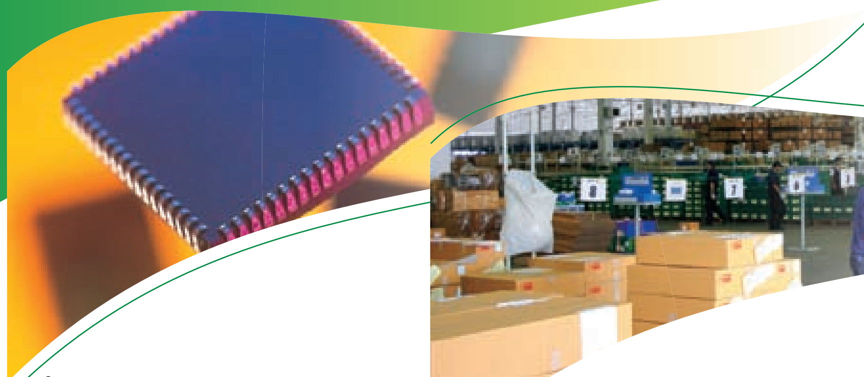
(¥ billion)




Welding Machinery for Automobiles

Machinery & Electronics Division

In each field, the Division plans to make strategic investments in reinforcing various functions in logistics, IT and engineering services, and to expand its business domains.


IC Chip


Parts Logistics Center

Overview of Division and Strengths

The Machinery & Electronics Division not only procures goods in Japan and overseas, but also provides total support services in such fields as machinery, facilities, information and electronics, and parts for overseas automobile production. These services cover planning and recommendations as well as technological development, quality control, and efficient logistics, and make important contributions to the building of customers' local production structures.

In the machinery business, the Division enables the optimal procurement of machinery, facilities and parts by leveraging its global product information gathering expertise and logistics technologies. We also offer expertise in specialized fields, information, technologies and skills tailored to each project. The Division works closely with Group companies responsible for engineering service functions to provide services that carefully reflect customer needs, ranging from planning and design to production guidance, optimal coordination of the machinery and facilities of multiple manufacturers, and software development related to machinery and facilities. In this manner, we offer a total integrated service encompassing installation, start up, adjustment and maintenance of equipment.

In the electronics field, the Division satisfies diverse customer needs by harnessing functions such as design-in capabilities, involving participation from the product design phase, and extensive technical support. As an agent for major overseas semiconductor manufacturers, the Division assures clients of reliable product procurement and quality control. The Division also offers automotive embedded software development for automobile and component manufacturers.

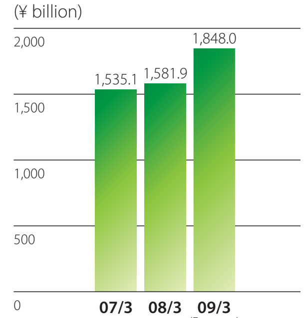
In our business for supplying parts for overseas automobile production, we have established logistics bases in various countries, and provide a global supply chain management (SCM) system leveraging varied logistics expertise and IT, ranging from batch collection of parts based on a "milk-run" procedure (involving making rounds to collect parts from parts manufacturers) to sorting and packaging at warehouses and cross-docking (transshipment) capabilities. Offered in 13 countries around the world, including Asia and South America, this SCM system realizes highly efficient, high-quality logistics services.

Changes in Business Environment and Company Initiatives

Against the backdrop of rapid economic growth in China and other Asian countries, and steady expansion in the U.S. and European economies, there has been solid growth in capital expenditures in the steel, chemicals, automotive and other manufacturing industries in various countries around the world. Notably, Japanese

Net Sales

(¥ billion)



automakers, the Company's main customers, have been growing sales worldwide on the back of market expansion driven by global economic growth, and stronger demand for vehicles offering greater fuel efficiency and quality amid surging fuel prices. In response, these automakers have been making investments to increase production capacity on a global scale. And as globalization continues and economies become increasingly borderless, Japanese automakers are stepping up initiatives to build globally optimal production and supply systems, including promoting the development and production of global strategic models premised on production and sales in multiple overseas regions. In this business environment, the Division is working to enhance its ability to procure and to provide engineering services in order to help automakers and auto-related makers smoothly establish production bases using its four base areas in Japan, Asia, the U.S.A. and Europe. In logistics services involving parts for overseas automobile production, the Division is supporting global auto production in close collaboration with Toyota Tsusho's logistics services departments and automakers. Specifically, the Division has established logistics bases in each auto producing country that are planned and designed to accommodate global logistics between multiple countries in terms of both facilities and services.

Basic Strategies and Long-term Policies

The Machinery & Electronics Division broadly divides its business into three fields based on products handled: machinery, electronics and parts for overseas automobile production. In each field, the Division plans to make strategic investments in reinforcing various functions in logistics, IT and engineering services, and to expand its business domains. Japanese automakers and auto-related makers have been rapidly building new plants and boosting production capacity, mainly in North America, China and Europe in the past few years. The outlook is for this trend to continue, mainly in the BRIC countries. Against this backdrop, the Division strategically positions its three main fields as an integrated whole. From this perspective, it is further strengthening support capabilities to help ensure the smooth start-up of local production by customers and to maintain steady production thereafter.

The Division also plans to actively allocate business resources to the electronic components business, which offers prospects for capturing more synergies with environmental technologies for hybrid vehicles and electric vehicles as well as with technologies for improving safety and comfort. Plans also call for focusing business resources on the construction and heavy machinery business, where the market continues to expand against the backdrop of surging resource prices and economic advancement in emerging countries.

Outlook for Fiscal 2009

As in the previous fiscal year, the Division forecasts growth in handling volumes of machinery and parts for overseas automobile production due to robust demand for construction machinery amid surging resource prices, as well as measures to ramp up production facilities and boost overseas automobile production volume in response to rising demand for automobiles in emerging nations. In addition, the Division is projecting higher handling volume based on efforts to cultivate new customers, particularly in the electronics field, following the acquisition of the Asian semiconductor sales operations of a major U.S. IT-related wholesaler in the previous fiscal year. Based on this outlook, for fiscal 2009, the Division is forecasting net sales of ¥1,848.0 billion, up 17% year on year, and operating income of ¥36.9 billion, an increase of 4%.

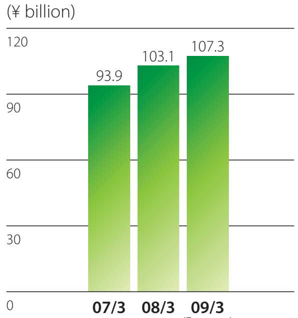
Operations Underway at Newly Established Quality Support Center for Automotive Electronic Components

In recent years, the automobile industry has been using more and more electronic components, particularly automotive ICs, in a bid to enhance safety performance as well as driving comfort and usability. As a result, there have been increasing calls from auto-related manufacturers for a support center with powerful quality enhancement capabilities. In response, Toyota Tsusho has established a quality support center for automotive electronic components at a car electronics operating subsidiary. Operations commenced in March 2008. This center brings together in one location various analysis technologies capable of meeting sophisticated quality testing requirements, including urgent parts-sorting inspections and analysis of defects and malfunctions.

Electronic Circuit Board Inspection

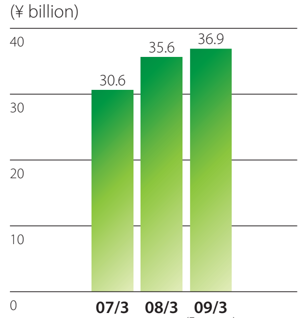
Gross Trading Profit

(¥ billion)



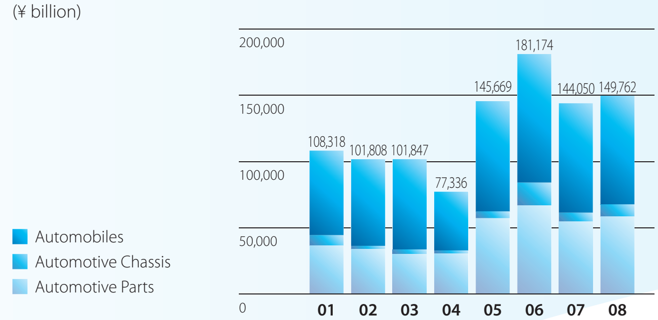
Operating Income

(¥ billion)



Capital Expenditures in the Auto Industry

(¥ billion)



* Data are for fiscal years from April to the following March. Figures for fiscal 2008 are estimates.
Source: Ministry of Economy, Trade and Industry

Toyota Tsusho Dealership Showroom

Automotive Division

We are trying to share a common corporate culture and action guidelines at our Automotive Retailers while respecting the policies of distributors in each country.

In this manner, we are developing customer-oriented, No. 1 Automotive Retailers that become "Models of Success" for other retailers in every country and region.

Loading Dock for Export Vehicles

Services Provided at a Toyota Tsusho Dealership

Overview and Strengths of the Automotive Division

The Automotive Division sells automobiles and automobile parts manufactured by Toyota Group and non-Toyota Group companies in about 150 countries worldwide.

In the Retailer Business, the Division is engaged in direct sales of vehicles and spare parts, as well as provision of services, to customers via a consolidated retail network of more than 100 Sales Outlets in over 40 countries. Toyota Tsusho invests in and manages each Sales Outlet.

Regarding the distribution of automotive related products and services, we have also invested in national distributors in approximately 20 countries and proactively manage marketing activities relating to pricing, model line-ups, supply and demand, sales promotion, etc.

We have established several Regional Headquarters whose proximity to the local markets facilitate the collection and analysis of market data that allows us to react to customer needs in a more prompt and direct manner. This "antenna function" also provides vital information which can be utilized by Headquarters for risk management and other purposes, as well as by manufacturers for the development of future products and improvements to existing ones. In line with the expansion of overseas production by automobile manufacturers, we further utilize these Regional Headquarters in order to re-export automobiles and parts produced overseas to third countries.

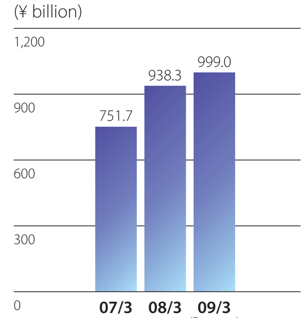
We also strive to maximize sales and efficiency, together with automobile manufacturers by providing "Logistic Center" functions in each region.

Changes in Business Environment and Company Initiatives

In the past few years, overseas automobile sales have continued to grow steadily against the backdrop of ongoing economic development in China, Russia and other emerging economies and resource-rich nations. Meanwhile, the global economy is now undergoing profound changes on account of the U.S. subprime loan issue, soaring resource prices and other developments in

Net Sales

(¥ billion)



recent years. The Automotive Division is determined to overcome this challenging operating environment by returning to basics. This will entail strengthening the functions the Division has provided thus far, such as model lineup selection and pricing, as well as balancing supply and demand and monitoring market developments in a timely and appropriate manner. Furthermore, we are working to strengthen our global network via our Regional Headquarters mainly by enhancing and opening more Sales Outlets. At the same time, in line with our customer-oriented philosophy, we will continue to develop No. 1 automotive retailers that become "models of success" for other retailers in every country and region.

Basic Strategies and Long-term Policies

The Automotive Division has established six strategic priorities aimed at boosting sales by bolstering its regional presence and expanding value chains. These include the five strategic regions of the Americas; Europe; China; Australia, Asia and the Middle East; and Africa. In each overseas region, we will formulate and execute optimal strategies in line with local characteristics and customer needs. The sixth strategic priority is promoting new business with non-Toyota Group automakers such as Daihatsu, Hino, and Subaru.

Our basic policy is to focus on developing our two primary overseas sales functions—our core Distributor and Retailer businesses—with an emphasis on the BRICs regions and other emerging economies and resource-rich countries whose markets promise substantial future growth. This basic policy revolves around the above six strategic priorities.

The Distributor Business is responsible for operations ranging from conducting market surveys to formulating and executing sales strategies in each country. The Retailer Business is responsible for selling automobile related products and services for customers via Sales Outlets.

Meanwhile, we intend to aggressively invest in new Retailer Related Businesses, such as sales finance and used car operations with the aim of creating new growth opportunities.

Outlook for Fiscal 2009

The global economic outlook is mixed. There are negative factors such as the subprime loan issue and soaring resource prices on the one hand, while there are positive factors such as ongoing economic growth in emerging economies and resource-rich nations on the other. Furthermore, the world's economy has reached a major turning point. In this context, the Automotive Division will continue working to strengthen its consolidated retail network, mainly focusing on the BRIC regions and other emerging economies and resource-rich countries.

Based on the above, for fiscal 2009, the Automotive Division is forecasting net sales of ¥999.0 billion, an increase of 6% year on year, and operating income of ¥46.0 billion, an increase of 8% from the previous fiscal year.

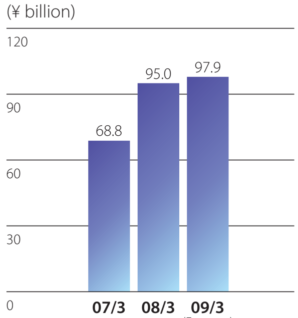
Joint-venture Toyota Distributorship Opens for Business in Ecuador

In May 2007, Toyota Tsusho opened a Toyota distributorship in Ecuador established as a joint venture with local partners. Ever since the Company began doing business with local Toyota distributors in 1964, there have been multiple distributors in the country. However, we decided to establish a unified Toyota distributorship in Ecuador with these distributors in order to conduct nationwide strategic initiatives and raise operating efficiency as well as strengthen our local financial position and sales networks. Going forward, Toyota Tsusho will strive to boost the market share of Toyota vehicles in Ecuador by working in close cooperation with the new company to further enhance customer satisfaction.

The Opening Ceremony for the New Toyota Distributorship in Ecuador, Toyota del Ecuador S.A.

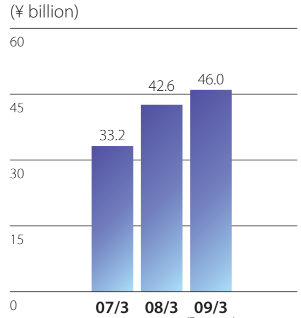
Gross Trading Profit

(¥ billion)



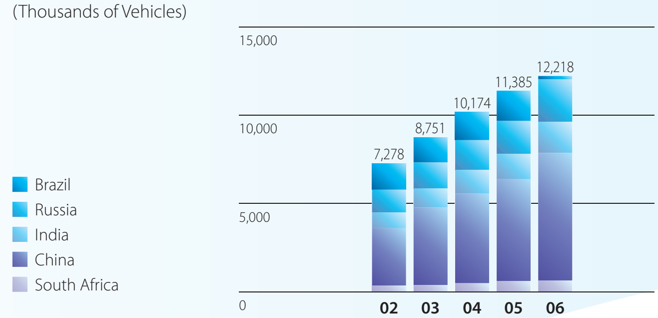
Operating Income

(¥ billion)



Automobile Sales Volume in the BRIC Regions

(Thousands of Vehicles)



* Data are for calendar years from January to December.
Source: Japan Automobile Manufacturers Association, Inc.

Toyota Tsusho Chemicals Tank

Energy & Chemicals Division

The Division's basic policy is to further strengthen core businesses like petroleum, coal, electric power and synthetic resins, while creating new core businesses in fields such as biogas, resin materials and fine chemicals.

Wind Power Generation Business

Overseas Chemicals Plant

Overview of Division and Strengths

The Energy & Chemicals Division procures chemicals, synthetic resins and other raw and elemental materials as well as such basic energy resources as coal and crude oil from optimal sources worldwide. Linking upstream supply sources and downstream consumption centers in a single value chain, the Division supplies these products in accordance with the needs of customers.

In the chemicals field, we have established a value chain ranging from raw materials production facilities to delivery of products to users by securing competitive supply sources while harnessing logistics functions such as storage tank operations. Notably, our iodine operations, which supply the iodine used as a contrast medium for X-ray imagery, polarized film and other applications, boast worldclass handling volume with production facilities in the U.S.A. and Japan. In addition, Toyota Tsusho handles more than 30% of Japan's imports of white phosphorous, which is in strong demand for uses such as semiconductor etching and cleaning. In resin compounds, the Division is expanding its production and processing network to bases in China, Southeast Asia, and emerging nations elsewhere by leveraging synergies between products for automobiles and home electric appliances.

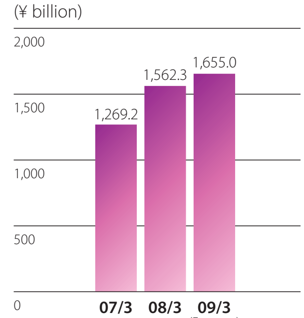
In energy and plant businesses, the Division has strong operating bases in both the Middle East, a major energy supplying region, and Asia, a major consumption center. Furthermore, by harnessing its product development functions, the Division is developing operations in downstream sectors such as the electric power wholesale field, as well as midstream sectors such as refining and transportation. For example, the Division has developed power plant projects in excess of one gigawatt in Thailand and Pakistan, and is thereby contributing to the stable supply of electricity. Moreover, the Division is actively involved in a project in Thailand to recover methane gas and use it to generate electricity, and an emission rights development business in China and other countries. We are also engaged in eco-friendly energy businesses involving the development of gas to liquid (GTL) technology, dimethyl ether and more.

Changes in Business Environment and Company Initiatives

Global demand in the chemicals, and energy and plant fields is expanding by the year, with particularly high growth continuing in Asia, and especially China. There is also growing overseas demand in the chemicals field mainly for resin materials and materials for electronic and optical applications, supported by expanding overseas auto production and flat panel TV markets, among other factors. In addition, there was increased uptake of

Net Sales

(¥ billion)



eco-friendly products such as bioplastics. Meanwhile, in the energy and plant fields, high oil prices have led to rapidly increasing demand for alternative energy sources such as natural gas and bioethanol from the standpoints of energy security and reducing environmental impact. Strong growth in demand for electricity is also evident in the Asian region, where various manufacturers mostly in the automotive industry continue to make inroads.

In this business environment, the Division has worked to globally expand its compound business for automobiles and home electric appliances in cooperation with chemicals manufacturers. At the same time, we have been developing structural components for hybrid vehicles as well as battery cell and electronics materials together with user automakers and home electric appliance manufacturers. By leveraging our overseas networks, we have striven in the energy and plant fields to ensure reliable supplies of crude oil, coal and other resources. In addition, tapping our project development expertise and ability to reliably procure fuel, we have been among the first to develop power generation businesses in Asia and have been involved in wind power generation businesses, which are a promising source of clean energy.

Basic Strategies and Long-term Policies

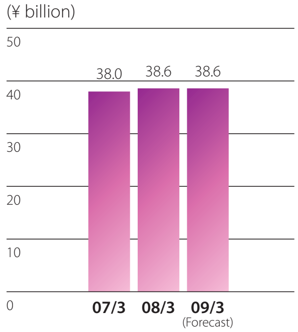
The Energy & Chemicals Division broadly divides its business into three fields based on products handled: chemicals, synthetic resins and functional materials, and energy and plant. In each field, the Division's basic policies are to reinforce ties with strategic partners and shift the emphasis of business models from trading activities to business profits. Specifically, in core businesses like petroleum, electric power and synthetic resins, the Division is working to win new business projects, as well as develop business in midstream and downstream sectors by actively making investments. The Division also aims to create core businesses providing new sources of earnings in fields such as biogas, resin materials and fine chemicals. This will entail creating and growing new businesses in cooperation with strategic partners while reinforcing and incubating highly profitable businesses, among other measures. Efforts in the chemicals field will focus on augmenting local sales functions in BRIC countries and Asia in parallel with developing quasi-manufacturing functions on a global basis mainly in the resin compound business. Securing scarce non-organic resources to boost profitability is also a priority.

Outlook for Fiscal 2009

The Division expects to see a continuation of last year's soaring international naphtha prices and steady market growth centered on Asia and emerging nations elsewhere, despite concerns over contraction in some auto-related businesses from midway through 2008. Consequently, the Division is projecting a higher overall handling volume of petroleum products and organic chemicals, as well as resin materials for use in home electronics. The Division also expects handling volume to be lifted by growth in bunker oil and domestic petroleum product transactions. The forecast also calls for a sharp increase in profitability in the coal business due to rising coal prices. Based on this outlook, for fiscal 2009, the Division is forecasting net sales of ¥1,655.0 billion, an increase of 6% year on year. Operating income is projected to rise 56% year on year to ¥6.3 billion.

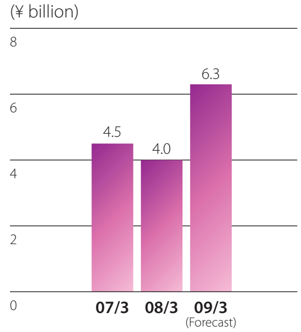
Gross Trading Profit

(¥ billion)



Operating Income

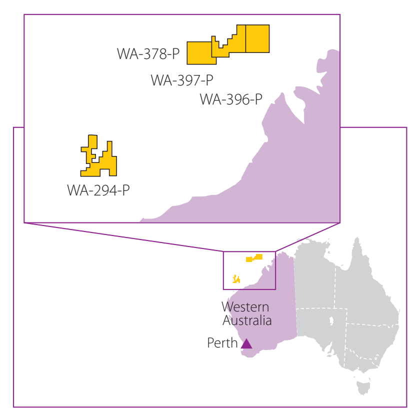
(¥ billion)



Entered Gas Exploration Business to Construct an Integrated Supply Structure

In January 2008, Toyota Tsusho acquired 7.5% of the rights to a mining concession area in Western Australia owned by Woodside Energy Ltd. and BHP Billiton Petroleum (North West Shelf) Pty. Ltd. Regarding the rights acquisition, Toyota Tsusho has won approval to receive financial assistance for oil and gas exploration from the Japan Oil, Gas, and Metals National Corporation (JOGMEC), an independent administrative institution. The following March, Toyota Tsusho also acquired 10% of the rights to three other concession areas owned by Woodside Energy Ltd. The Company plans to conduct exploration operations at these four concession areas with the hope of discovering commercial-scale gas fields.

Aiming to construct an integrated gas supply framework from upstream to downstream sectors, Toyota Tsusho will continue working to secure stable sources of gas supplies by actively participating in promising overseas projects.



Map of the Natural Gas Fields in Western Australia Where Toyota Tsusho has Acquired the Rights to Mining Concessions

Loading Grain Silos with Livestock Feed Ingredients

Produce & Foodstuffs Division

The Division has been developing traceability functions to provide product history information from various processes such as cultivation, production, processing, distribution and sales, including data on buyers and sellers, as well as cultivation, production and processing procedures.

Corn and Soybeans

Products Handled in the Foodstuffs Business

Overview of Division and Strengths

The Produce & Foodstuffs Division conducts various businesses in two fields. One is the grain field, where we mainly focus on upstream businesses involving the stable procurement of grain like wheat, rice and live stock feeds such as corn and other crops. The other is the foodstuffs field, where we mainly focus on midstream to downstream businesses involving the processing, manufacturing and sale of food materials, prepared frozen foods, and other general foodstuffs.

Our main strength can be seen in our feed processing complexes, centered on four grain silos in Japan. Those silos are equipped with docks for large vessels to unload grains for direct supply to feed makers located further inland through our dedicated conveyor system. We are a top-ranked handler of feed grain in Japan.

In wheat and flour, we've established a comprehensive value chain, ranging from our ability to procure wheat from the U.S.A. and Canada to our sales network for flour in China and Southeast Asia.

In the foodstuffs division, we are working to supply high-quality foodstuff materials from around the world and have high shares of Japan's markets for sesame, whole buckwheat and nuts. We are also developing various food processing and production businesses using our processing bases worldwide in order to add value to our products. At the same time we are strengthening our food safety management functions and systems, including traceability, and have established a Food Safety Promotion Group within the Produce & Foodstuffs Division.

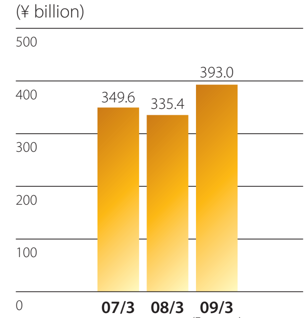
Changes in Business Environment and Company Initiatives

Japan relies on imports for most of its supplies of grains such as wheat, corn and soybeans, as well as oil-producing plant seeds. Meanwhile, countries and regions like the U.S.A. and South America are increasingly dominating the supply of these food materials. With stronger demand for food materials from China and Southeast Asian countries in step with their economic expansion, competition between nations for scarce food materials has become a distinct possibility. Meanwhile, with increased demand for food reliability and safety, mere mass imports are becoming insufficient.

In light of these changes in the business environment, we've been making the most of the networks we've built worldwide over many years, while putting in place a system for gathering and analyzing information from production countries and regions such as the U.S.A., Australia, and South America by stationing people in these key places.

Net Sales

(¥ billion)



These efforts are being made to ensure reliable supplies of food materials from the right place and at the right time. In response to stronger calls for food reliability and safety, we've been developing traceability functions to provide product history information from various processes such as cultivation, production, processing, distribution and sales, including data on buyers and sellers, as well as cultivation, production and processing procedures. For example, the Division carries out a strict "Identity Preserved Handling Procedure" unique to Toyota Tsusho to prevent as far as possible genetically modified (GM) corn being mixed with non-GM corn supplies. Careful controls have also been established in cultivation, production and processing systems, ranging from the screening of seeds to post-harvest sample inspections. In distribution and sales processes, we are reducing the number of material collections to minimize the risk of GM foods being mixed in with other supplies. As part of these efforts, the Division uses grain silos owned by Toyota Tsusho, which ensures a clearer understanding of how collection sites are controlled, and directly loads grains onto barges and ships. Meanwhile, we are also developing a quality assurance system where inspection certificates are issued for each process. In addition, amid rising awareness in Japan of the need to improve the food self-sufficiency rate, we are promoting the domestic vegetable growing business to help ensure food reliability and safety in Japan.

Basic Strategies and Policies

We are strengthening and expanding our business worldwide in cooperation with strategic partners in both grain and foodstuffs fields. Our main strategies are to develop overseas markets and ensure the stable procurement of domestic and overseas food resources.

Meanwhile, amid global market conditions characterized by growing and diversifying demand for agricultural resources, we are working to establish a comprehensive "Global to Global" value chain directly linked to Japanese and overseas markets. This will entail expanding our upstream operations in Japan to reinforce domestic businesses, while strengthening resource procurement capabilities in North America, South America and Asia in cooperation with strategic partners.

Another goal is to improve our food manufacturing capabilities worldwide, while strategically developing business targeting not only the Japanese market, but overseas markets as well.

Outlook for Fiscal 2009

Against the backdrop of surging grain prices due to growing and diversifying global demand for agricultural resources, Toyota Tsusho is forecasting higher handling volumes of feed grains not only for the Japanese but also the Southeast Asian markets, taking advantage of our ability to ensure the stable procurement of these resources. In addition, the Company aims to grow sales of wheat, soybeans and other agricultural produce in overseas markets. Based on this, for fiscal 2009, the Division is forecasting net sales of ¥393.0 billion, an increase of 17% year on year. The Division also expects profitability to improve mainly based on projected earnings growth at overseas group companies as well as the higher net sales forecast. Consequently, operating income is projected to increase 52% year on year to ¥6.6 billion.

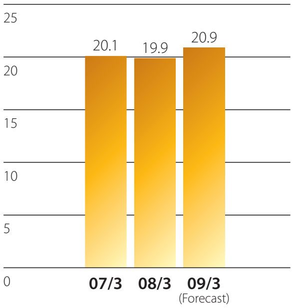
New Silo Creates Chukyo Region's Largest Feed Grain Silo Facility

In January 2008, Toyo Grain Terminal Co., Ltd., a Toyota Tsusho group company, built a new feed grain silo at its facility, increasing its storage capacity from 60,000 tons to 72,000 tons. The new silo will mainly store soybean meal, a livestock feed ingredient. As livestock feed prices soar, demand for soybean meal in Japan is shifting from domestic to overseas sources, with imports reaching a record of 1.64 million tons in 2006. The new grain silo will allow us to directly deliver imported soybean meal from seaports, and thus ensure a stable supply at low cost to formula feed makers. Going forward, we will focus on supporting Japan's livestock feed industry by ensuring the stable procurement of livestock feed ingredients at low prices while maintaining product safety and quality.

This New Silo was Built at Toyo Grain Terminal Co., Ltd.

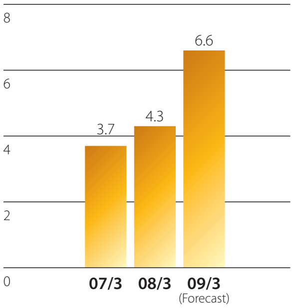
Gross Trading Profit

(¥ billion)



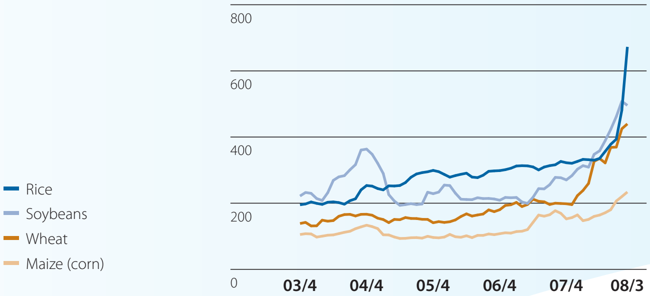
Operating Income

(¥ billion)



Major International Grain Prices

(US$/ton)



Source: IMF Primary Commodity Prices

Condominium Developed by Toyota Tsusho

Consumer Products, Services & Materials Division

We have positioned two themes as main strategic pillars: narrowing down operations so as to develop businesses with even higher profitability and making business investments that create opportunities for new earnings streams.

O'Neill—a Fashion Brand Marketed by Toyota Tsusho

Nursing Care Equipment in the Lifestyle Business

Overview of Division and Strengths

The Consumer Products, Services & Materials Division provides products and services that support people's daily lives. The Division offers products and services in lifestyle-related businesses such as textile materials and products, housing materials and condominium construction, as well as automotive interior materials. Moreover, we are focused on increasingly important fields such as nursing care and insurance based on our watchwords of "reassurance," "safety" and "comfort."

In the textiles products field, the Division develops and sells various functional materials in the apparel business. These include products based on the Division's Gelanots® brand, which features highly waterproof and breathable fabric functions, and an anti-odor and antibacterial textile material called "V-CAT," which utilizes a photocatalyst that can respond to room light. The Division is also engaged in the development and expansion of fashion brands such as O'Neill and Everlast.

In the urban development field, we develop and provide various housing materials and conduct a luxury condominium business to create more comfortable lifestyles. We are also planning and developing commercial facilities using real estate securitization schemes.

In the automotive interior materials field, which includes seat belts, airbags, carpets and supplies, we bring to bear our functions as a comprehensive supplier, having established an integrated value chain from planning to materials procurement and textiles production backed by our worldwide network of textiles plants.

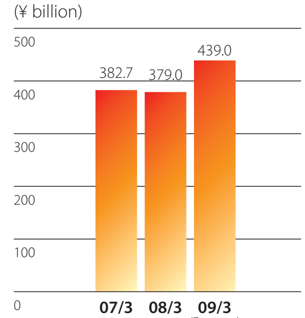
Furthermore, in the insurance business, the Division boasts a top track record in Japan as an insurance agency offering various products, including automobile insurance and group insurance for our business partner companies. We are leveraging expertise in these areas to extend our insurance brokerage and agency businesses overseas. Our operations go beyond mere insurance sales to include comprehensive consulting services on auto safety, which involve establishing call centers and offering educational programs on safe driving.

In the lifestyle business, we sell and rent nursing care equipment such as wheelchairs and beds in various regions in Japan. We have also begun taking new initiatives that make full use of our unique planning capabilities and product strengths. One example is offering new lifestyle proposals for the "harvest age"* generation through our Web-based mail-order business.

* Toyota Tsusho refers to senior citizens aged 60 years or older as the "harvest age" generation and is developing businesses targeting this age segment.

Net Sales

(¥ billion)



Changes in Business Environment and Company Initiatives

In the automotive interior materials field, the Division has been working to augment its functions as a comprehensive supplier. In the airbag business, where demand is expanding on the back of efforts to further improve auto safety, we have reinforced our business in China for producing airbag materials. The Division has also established a joint venture operating company in China to manufacture and sell high-quality carpet for use in luxury vehicles. In the urban development field, efforts are under way to develop residential housing and commercial facilities using the Company's own real estate investment fund, in response to ongoing expansion in the real estate securitization market. As liberalization and deregulation continue apace in the insurance industry, we are developing a diverse array of new insurance products. Overseas, we are building an insurance network through such means as establishing and acquiring insurance agencies and brokerages, while strengthening functions by establishing a captive insurance company with the aim of tightening risk controls. In the lifestyle business, the Division has been increasing the number of its operating bases in Japan in step with growth in demand for the rental of nursing care equipment.

Basic Strategies and Long-term Policies

The Consumer Products, Services & Materials Division broadly divides its business into six fields based on products handled: textile products, lifestyle, lifestyle materials, urban development, insurance and automotive interior materials. In each field, we have positioned two themes as main strategic pillars: narrowing down operations so as to develop businesses with even higher profitability and making business investments that create opportunities for new earnings streams. For example, in textile materials we are focusing on materials for industrial use centered on automobiles. Meanwhile, in apparel products, we are working to develop brand-name apparel and collaborate with companies with top-class product strengths in the industry. We are developing various products with Biscaye Holdings, Co., Ltd. and Fukuske Corporation, with whom we forged equity-based business alliances in 2007. As an initiative to create new earnings opportunities, the Division is focusing on marketing and sales activities that take advantage of the extensive product lineups of our SBUs in businesses targeting the "harvest age" generation.

Outlook for Fiscal 2009

The Division expects handling volumes of automotive interior materials to continue increasing due to steady projected growth in auto production worldwide, supported by healthy growth in overseas demand as a whole. Efforts to actively develop commercial facilities in Japan, among other initiatives, should also contribute to results. Based on this outlook, for fiscal 2009, the Division is forecasting net sales of ¥439.0 billion, up 16% year on year, and operating income of ¥11.2 billion, an increase of 6%.

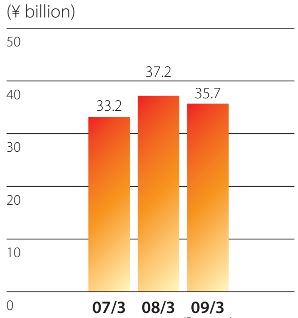
Aiming to Drive Further Expansion in the Uniform Business

In February 2008, Toyota Tsusho, Toyota Boshoku Corporation and Iijima Sangyou Co., Ltd. established Toyota Boshoku Uniform Corporation, a three-way joint venture to engage in the planning, production and sale of uniforms. Bringing together the three founding companies' technologies and expertise in their respective uniform businesses, the new company is working to not only provide more detailed services for customers but also to enhance product capabilities, quality and cost competitiveness. The aim is to actively expand uniform sales to various Toyota Motor-affiliated companies as well as to companies outside the Toyota Group and overseas.

The Building that Houses the New Three-way Joint Venture

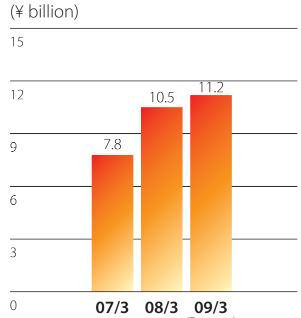
Gross Trading Profit

(¥ billion)



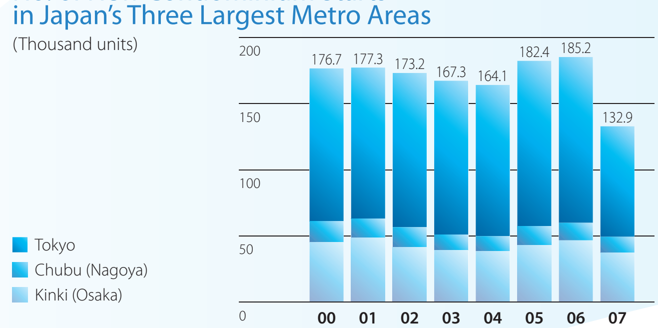
Operating Income

(¥ billion)



No. of New Condominium Starts in Japan's Three Largest Metro Areas

(Thousand units)



* Data are for calendar years from January to December
Source: Ministry of Land, Infrastructure, Transport and Tourism

CSR Activities

Basic Approach to CSR

For the Toyota Tsusho Group, CSR, rather than a special undertaking, is seen as being inseparable from managing all corporate activities. Living and prospering together with people, society, and the globe, we aim to be an innovative trading company that contributes to the creation of a prosperous society through wide-ranging business activities.

CSR Structure

In January 2005, we reorganized the Corporate Ethics Committee and renamed it the CSR Committee, which is chaired by the president. The CSR Committee takes the central role in promoting CSR for the Toyota Tsusho Group and organizes committee meetings twice a year.

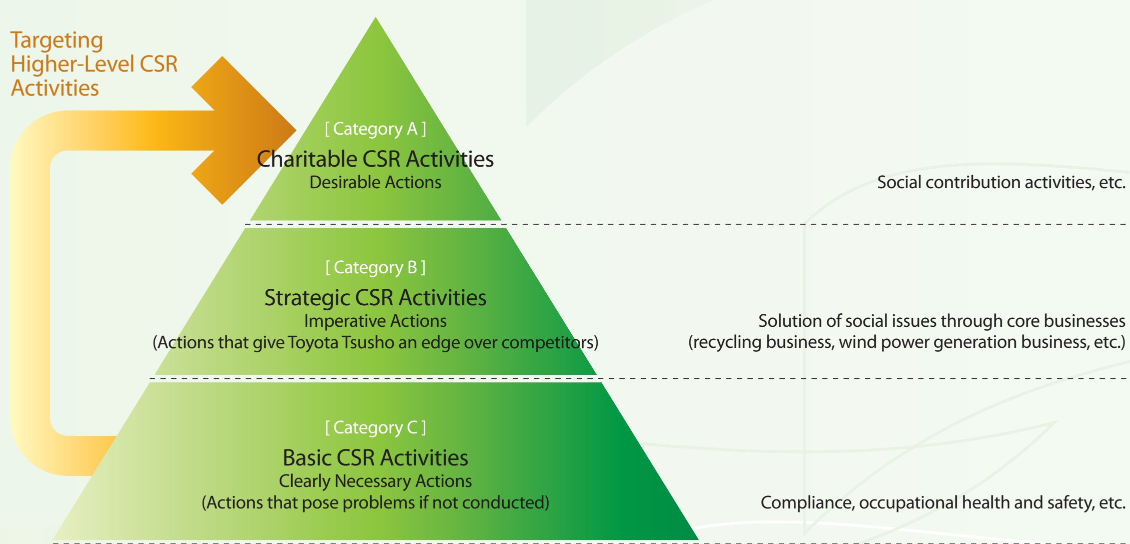
In these meetings, from a Company-wide perspective, general managers of each product division's planning department and general managers of the Administrative Division and Global Strategic Integration Division report to participating committee members (management) on a range of issues, including results of activities, issues, and future measures, and in turn, receive guidance on future directions and measures to be implemented.

Traditionally, the committee has focused debate on the primary CSR areas of occupational safety and compliance (see chart below). In recent years, however, to better address growing societal expectations, the committee has actively discussed strengthening strategic and charitable CSR activities with the aim of maximizing corporate value.

Creating a Safety-oriented Corporate Culture

For the Toyota Tsusho Group, which is expanding globally in a quest to provide its customers with added value, ensuring safety is the foundation of trust. Now that the Group is expanding into non-automotive fields based on the core automobile industry, we have established the creation of a safety-oriented culture as a top management priority. Realizing zero workplace accidents and zero hazards requires the establishment of both a framework for putting safety first and a framework for taking action based on results.

Toyota Tsusho's CSR Hierarchy



Toyota Tsusho Group Employees Undergoing Safety Training Overseas

To this end, the Company is actively engaged in employee training, which is the starting point for safety. In 2006, we established "Zero Accident" Teams in each product division. These teams conduct safety awareness training to familiarize employees with the importance of accident prevention. These teams are now carrying out programs aimed at enhancing the safety-related skill sets of employees so that they are able to provide leadership in safety assurance at their own work locations.

In addition, because cooperation with sub-contractors and suppliers is essential to customers' plant and delivery operations, we have organized a Safety Cooperation Council. This council makes routine safety inspections of worksites and provides guidance as well as convenes periodic safety meetings to boost safety awareness. Furthermore, we conduct preliminary inspections at the planning stage to assess whether safety assurance frameworks and safety measures have been adopted in business investments involving construction work.

The Toyota Tsusho Group is dedicated to fostering a common understanding among each and every employee that "safety assurance is essential to a company's continued existence," and to constructing a system that encourages employees to take ownership of safety-related issues and activities.

Creating Value through Diverse Human Resources

Energetic employees are the driving force behind a business. The Toyota Tsusho Group promotes diversity in its human resources that "aims for the creation of new value through an organization where everybody is empowered regardless of gender or age, nationality or culture." The Toyota Tsusho Group does business through 246 companies in 63 nations around the world, with overseas bases accounting for approximately 60% of operating income. As such, the prime task now is to lay the foundation for achieving our corporate vision of contributing to the creation of prosperous societies around the world.

Essential to this is a national staff that is highly knowledgeable about the business conditions in a given nation. We have established a global personnel strategy and are training employees responsible for managing operations overseas based on the basic stance of respecting the world's diverse values.

Additionally, we support a healthy work-life balance to create an environment that enables each and every employee to reach their full potential as individuals. In May 2007, we substantially revised our internal guidelines related to childcare and initiated programs aimed at creating an environment that is genuinely supportive of both work and home life. By vigorously promoting these programs, we are confident of creating relationships among employees worldwide that allow each employee to sharpen skills and knowledge, while working together under the shared vision of the Toyota Tsusho Group Way, which is encapsulated in the key words "real places, real things, reality," "commercial spirit," and "team power."

Raising Awareness of Traffic Safety on the Streets

Cleaning Activities

Approach to the Environment

With the issue of global warming now being debated by the United Nations and at the summit of G8 nations, companies must further accelerate their efforts to achieve a "sustainable society." Considering environmental issues one of its top management priorities, the Toyota Tsusho Group as a whole pursues both economic development and environmental preservation through its business activities. In particular, the reduction of CO_2 emissions is positioned as a top priority for the Group's overall business activities. The company also promotes the recycling of metals, automobiles, consumer electronics and other items at all its operating bases around the world. To help combat global warming, we are engaged in the development and sale of devices and products that help to protect the environment, as well as clean energy. We are also engaged in the emissions rights business through CDM projects, among other initiatives. To maintain good relationships with all stakeholders, environmental considerations are becoming increasingly important alongside the proactive disclosure of information and detailed responses to customers.

To remain a company that earns the trust of society, the Toyota Tsusho Group will continue to pursue environmental preservation programs in order to fulfill its corporate social responsibilities.

Social Contribution Activities

Toyota Tsusho adheres to the guiding principle of contributing to society as a good corporate citizen. Accordingly, Toyota Tsusho interacts directly with local communities while actively participating in an array of activities to find solutions to issues facing society and promoting initiatives aimed at ensuring people's happiness and well-being. Moreover, we promote activities in which people can see our "corporate face" by encouraging employee participation in volunteer activities to provide direct personal support.

Additionally, in May 2007, we established the Social Contribution Advance Team (reorganized into the Social Contribution Council in June 2008) to examine the direction of Toyota Tsusho's social contribution activities and to explore themes for activities throughout the year. The result was the positioning of people (education), society (welfare), and the Earth (environment) as the key themes in light of our Corporate Philosophy. By electing the well-balanced pursuit of three approaches, consisting of 1) contributing financially, coupled with planning and implementing voluntary programs as a company; 2) creating a culture and systems that support participation/contribution through volunteering by directors and employees; and 3) contributing to a recycling-oriented society and reducing the burden on the Earth's environment through business activities, we are able to address our social responsibility of "creating a more prosperous society" through activities that are unique to the Toyota Tsusho Group.

Corporate Governance Structure and Internal Control Systems

Corporate Governance Structure

Basic Approach to Corporate Governance

The Toyota Tsusho Group has established the following corporate philosophy: "Living and prospering together with people, society, and the globe, we aim to be a value-generating corporation that contributes to the creation of a prosperous society." To realize this corporate philosophy, we are working hard to raise management efficiency, increase transparency, thoroughly enforce compliance and make our financial position sounder.

We also disclose information through our corporate website and various publications in order to broaden public understanding of the Toyota Tsusho Group. In addition, we are working to enhance our public relations and investor relations activities by holding company presentations for the general public in various locations, and creating opportunities for management to communicate with the news media on a regular basis.

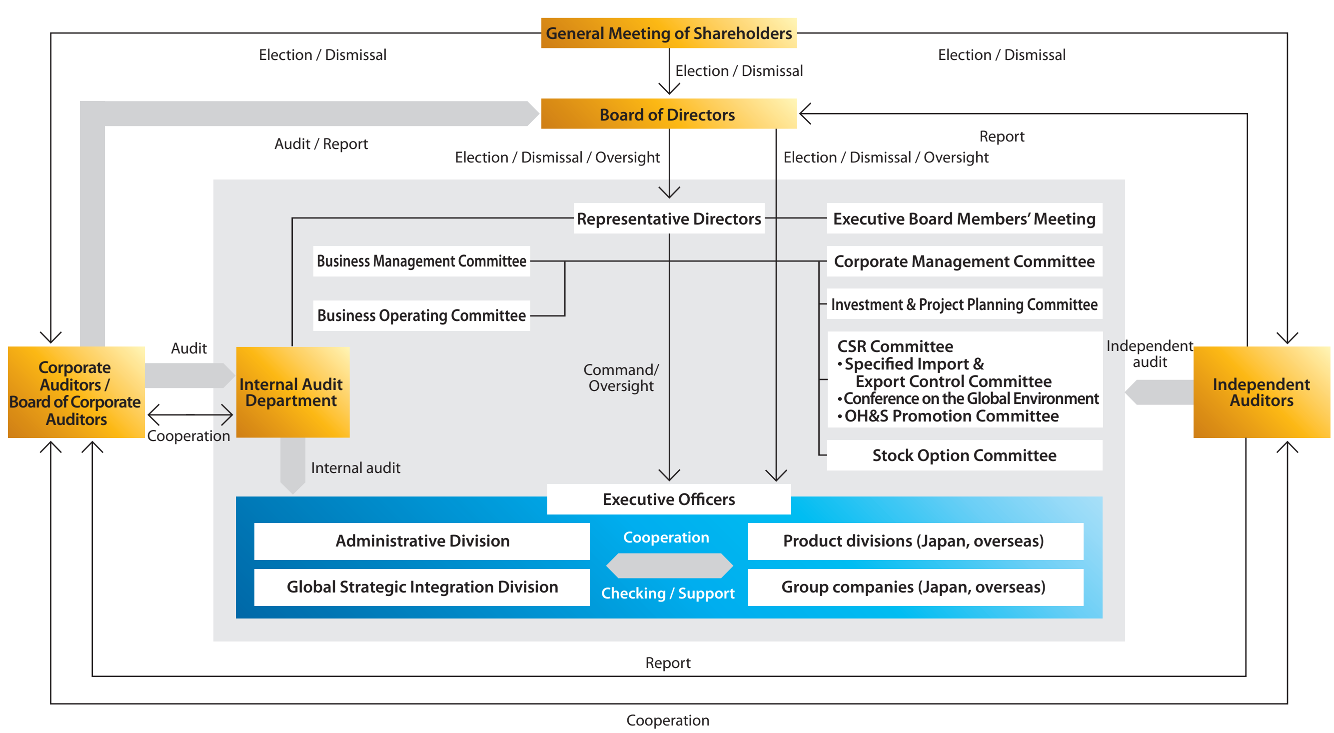
Corporate Governance Structure

Toyota Tsusho conducts Group-wide management based on the divisional system. Currently, the Company has eight divisions: six product divisions, the Global Strategic Integration Division and the Administrative Division. Each division is led by a director appointed as Chief Division Officer. The duties of these directors encompass management at both the corporate and divisional levels. They promptly disseminate and share information through such forums as the Business Management Committee and other forums.

In April 2006, Toyota Tsusho introduced an Executive Officer System with the aims of raising management efficiency and reinforcing internal control. This move has expedited decision-making and enhanced management efficiency by streamlining the Board of Directors so that directors and executive officers can focus on corporate and divisional management, respectively, with

Corporate Governance Structure

(As of June 2008)



the latter serving as Deputy Chief Division Officers. By separating corporate management and executive functions in this manner, Toyota Tsusho has clarified authority and responsibility and strengthened the supervisory capabilities of the Board of Directors over directors and executive officers, thereby reinforcing internal controls.

Additionally, Toyota Tsusho has established the Corporate Management Committee to enable directors and executive officers to discuss measures to resolve management issues from a Company-wide perspective. The committee consults the Board of Directors as necessary. Following on from the previous fiscal year, the committee worked to address three Company-wide issues in fiscal 2008: strengthening risk management, improving human resources development and enhancing safety management.

Internal Control Systems

In May 2006, the Board of Directors approved the "Basic Policies on Establishing Internal Control Systems," which are based on the Toyota Tsusho Group's basic philosophy. We have clarified the duties of directors and established a system that enables us to confirm in a timely and appropriate manner the status of our systems for ensuring appropriate operations. We revise these basic policies in accordance with changes in the environment. The purpose of these basic policies is to put in place systems for ensuring proper operations throughout the Toyota Tsusho Group. The overriding goal is to fulfill the Group's mission as a good corporate citizen by creating value from the customer's perspective as we pass on to younger employees a deeper understanding of the Toyota Tsusho Group Way, which sets forth the Group's unique values, beliefs and daily principles of conduct.

Compliance Structure

Toyota Tsusho works hard to ensure that directors and employees perform their duties in accordance with laws, regulations, and the Company's Articles of Incorporation. For example: the Company has distributed its Code of Ethics, including digests, to all directors and employees; formed the CSR Committee (see page 34), which is chaired by the president; and established information sharing systems and checks and balances at the divisional level through the Business Management Committee, Business Operating Committee, and other forums. Regarding evaluation and monitoring, the execution of business processes is evaluated, managed, and checked; the Internal Control Department has been formed to create systems for ensuring the reliability of financial reporting; and an internal reporting system has been established. Moreover, the Internal Audit Department, which reports directly to the president, conducts internal audits. Furthermore, with the aim of fundamentally preventing misconduct, the Company offers a unique educational program in addition to conventional internal examinations and training courses. This program examines and explains the psychological aspects of the chain of events that could trigger misconduct.

Risk Management System

To manage the risk of future losses, Toyota Tsusho formulates management rules for various risks, conducts training programs, distributes manuals, and takes other actions. The Company appropriately recognizes and manages risks encountered in the course of its business activities, including the quantification of risk assets, by formulating guidelines and management rules for risks requiring particular caution, namely investment and financing, credit, market, OH&S, and environmental risks. In addition, appropriate risk management systems have been established by the relevant departments in charge of other areas, such as information security and crisis management. Furthermore, the Risk Management Committee identifies risks and issues on a Company-wide basis.

Information Management System

Toyota Tsusho has formulated regulations and standards for information storage and management and has clarified departmental responsibility and storage periods for each type of document.

System for Ensuring Appropriate Group Company Operations

To ensure appropriate operations throughout the Group, Toyota Tsusho holds meetings of Group-wide management committees to increase awareness of Group policies and share information. Toyota Tsusho strives to ascertain and manage important matters relating to subsidiaries' financial positions and operational issues without causing any unreasonable, adverse impact on the operations of those subsidiaries. In accordance with the systems of subsidiaries, directors and corporate auditors are dispatched to supervise and audit operations as necessary. Furthermore, internal audits are conducted by Toyota Tsusho's Internal Audit Department.

System for Eliminating Anti-social Forces

Toyota Tsusho has established a system for eliminating anti-social forces in cooperation with specialized institutions outside the Company such as the National Center for the Elimination of Boryokudan and the National Police Agency's Organized Crime Countermeasures Bureau. Toyota Tsusho's Nagoya Head Office, Tokyo Head Office and Osaka Head Office are members of the Aichi Prefecture Corporate Defense Council, NPA Special Violence Prevention Council, and the Osaka Corporate Defense Alliance Council, respectively. As members, each Head Office receives guidance while working to share information with relevant parties. In the event that an illegitimate request is received from anti-social forces, the General Administration Department, as the designated department responsible for responding to such cases, resolutely stands up to such requests in cooperation with relevant agencies such as the police and lawyers.

Management

(As of July 1, 2008)

Executive Board Members

Front row (from left):
Yoji Toyohara, Vice Chairman
Masaaki Furukawa, Chairman
Junzo Shimizu, President

Back row (from left):
Kiyoshi Furubayashi, Executive Vice President
Katsunori Takahashi, Executive Vice President
Hiroshi Kawakami, Executive Vice President

Board of Directors & Corporate Auditors

Post	Name	Title
Chairman	Masaaki Furukawa	
Vice Chairman	Yoji Toyohara	
President	Junzo Shimizu	
Executive Vice Presidents	Katsunori Takahashi	
	Kiyoshi Furubayashi	Chief Representative of Tokyo Head Office
	Hiroshi Kawakami	
Senior Managing Directors	Yoshimasa Kondo	Chief Division Officer of Energy & Chemicals Division
	Koji Oshige	Chief Division Officer of Produce & Foodstuffs Division and Consumer Products, Services & Materials Division
	Kenji Takanashi	Chief Division Officer of Global Strategic Integration Division
Managing Directors	Makoto Hyodo	Deputy Chief Division Officer of Produce & Foodstuffs Division
	Mikio Asano	Chief Division Officer of Administrative Division
	Hisashi Yamamoto	Chief Division Officer of Machinery & Electronics Division
	Seiichiro Adachi	Chief Division Officer of Automotive Division
	Minoru Hayata	Chief Division Officer of Metals Division
Standing Corporate Auditors	Shozo Hamana	
	Tatsuya Kugo	
Corporate Auditors	Tetsuro Toyoda	
	Kanji Kurioka	
	Yoshio Uesaka	

Executive Officers

Post	Name	Title
Managing Executive Officers	Masanori Yamase	President of Toyota Tsusho America, Inc.
	Masami Shimizu	Deputy Chief Division Officer of Administrative Division
	Toshinao Mikami	Deputy Chief Division Officer of Machinery & Electronics Division
	Hiroyuki Okabe	Deputy Chief Representative of Tokyo Head Office
	Makoto Ito	Deputy Chief Division Officer of Automotive Division
	Jun Karube	Deputy Chief Division Officer of Machinery & Electronics Division
Executive Officers	Hiroshi Takano	President of Toyota Tsusho (Thailand) Co., Ltd.
	Tamio Shinozaki	Deputy Chief Division Officer of Global Strategic Integration Division
	Takumi Shirai	Deputy Chief Division Officer of Metals Division
	Hiroyuki Isono	Deputy Chief Division Officer of Machinery & Electronics Division
	Kuniaki Yamagiwa	Deputy Chief Division Officer of Energy & Chemicals Division
	Soichiro Matsudaira	Deputy Chief Division Officer of Machinery & Electronics Division
	Jun Nakayama	Deputy Chief Division Officer of Consumer Products, Services & Materials Division
	Hiroki Sawayama	President of Toyota Tsusho Europe S.A. President of Toyota Tsusho U.K. Ltd.
	Yuichi Oi	Deputy Chief Division Officer of Global Strategic Integration Division
	Hideki Yasuki	Deputy Chief Division Officer of Energy & Chemicals Division
	Takashi Hattori	Deputy Chief Division Officer of Automotive Division
	Akimasa Yokoi	Chief Representative for China
	Nobuyuki Minowa	Executive Vice President of Toyota Tsusho America, Inc.
	Minoru Murata	Deputy Chief Division Officer of Metals Division
	Takahiro Hasegawa	Deputy Chief Division Officer of Produce & Foodstuffs Division
	Yoshifumi Araki	Deputy Chief Division Officer of Administrative Division
	Hirofumi Sato	Deputy Chief Division Officer of Administrative Division
	Yoshiki Miura	Deputy Chief Division Officer of Produce & Foodstuffs Division
	Masanori Shimada	Deputy Chief Division Officer of Consumer Products, Services & Materials Division
	Kazuyuki Muto	Deputy Chief Division Officer of Automotive Division
	Yasushi Okamoto	Deputy Chief Division Officer of Machinery & Electronics Division
	Shizuka Hayashi	Deputy Chief Division Officer of Metals Division
	Takeshi Matsushita	Deputy Chief Division Officer of Energy & Chemicals Division

Note: Company names and titles indicated are as of July 1, 2008.

Financial Section

Contents

Financial Review

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

Operating Environment

Overview

The Toyota Tsusho Group's principal business activity is the trading of a broad range of products in Japan and throughout the world. The Group's businesses also include manufacturing and processing, business investment and services. The Group's operations are classified into six operating divisions on the basis of products and services offered: Metals; Machinery & Electronics; Automotive; Energy & Chemicals; Produce & Foodstuffs; and Consumer Products, Services & Materials.

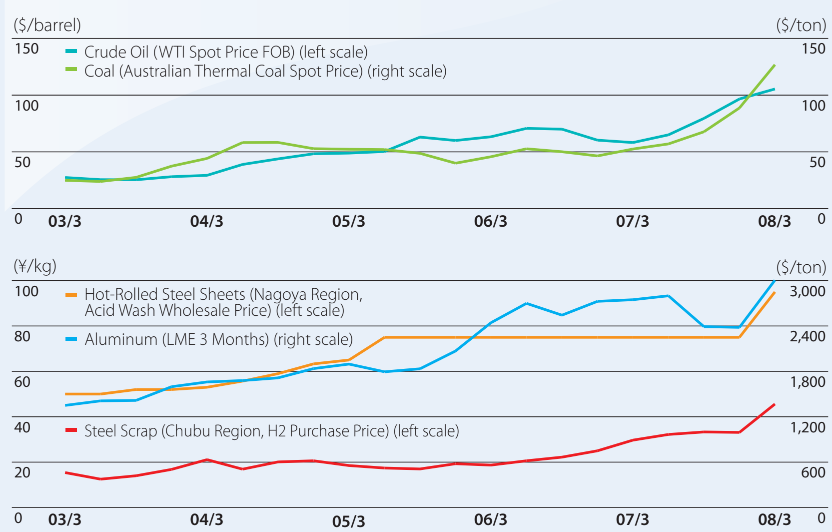
Each business is managed by head office divisions and the subsidiaries and affiliates overseen by each division. The Group has a diversified portfolio that covers products and services in an extensive range of industries and markets. The Group's operating results are therefore affected by economic trends in Japan and external factors, including global political, regulatory and economic trends, movements in coal, oil and other international commodity prices, and foreign exchange fluctuations. The Group's principal customers, including the Toyota Group, are involved in the automotive sector. Therefore, the Group's strategies and operating results in three principal business segments in particular—Metals, Machinery & Electronics, and Automotive—are affected by the operating environment and technology trends in the automobile industry in Japan and overseas.

Economic Environment

In fiscal 2008, the Japanese economy continued to expand at a gradual pace, benefiting from solid capital expenditures and exports, as well as firm personal consumption. This was despite several causes for concern, such as soaring raw materials prices, an economic slowdown in the United States, the yen's appreciation, and falling share prices.

Meanwhile, the U.S. economy showed increasing signs of recession due to a number of factors. These included further cooling of the housing market and turmoil in financial markets stemming from the subprime loan issue, together with surging oil prices, worsening corporate performances, and declining employment. European economies were boosted by healthy exports and capital expenditures, but the outlook is increasingly uncertain considering slowing export growth due to the U.S. economic slowdown and lackluster personal consumption amid rising inflation due to soaring energy prices. Meanwhile, the Russian economy enjoyed strong internal demand, mainly in terms of personal consumption, thanks to rising resource prices. In addition, Asian economies continue to show steady expansion, driven mainly by growth in China and India.

Crude Oil, Steel and Coal Prices



Trends in the Automotive Industry and Toyota Group

In the automobile industry, one of our primary sources of earnings, automobile production and sales were sluggish in two key markets: North America and Western Europe. However, global automobile sales continue to grow steadily, fueled by higher demand in the BRICs and the ASEAN and African regions together with advances in motorization in conjunction with economic growth. Global automobile production in 2007 (calendar year) increased 5.4% year on year to 73,101 thousand units. The Group's primary customers, namely Toyota Motor Corporation and other Japanese automobile manufacturers, significantly boosted sales, leveraging the superior quality of their fuel-efficient cars. They have been increasing overall overseas production at an average annual rate exceeding 9%, from 7,652 thousand units in 2002 to 11,857 thousand units in 2007. Combined with domestic production, their global output grew more than 5% at an annualized rate, rising from 17,909 thousand units in 2002 to 23,453 thousand units in 2007, topping the global automobile production growth rate. Meanwhile, the automobile industry is facing profound changes, namely a U.S. economic slowdown triggered by the subprime loan issue, the impact of soaring resource and food prices on prices in the automobile market, and rising awareness of environmental issues.

In this environment, Japanese automobile manufacturers, especially the Toyota Group, are aggressively boosting overseas production. Overseas production by the Toyota Group, including Daihatsu Motor Co., Ltd. and Hino Motors, Ltd., increased 11.3% year on year in 2007 (calendar year) to 4,378 thousand units. This momentum is expected to persist, as the Toyota Group plans to continue to make substantial investments to realize its long-term vision of capturing a 15% share (on a unit sales basis) of the global automobile market.

Business Performance of Toyota Tsusho Corporation

Operating Results

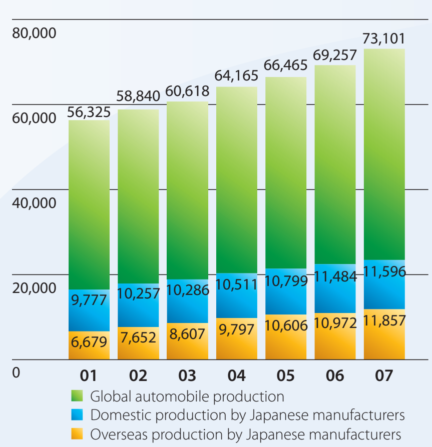
In fiscal 2008, the metals business grew at a healthy pace, as the automotive sector, the primary source of our earnings, saw continued increases in automobile production, mostly overseas. In addition, overseas subsidiaries, particularly those in Asia, the U.S., and Europe, posted strong results, and the automobile sales business performed well in Russia, Africa, and other regions. As a result, consolidated net sales increased ¥787.6 billion, or 12.7% year on year to ¥7,000.3 billion, a record for the seventh straight year.

For similar reasons, consolidated operating income increased ¥21.6 billion, or 19.7%, to ¥131.6 billion.

For accounting purposes, Toyota Tsusho was not required to incur income taxes on a non-consolidated basis due to the application of the former Tomen Corporation's operating loss carryforwards in tandem with the merger. As a result, net income for fiscal 2007 was ¥77.2 billion. However, net income in fiscal 2007 would have been ¥58.2 billion in the absence of this reduction in income tax expenses on a non-consolidated basis (¥19.0 billion). Accordingly, net income for fiscal 2008 effectively increased 16.0% year on year to ¥67.5 billion taking into account this situation.

Global Automobile Production

(Calendar year; Unit: 1,000 vehicles)



Source: Organisation Internationale des Constructeurs d' Automobiles
Production by Japanese automobile manufacturers:
Japan Automobile Manufacturers Association

Segment Information

Results of Operations by Operating Segment

Metals

In the steel sheet, bars and tubes field, the Metals Division saw an increase in volume as we sought to expand steel processing revenue to meet steady demand from the auto industry.

In the steel raw materials field, we continued working to expand our onsite plant recycling business in Canada and elsewhere.

In nonferrous metals, our molten aluminum and aluminum processing businesses performed well.

Accordingly, net sales in the Metals Division reached ¥2,109.0 billion, up ¥263.5 billion from fiscal 2007. Operating income in this segment rose ¥1.0 billion, to ¥35.4 billion, in line with higher net sales.

Machinery & Electronics

In the machinery business, the Machinery & Electronics Division strengthened its engineering capabilities and expanded machinery sales to address growing production activities worldwide. We also worked to drive growth in our overseas construction machinery business.

Meanwhile, the textiles machinery business performed well in China, and our logistics and forklift business also grew, with increased sales in CIS nations and Central and South America.

In the field of overseas automotive production parts, exports remained on a growth path thanks to high levels of automobile production in China and Thailand. In July 2007, we commenced full-scale imports of components, an area with growth potential.

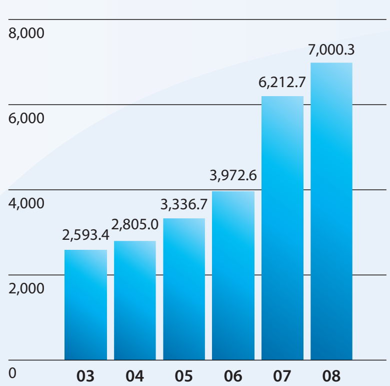
In the information and electronics fields, we worked to increase our presence in new car electronics technologies, including driver support and safety functions. We also strove to expand our overseas devices business and automotive software. We also established the Toyotsu Automotive Quality Support Center (TAQS), a semiconductor quality support center, as a new business.

As a result, net sales in the Machinery & Electronics Division grew ¥46.8 billion from the previous fiscal year to ¥1,581.9 billion. Operating income rose ¥5.0 billion to ¥35.6 billion in line with higher net sales.

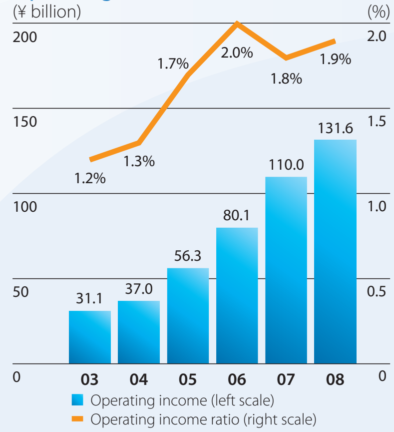
Automotive

The Automotive Division delivered 16% year-on-year growth in terms of the volume of vehicles sold. This was due to economic growth in resource-rich countries and healthy market conditions in the BRIC nations. Overseas, the Automotive Division continued expanding its sales network, by establishing dealerships in Russia, China, and countries of the former Yugoslavia. This brought the total number of overseas dealerships to 118 as of March 31, 2008, up from 108 a year earlier.

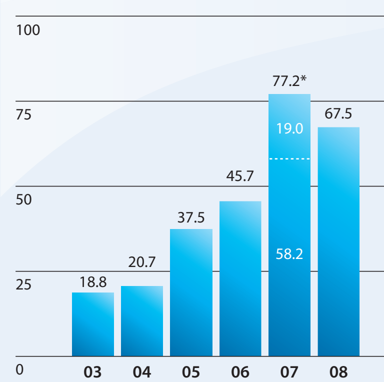
Net Sales
(¥ billion)



Operating Income and Operating Income Ratio
(¥ billion) (%)



Net Income
(¥ billion)



* Net income when the unconsolidated tax burden that was reduced under integration (¥19.0 billion) is taken into consideration.

Consequently, net sales climbed ¥186.6 billion year on year, to ¥938.3 billion. Operating income rose ¥9.4 billion year on year to ¥42.6 billion, in line with higher net sales at overseas automobile sales subsidiaries.

Energy & Chemicals

In the synthetic resin business, the Energy & Chemicals Division handled increased volumes of petrochemicals and resins for automobiles thanks to surging naphtha prices and a rise in automobile production volume overseas. During the fiscal year, we invested in a North American venture capital fund, with the aim of developing new materials and applications for the future.

In the energy and plant business, sales increased thanks to efforts to drive sales growth mainly in crude oil and bunker oil. Seeking to build an integrated gas supply system from upstream to downstream, the Division acquired interests in natural gas mines in Australia. With respect to plant exports, we obtained multiple orders for power generation equipment from the Egyptian Electricity Authority.

As a result of these and other actions, net sales rose ¥293.1 billion, to ¥1,562.3 billion. Operating income declined ¥0.5 billion, to ¥4.0 billion, due mainly to the impact of exchange rates.

Produce & Foodstuffs

In the feed grain business, the Produce & Foodstuffs Division sought to ensure a stable supply of resources by constructing additional storage silos for feed grain at Toyo Grain Terminal Co., Ltd., a Toyota Tsusho subsidiary. In doing so, the Division worked to ensure product safety and quality while reducing costs, thus generating steady growth in transaction volume.

In the foodstuffs business, the Division worked to expand its overseas presence, including by starting production and sales of premium bread in China. In Japan, the Division broadened the product lineup of Toyota Tsusho Foods Corporation. To fulfill its increasing social responsibility with respect to food safety, the Division reinforced controls by establishing the Food Safety Promotion Team within the Produce & Foodstuffs Division.

Net Sales by Business Segment
(¥ billion)

	2007	2008
Metals	1,845.5	2,109.0
Machinery & Electronics	1,535.1	1,581.9
Automotive	751.7	938.3
Energy & Chemicals	1,269.2	1,562.3
Produce & Foodstuffs	349.6	335.4
Consumer Products, Services & Materials	382.7	379.0
Others	78.6	94.1

Operating Income by Business Segment
(¥ billion)

	2007	2008
Metals	34.4	35.4
Machinery & Electronics	30.6	35.6
Automotive	33.2	42.6
Energy & Chemicals	4.5	4.0
Produce & Foodstuffs	3.7	4.3
Consumer Products, Services & Materials	7.8	10.5
Others	(4.4)	(0.9)

Overall, net sales declined ¥14.2 billion year on year to ¥335.4 billion due to the impact of the yen's sharp appreciation. However, operating income increased ¥0.6 billion year on year to ¥4.3 billion, mainly reflecting the boost in net sales.

Consumer Products, Services & Materials

In the textiles field, Toyota Tsusho Corporation, Toyota Boshoku Corporation and Iijima Sangyou Co., Ltd. established Toyota Boshoku Uniform Corporation, a joint venture actively engaged in the uniform production and selling business.

In the nursing care field, the Consumer Products, Services & Materials Division regards people aged 60 or over as its "harvest age" market, and through focused investments the Division has been building a business foundation to serve this market.

In housing, the Division started construction and sales of units in the Hachioji Medical condominium complex. In the insurance business, we tapped overseas markets for medical insurance.

In automotive interior materials, we increased exports of accessories to China and the Middle East, and we expanded our components business.

In the textile materials field, we ramped up production capacity at production companies in China and Vietnam to meet growing demand for vehicle airbags.

Overall, net sales declined ¥3.7 billion to ¥379.0 billion, due to the Group's withdrawal from unprofitable business. Operating income rose ¥2.7 billion, to ¥10.5 billion, in line with higher net sales.

Results of Operations by Geographic Segment

Japan

In fiscal 2008, net sales in Japan climbed ¥587.4 billion, or 13.8%, year on year to ¥4,840.8 billion. The increase stemmed mainly from higher transaction volume in the Metals Division and the Energy & Chemicals Division. Operating income jumped ¥9.8 billion, or 22.1%, to ¥54.4 billion, in line with higher net sales.

Asia & Oceania

Thanks largely to higher transaction volume at local subsidiaries in Asia, net sales in Asia & Oceania rose ¥121.5 billion, or 12.8%, to ¥1,071.2 billion. Operating income grew ¥4.9 billion, or 21.2%, to ¥27.8 billion, in line with higher net sales.

Net Sales by Geographic Segment

(¥ billion)

	2007	2008
Japan	4,253.4	4,840.8
Asia & Oceania	949.7	1,071.2
North America	537.3	473.2
Europe	340.9	469.5
Others	131.2	145.4

Operating Income by Geographic Segment

(¥ billion)

	2007	2008
Japan	44.6	54.4
Asia & Oceania	22.9	27.8
North America	12.9	12.3
Europe	14.8	20.3
Others	15.7	17.3

North America

Despite growth in transaction volume at U.S. subsidiaries, net sales in North America declined ¥64.1 billion, or 11.9%, to ¥473.2 billion, due primarily to the impact of the yen's sharp appreciation. Similarly, operating income decreased ¥0.6 billion, or 4.6%, to ¥12.3 billion, due to the impact of exchange rates.

Europe

Net sales in Europe surged ¥128.6 billion, or 37.7%, to ¥469.5 billion. This was mainly attributable to higher transaction volume at automobile sales subsidiaries and subsidiaries in Europe. Operating income in Europe jumped ¥5.5 billion, or 36.4%, to ¥20.3 billion, in line with higher net sales.

Others

In fiscal 2008, net sales in other regions increased ¥14.2 billion, or 10.8%, to ¥145.4 billion, owing mainly to higher transaction volume at automobile sales subsidiaries and subsidiaries in Africa. Operating income rose ¥1.6 billion, or 10.1%, to ¥17.3 billion, in line with higher net sales.

Assets, Liabilities, and Equity

As of March 31, 2008, total assets were ¥2,603.2 billion, up ¥141.0 billion from a year earlier. The main reasons were increases in trade notes and accounts receivable and in inventories, in line with higher net sales.

Net assets rose ¥13.2 billion from a year earlier to ¥639.7 billion. The equity component of net assets increased ¥6.9 billion, owing to an increase in retained earnings, which outweighed declines in net unrealized gains on available-for-sale securities, net of taxes, and foreign currency translation adjustments. Consequently, the shareholders' equity ratio was 22.5% as of March 31, 2008.

Cash Flow

Cash and cash equivalents as of March 31, 2008 stood at ¥174.1 billion, an increase of ¥48.5 billion from fiscal 2007.

Operating activities provided net cash of ¥104.7 billion, mainly due to net income. Investing activities used net cash of ¥36.7 billion, primarily for substantial investments in reinforcing various functions. Consequently, free cash flow was a positive ¥68.0 billion.

Financing activities used net cash of ¥23.0 billion, mainly due to the repayment of interest-bearing debt.

Financial Strategy and Capital Structure

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

Efficient Use of Assets

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

Fund Procurement Commensurate With Asset Base

In principle, the Group will finance fixed assets with long-term loans and shareholders' equity, while financing working capital with short-term borrowings. At the same time, we also have adopted a policy of funding the less liquid portion of working capital with long-term debt. In addition, we have established a multi-currency revolving credit facility that allows us to respond to unexpected events and safely meet the funding requirements of overseas 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, the condition of assets, economic conditions and the financial environment.

One concrete initiative was the roll-out of a Global Cash Management Service (GCMS) at domestic affiliated companies. Using this system, we are enhancing funding efficiency through such means as reducing idle money and thoroughly applying the Toyotsu Value Achievement (TVA) performance benchmark.

Outlook for the Toyota Tsusho Group

Turning to the outlook for the Japanese economy, despite ongoing increases in corporate exports, production, and capital expenditures, this growth is expected to slow. Moreover, the performance of domestic companies is being affected by even higher crude oil prices and the yen's sharp appreciation, while the U.S. economy is slipping into recession due to the subprime loan crisis and contraction of financial markets. These and other factors are expected to threaten the sustained growth of the Japanese economy.

In this environment, the Toyota Tsusho Group will effectively address its immediate challenges while pursuing open and fair business activities based on its corporate philosophy: "Living and prospering together with people, society, and the globe, we aim to be a value-generating corporation that contributes to the creation of a prosperous society." At the same time, we will fulfill our social responsibilities and protect the global environment. In parallel, by demonstrating creativity, we will adhere to our basic policy of delivering added value in a way that satisfies all stakeholders, including customers, shareholders, employees, and local communities.

As we target these goals, we will embrace our "flagship message" of "G'VALUE with you" (the letter "G" stands for three keywords: global, glowing, and generating) as our basic guiding principle in creating value.

The Toyota Tsusho Group has formulated "VISION 2015—LEAD THE NEXT" in its quest to become a value-generating company. Guided by this vision, our strategic intentions are to create next-generation businesses in our six business domains—namely, our six business divisions—and achieve a 50:50 earnings ratio for our automotive and non-automotive businesses with a view to ensuring a healthy balance of future business profits.

With the automotive field as our core source of earnings, we will seize growth opportunities while targeting renewed expansion by creating new functions and comprehensively honing our strengths. In non-automotive fields, we will seek to achieve a cross-fertilization of functionality and knowledge gained in the automotive business, to generate synergies with the automotive field and thus establish and nurture second and third pillars of earnings for the Group.

Outlook for the Current Fiscal Year

For the fiscal year ending March 31, 2009, Toyota Tsusho projects consolidated net sales of ¥7,800.0 billion, up ¥799.7 billion, or 11.4% year on year. We also forecast an ¥18.4 billion, or 13.9%, rise in operating income, to ¥150.0 billion. After deducting income taxes, we are targeting net income of ¥74.0 billion, up ¥6.5 billion (9.6%).

Net Sales Forecasts by Product Segment

In fiscal 2009, the Metals Division is forecasting an increase in net sales on expectations of higher automobile output and rising prices.

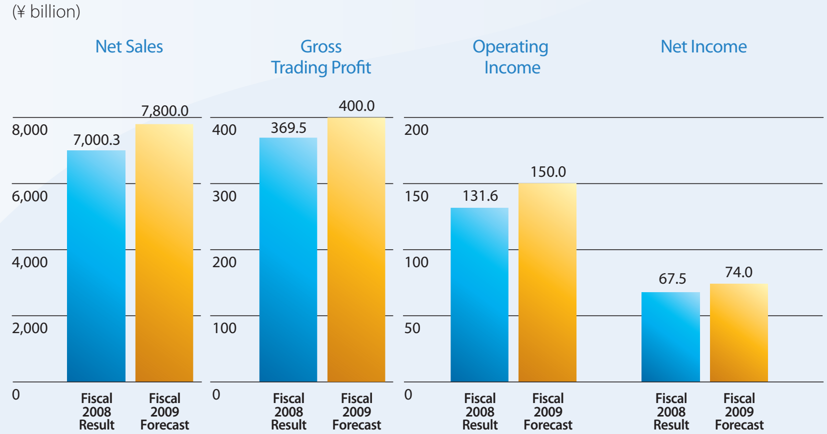
The Machinery & Electronics Division also anticipates higher net sales considering projected growth in overseas automobile output and handling volume of machinery equipment and electronic parts.

The Automotive Division is projecting an increase in net sales on volume growth at overseas automobile sales subsidiaries.

The Energy & Chemicals Division is forecasting higher net sales as it expects to handle a greater volume of mainly chemicals and synthetic resins.

Fiscal 2008 Results and Fiscal 2009 Forecasts

(¥ billion)



The Produce & Foodstuffs Division expects an increase in net sales on projections of higher volume of animal feed, wheat, soybeans and other commodities.

The Consumer Products, Services & Materials Division expects net sales to be boosted by volume growth in automotive interior materials and development of commercial facilities.

Operating Income Forecasts by Product Segment

The Metals Division projects an increase in operating income in line with higher net sales stemming from growth in automobile output.

The Machinery & Electronics Division anticipates higher operating income in line with projected sales growth, reflecting increased automobile output overseas and higher volumes of machinery and equipment, as well as electronic components.

The Automotive Division is forecasting growth in operating income due to projected growth in net sales at overseas automobile sales subsidiaries.

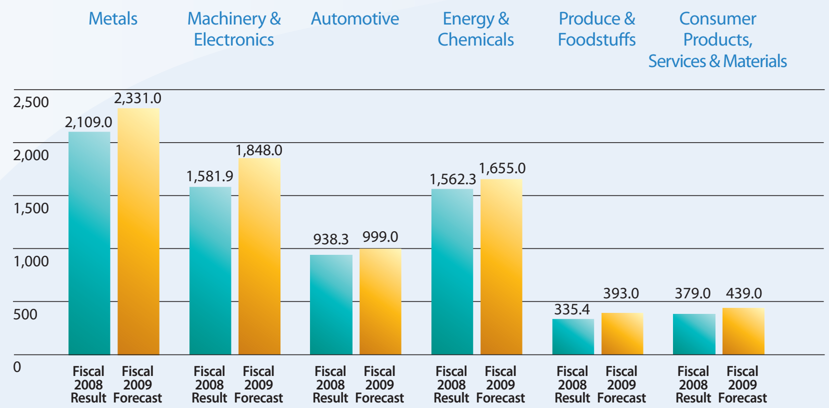
The Energy & Chemicals Division is forecasting higher operating income owing to higher net sales on the back of projected volume growth mainly in chemicals and synthetic resins.

The Produce & Foodstuffs Division anticipates higher operating income in line with projected growth in net sales stemming from higher volumes of animal feed, wheat, and soybeans.

The Consumer Products, Services & Materials Division foresees growth in operating income in line with a projected increase in net sales, underpinned by higher volume of automotive interior materials and development of commercial facilities.

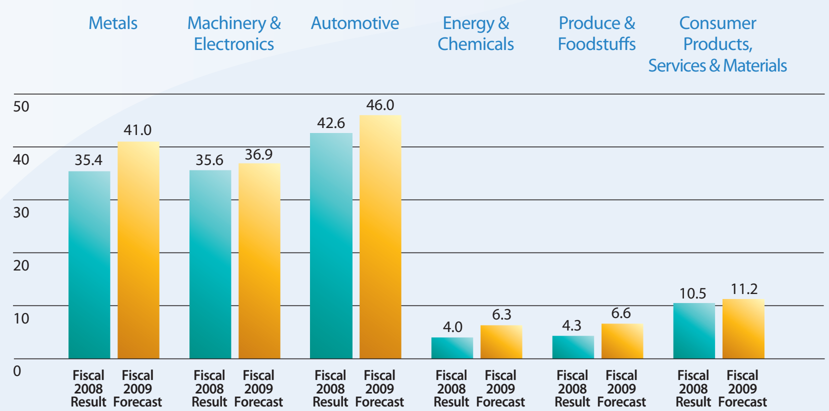
Net Sales Results and Forecasts by Product Segment

(¥ billion)



Operating Income Results and Forecasts by Product Segment

(¥ billion)



Business Risks and Uncertainties

The Company and its consolidated subsidiaries (the "Group") believe that the following risks and accounting policies may have a material impact on the decision-making of investors with regard to data contained in this annual report. Forward-looking statements contained in this report are based on the judgment of the Group as of the date of publication.

1. Risk Associated With Operating Activities

Dependence on Specific Customers

The Group consists of the Company, its 336 subsidiaries, and 184 affiliates. The main business line of the Group is the sale of automotive-related and other products in the domestic and overseas markets. In fiscal 2008 the Company's sales to the Toyota Group* accounted for 15.3% of net sales, with sales to Toyota Motor Corporation representing 7.4% of net sales. Therefore, trends in the automobile output of Toyota Motor Corporation may affect operating results of the Company.

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

Risk Associated With Customers' Credit

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

Risk Associated With Commodities

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

Risk Associated With Business Investment

In the expansion of business operations, the Group intends 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 Group. Therefore, the Group has established new ventures in partnership with other companies and has also invested in existing companies, and may continue to conduct such investing activities.

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

Risk Associated With Fluctuations in Interest Rates

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

Risk Associated With Exchange Rates

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

Risk Associated With Countries

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

Furthermore, export and import activities of the Group are generally affected by competitive conditions arising from international trade barriers, trade conflicts, free trade agreements and multilateral agreements. While the Group endeavors to avoid the concentration of 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 Group.

Competition in Export and International Trade

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

Environment-related Risks

The Group is engaged in businesses in Japan and overseas that are exposed to a broad range of environment-related risks. To mitigate these risks, the Group conducts risk management throughout its supply chain. Specific activities include promoting traceability in the food domain, and enforcing compliance with laws and regulations concerning the handling of hazardous chemical substances in the chemical products domain.

Furthermore, the Group's businesses in Japan and overseas are susceptible to various environmental risks associated with waste disposal and other factors. The Group could conceivably incur additional costs in these businesses, due to changes in environmental regulations, environmental pollution caused by natural disasters, or other factors. These and other factors may affect the Group's business performance.

2. Effect of Natural Disasters and Other Events

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

However, a major, large-scale earthquake in the Tokai region or similar disaster may still have an impact on the Group's business operations.

Significant Accounting Policies and Estimates

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

Allowance for Doubtful Accounts

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

Inventories

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

Impairment of Tangible and Intangible Fixed Assets

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

Impairment of Marketable Securities

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

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

Deferred Tax Assets

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

Employee Retirement Benefits

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

Seven-year Financial Summary

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years Ended March 31, 2008, 2007, 2006, 2005, 2004, 2003 and 2002

	New TOYOTA TSUSHO CORPORATION (Note 1)		Former TOYOTA TSUSHO CORPORATION					
	Millions of Yen	Thousands of U.S. Dollars (Note 2)	Millions of Yen					
	2008	**2008**	2007	2006	2005	2004	2003	2002
Results of Operations:								
Net Sales (Note 3)	**¥7,000,353**	**$69,870,776**	¥6,212,726	¥3,945,319	¥3,315,831	¥2,787,794	¥2,576,453	¥2,255,698
Cost of Sales	**6,630,829**	**66,182,543**	5,884,267	3,751,042	3,161,069	2,658,589	2,462,173	2,153,454
Commission Income (Note 3)	**–**	**–**	–	27,316	20,921	17,223	17,039	15,048
Gross Trading Profit	**369,524**	**3,688,233**	328,459	221,593	175,683	146,428	131,319	117,292
SG&A Expenses	**237,853**	**2,374,020**	218,456	141,536	119,368	109,407	100,252	91,040
Operating Income	**131,671**	**1,314,213**	110,003	80,057	56,315	37,021	31,067	26,252
Net Income	**67,506**	**673,780**	77,212	45,733	37,522	20,663	18,829	8,781
Financial Position at Year-End:								
Current Assets	**¥1,885,496**	**$18,819,204**	¥1,659,437	¥1,106,984	¥ 862,477	¥ 742,328	¥ 706,440	¥ 670,309
Total Assets	**2,603,207**	**25,982,703**	2,462,229	1,602,702	1,198,394	1,032,602	960,399	922,054
Current Liabilities	**1,479,494**	**14,766,883**	1,298,916	1,019,217	749,252	671,155	640,222	620,171
Total Net Assets (Note 4)	**639,731**	**6,385,178**	626,539	314,319	237,132	188,785	159,492	150,680
Cash Flows:								
Net Cash Provided by Operating Activities	**¥ 104,728**	**$ 1,045,294**	¥ 44,599	¥ 33,089	¥ 17,836	¥ 62,660	¥ 19,092	¥ 47,461
Net Cash Used in Investing Activities	**(36,717)**	**(366,473)**	(31,159)	(119,379)	(29,410)	(38,220)	(20,095)	(11,745)
Net Cash Provided by (Used in) Financing Activities	**(23,058)**	**(230,143)**	(46,555)	90,453	12,027	(18,111)	5,874	(21,615)
Cash and Cash Equivalents at End of Year	**174,197**	**1,738,667**	125,603	75,032	69,548	67,704	61,666	56,674
	Yen	U.S. Dollars (Note 2)	Yen					
Per Share:								
Net Income:								
Basic	**¥192.44**	**$1.92**	¥231.47	¥161.88	¥132.98	¥72.75	¥66.06	¥31.31
Diluted	**192.08**	**1.92**	230.30	160.75	132.11	72.35	66.01	–
Cash Dividends for the Year	**30.00**	**0.30**	26.00	18.00	12.00	8.00	7.75	7.50
	Thousands of shares							
Common Stock:								
Number of Shares Outstanding at Year-End	**354,057**		354,057	282,867	282,867	282,867	282,867	282,867

Notes: 1. TOYOTA TSUSHO CORPORATION merged with TOMEN CORPORATION on April 1, 2006. The figures for fiscal 2006 were based on the former TOYOTA TSUSHO CORPORATION.
2. The U.S. dollar amounts have been translated from the amounts stated in yen, solely for the convenience of the readers, at the rate of ¥100.19=U.S.$1, the approximate exchange rate on March 31, 2008, which was the final business day of financial institutions in fiscal 2008.
3. Commission Income was included in Net Sales from fiscal 2007, as a result of the reconsideration of the presentation of consolidated financial statements.
4. Effective from the fiscal year ended March 31, 2007, the Company and its consolidated subsidiaries adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet."

Five-year Financial Summary (Former TOMEN CORPORATION) (Unaudited)

TOMEN CORPORATION and its consolidated subsidiaries
Years Ended March 31, 2006, 2005, 2004, 2003 and 2002

					Millions of Yen
	2006	2005	2004	2003	2002
Results of Operations:					
Net Sales	¥1,810,844	¥1,577,304	¥1,604,084	¥2,082,898	¥2,384,848
Cost of Sales	1,733,709	1,494,888	1,508,057	1,969,775	2,267,255
Gross Trading Profit	77,135	82,415	96,027	113,122	117,593
SG&A Expenses	56,069	55,846	67,847	87,460	92,394
Operating Income	21,066	26,569	28,179	25,661	25,198
Net Income (Loss)	(48,317)	9,628	3,754	(66,970)	4,711
Financial Position at Year-End:					
Current Assets	¥ 438,671	¥ 441,635	¥ 443,146	¥ 548,851	¥ 826,075
Total Assets	698,322	733,794	769,075	971,713	1,448,261
Current Liabilities	485,220	363,077	629,837	785,308	1,138,082
Total Shareholders' Equity	13,986	41,350	28,982	13,862	4,663
Cash Flows:					
Net Cash Provided by Operating Activities	¥ 20,286	¥ 18,208	¥ 44,635	¥ 81,301	¥ 71,671
Net Cash Provided by Investing Activities	28,017	24,438	41,194	82,240	26,389
Net Cash Provided by Financing Activities	45,690	43,339	98,310	202,739	86,178
Cash and Cash Equivalents at End of Year	83,145	78,620	79,400	93,928	140,290
					Yen
Per Share:					
Net Income (Loss)	¥(60.03)	¥11.92	¥5.16	¥(105.58)	¥7.39
Cash Dividends for the Year	0.00	0.00	0.00	0.00	0.00

Consolidated Balance Sheets

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
March 31, 2008 and 2007

ASSETS	Millions of Yen 2008	2007	Thousands of U.S. Dollars (Note 1) 2008
Current Assets:			
Cash and deposits (Note 3)	**¥ 174,916**	¥ 126,872	**$ 1,745,843**
Trade notes and accounts receivable (Notes 3 and 18)	**1,108,792**	1,031,640	**11,066,893**
Inventories (Note 3)	**444,155**	381,135	**4,433,127**
Deferred tax assets – current (Note 7)	**32,741**	24,407	**326,789**
Other current assets (Note 3)	**132,209**	105,950	**1,319,583**
Less: allowance for doubtful accounts	**(7,317)**	(10,567)	**(73,031)**
Total current assets	**1,885,496**	1,659,437	**18,819,204**
Property and Equipment, at Cost:			
Land (Note 3)	**51,304**	50,962	**512,067**
Buildings and structures (Note 3)	**143,679**	131,625	**1,434,065**
Machinery, equipment and vehicles (Note 3)	**148,787**	173,421	**1,485,048**
Construction in progress	**11,660**	6,811	**116,379**
Other property and equipment (Note 3)	**13,604**	13,082	**135,782**
Less: accumulated depreciation (Note 2(6))	**(166,933)**	(171,325)	**(1,666,164)**
Net property and equipment	**202,101**	204,576	**2,017,177**
Intangible Assets:			
Goodwill (Note 22)	**118,358**	132,882	**1,181,336**
Other intangible assets	**13,321**	12,776	**132,957**
Total intangible assets	**131,679**	145,658	**1,314,293**
Investments and Other Assets:			
Investment securities (Notes 3 and 12):			
Investment in unconsolidated subsidiaries and affiliates	**140,208**	142,140	**1,399,421**
Investment in third parties	**208,341**	265,270	**2,079,459**
Long-term loans (Note 3):			
Loans to unconsolidated subsidiaries and affiliates	**1,562**	1,562	**15,590**
Loans to third parties	**9,738**	27,792	**97,195**
Deferred tax assets – non-current (Note 7)	**4,720**	7,746	**47,111**
Others (Note 2 (11))	**42,581**	49,577	**425,003**
Less: allowance for doubtful accounts	**(23,219)**	(41,529)	**(231,750)**
Total investments and other assets	**383,931**	452,558	**3,832,029**
Total Assets	**¥2,603,207**	¥2,462,229	**$25,982,703**

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

LIABILITIES AND NET ASSETS (Note 2 (21))	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
Current Liabilities:			
Trade notes and accounts payable (Notes 3 and 18)	¥ 906,982	¥ 791,771	$ 9,052,620
Short-term loans payable and current portion of long-term debt (Notes 3 and 5)	316,453	232,941	3,158,529
Commercial paper	12,000	55,000	119,772
Bonds due within one year (Note 5)	5,400	20,000	53,898
Income taxes payable	16,449	13,031	164,178
Deferred tax liabilities – current (Note 7)	21	1,890	210
Other current liabilities (Note 2 (10))	222,189	184,283	2,217,676
Total current liabilities	1,479,494	1,298,916	14,766,883
Long-term Liabilities:			
Bonds (Note 5)	75,000	80,400	748,578
Long-term debt, less current portion (Notes 3 and 5)	366,314	416,112	3,656,193
Employee retirement benefits liability (Note 14)	12,791	12,965	127,667
Deferred tax liabilities – non-current (Note 7)	15,527	4,943	154,976
Provision for guarantees	–	87	–
Provision for liquidation of affiliated companies	5,556	11,687	55,455
Other long-term liabilities (Note 2 (12))	8,794	10,580	87,773
Total long-term liabilities	483,982	536,774	4,830,642
Total Liabilities	1,963,476	1,835,690	19,597,525
Net Assets (Note 17)**:**			
Shareholders' equity (Notes 6 and 21)			
Common stock, no par value (Note 23):			
Authorized: 1,000,000,000 shares			
Issued: 354,056,516 shares (Note 20)	64,936	64,936	648,128
Capital surplus (Note 23)	154,367	154,367	1,540,743
Retained earnings	334,950	275,466	3,343,148
Less: treasury stock, at cost – 3,070,690 shares in 2008 and 3,527,442 shares in 2007 (Note 20)	(5,274)	(4,631)	(52,640)
Total shareholders' equity	548,979	490,138	5,479,379
Difference of appreciation and conversion:			
Net unrealized gains on available-for-sale securities, net of taxes	40,362	70,714	402,855
Net deferred profits on hedges, net of taxes (Note 2 (21))	6,519	12,758	65,066
Foreign currency translation adjustments	(9,985)	5,310	(99,661)
Total difference of appreciation and conversion	36,896	88,782	368,260
Stock acquisition rights (Note 2 (21))	582	144	5,809
Minority interests in consolidated subsidiaries (Note 2 (21))	53,274	47,475	531,730
Total net assets	639,731	626,539	6,385,178
Total Liabilities and Net Assets	¥2,603,207	¥2,462,229	$25,982,703

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

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Consolidated Statements of Income

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	**2008**
Net Sales (Note 15)	**¥7,000,353**	¥6,212,726	**$69,870,776**
Cost of Sales (Note 15)	**6,630,829**	5,884,267	**66,182,543**
Gross Trading Profit	**369,524**	328,459	**3,688,233**
Selling, General and Administrative Expenses (Notes 8 and 15)**:**			
Charges and fees	**16,759**	12,808	**167,272**
Traffic and traveling expenses	**13,872**	12,494	**138,457**
Communication expenses	**3,142**	3,052	**31,360**
Allowance for doubtful accounts	**285**	3,512	**2,845**
Salaries and wages	**96,497**	90,695	**963,140**
Retirement benefit expenses	**3,943**	3,793	**39,355**
Welfare expenses	**12,206**	11,785	**121,829**
Rental expenses	**14,895**	14,669	**148,668**
Depreciation and amortization except goodwill	**11,620**	10,243	**115,980**
Taxes other than income taxes	**4,267**	3,587	**42,589**
Amortization of goodwill	**15,243**	15,278	**152,141**
Others	**45,124**	36,540	**450,384**
	237,853	218,456	**2,374,020**
Operating Income (Note 15)	**131,671**	110,003	**1,314,213**
Other Income (Expenses):			
Interest income	**6,205**	6,010	**61,932**
Interest expenses	**(19,232)**	(19,318)	**(191,955)**
Dividend income	**10,760**	8,717	**107,396**
Share in net earnings in equity method	**11,065**	7,342	**110,440**
Other, net (Note 9)	**551**	781	**5,500**
	9,349	3,532	**93,313**
Income before Income Taxes and Minority Interests	**141,020**	113,535	**1,407,526**
Income Tax Expenses:			
Current	**32,745**	29,448	**326,829**
Deferred	**31,378**	(1,049)	**313,185**
	64,123	28,399	**640,014**
Minority Interests in Earnings of Consolidated Subsidiaries	**9,391**	7,924	**93,732**
Net Income	**¥ 67,506**	¥ 77,212	**$ 673,780**

	Yen		U.S. Dollars (Note 1)
Amounts per Share (Notes 19 and 21)**:**			
Net income:			
Basic	**¥192.44**	¥231.47	**$1.92**
Diluted	**192.08**	230.30	**1.92**
Cash dividends	**30.00**	26.00	**0.30**

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

Consolidated Statements of Changes in Net Assets

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2008 and 2007

	Millions of Yen 2008	Millions of Yen 2007	Thousands of U.S. Dollars (Note 1) 2008
Shareholders' Equity:			
Common Stock:			
Beginning Balance	¥ 64,936	¥ 26,749	$ 648,128
Stock Issuance (Note 23)	–	38,187	–
Ending Balance	¥ 64,936	¥ 64,936	$ 648,128
Capital Surplus:			
Beginning Balance	¥154,367	¥ 24,705	$1,540,743
Stock Issuance (Note 23)	–	129,662	–
Ending Balance	¥154,367	¥154,367	$1,540,743
Retained Earnings:			
Beginning Balance	¥275,466	¥206,680	$2,749,436
Net income	67,506	77,212	673,780
Cash dividends paid (Note 21)	(9,821)	(6,398)	(98,024)
Bonuses to directors and corporate auditors	(16)	(696)	(160)
Loss on the disposition of treasury stock	(391)	(66)	(3,902)
Net increase (decrease) of consolidated subsidiaries	660	(769)	6,588
Net increase (decrease) of companies accounted for by the equity method	1,719	(442)	17,157
Others, net	(173)	(55)	(1,727)
Ending Balance	¥334,950	¥275,466	$3,343,148
Treasury Stock, at Cost:			
Beginning Balance	¥ (4,631)	¥ (4,181)	$ (46,222)
Purchase of treasury stock	(2,778)	(1,580)	(27,727)
Disposal of treasury stock	2,150	1,364	21,459
Others, net	(15)	(234)	(150)
Ending Balance	¥ (5,274)	¥ (4,631)	$ (52,640)
Total Shareholders' Equity	¥548,979	¥490,138	$5,479,379
Difference of Appreciation and Conversion:			
Net Unrealized Gains on Available-for-Sale Securities, Net of Taxes:			
Beginning Balance	¥ 70,714	¥ 60,531	$ 705,799
Change in unrealized gains	(30,352)	10,183	(302,944)
Ending Balance	¥ 40,362	¥ 70,714	$ 402,855
Net Deferred Profits on Hedges, Net of Taxes (Note 2 (21))**:**			
Beginning Balance	¥ 12,758	¥ –	$ 127,338
Change in deferred profits on hedges	(6,239)	12,758	(62,272)
Ending Balance	¥ 6,519	¥ 12,758	$ 65,066
Foreign Currency Translation Adjustments:			
Beginning Balance	¥ 5,310	¥ (165)	$ 52,999
Change in foreign currency translation adjustments	(15,295)	5,475	(152,660)
Ending Balance	¥ (9,985)	¥ 5,310	$ (99,661)
Total Difference of Appreciation and Conversion	¥ 36,896	¥ 88,782	$ 368,260
Stock Acquisition Rights (Note 2 (21))**:**			
Beginning Balance	¥ 144	¥ –	$ 1,437
Change in stock acquisition rights	438	144	4,372
Ending Balance	¥ 582	¥ 144	$ 5,809
Minority Interests in Consolidated Subsidiaries (Note 2 (21))**:**			
Beginning Balance	¥ 47,475	¥ 16,977	$ 473,850
Change in minority interests	5,799	30,498	57,880
Ending Balance	¥ 53,274	¥ 47,475	$ 531,730
Total Net Assets	¥639,731	¥626,539	$6,385,178

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

Consolidated Statements of Cash Flows

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2008	2007	**2008**
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	**¥ 141,020**	¥ 113,535	**$ 1,407,526**
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization except goodwill	**22,154**	20,124	**221,120**
Amortization of goodwill	**15,243**	15,278	**152,141**
Net change in allowance for doubtful accounts-net	**(8,197)**	(529)	**(81,815)**
Interest and dividend income	**(16,965)**	(14,727)	**(169,328)**
Interest expense	**19,232**	19,318	**191,955**
Share in net earnings in equity method	**(11,065)**	(7,342)	**(110,440)**
Increase in receivables	**(120,860)**	(46,979)	**(1,206,308)**
Increase in inventories	**(75,860)**	(44,358)	**(757,162)**
Increase in payables	**147,956**	54,018	**1,476,754**
Others, net	**21,633**	(18,144)	**215,920**
Subtotal	**134,291**	90,194	**1,340,363**
Interest and dividend received	**21,234**	15,099	**211,938**
Interest paid	**(19,360)**	(17,026)	**(193,233)**
Income taxes paid	**(31,437)**	(43,668)	**(313,774)**
Net cash provided by operating activities	**104,728**	44,599	**1,045,294**
Cash Flows from Investing Activities:			
Net decrease in time deposits	**422**	1,452	**4,212**
Payments for purchase of property and equipment	**(35,540)**	(36,619)	**(354,726)**
Proceeds from sale of property and equipment	**3,456**	3,140	**34,494**
Payments for purchase of intangible assets	**(7,178)**	(4,513)	**(71,644)**
Proceeds from sale of intangible assets	**39**	–	**389**
Payments for purchase of investment securities	**(16,430)**	(25,672)	**(163,988)**
Proceeds from sale of investment securities	**8,130**	32,777	**81,146**
Payments for sale of shares of subsidiaries excluded from the consolidation scope	**(147)**	–	**(1,467)**
Proceeds from sale of shares of subsidiaries excluded from the consolidation scope	**8,978**	2,607	**89,610**
Increase in loans	**(12,632)**	(9,923)	**(126,080)**
Collection of loans	**14,038**	10,407	**140,114**
Payment for purchase of shares of subsidiaries from minority shareholders	**–**	(3,202)	**–**
Others, net	**147**	(1,613)	**1,467**
Net cash used in investing activities	**(36,717)**	(31,159)	**(366,473)**
Cash Flows from Financing Activities:			
Change in short-term loans payable	**29,444**	(246,754)	**293,882**
Proceeds from long-term debt	**18,090**	142,609	**180,557**
Repayment of long-term debt	**(36,346)**	(49,762)	**(362,771)**
Proceeds from issuance of bonds	**–**	45,000	**–**
Payment for redemption of bonds	**(20,000)**	(5,040)	**(199,621)**
Proceeds from stock issuance (Note 23)	**–**	76,357	**–**
Payment for purchase of treasury stock	**(2,778)**	(1,580)	**(27,727)**
Dividends paid	**(9,821)**	(6,398)	**(98,024)**
Dividends paid to minority shareholders	**(3,670)**	(2,285)	**(36,631)**
Proceeds from stock issuance to minority shareholders of subsidiaries	**264**	–	**2,635**
Others, net	**1,759**	1,298	**17,557**
Net cash used in financing activities	**(23,058)**	(46,555)	**(230,143)**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(4,718)**	19	**(47,091)**
Net Increase (Decrease) in Cash and Cash Equivalents	**40,235**	(33,096)	**401,587**
Cash and Cash Equivalents at Beginning of Year	**125,603**	75,032	**1,253,648**
Increase in Cash and Cash Equivalents Due to Merger with TOMEN CORPORATION (Note 22)	**–**	82,944	**–**
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	**8,359**	723	**83,432**
Cash and Cash Equivalents at End of Year	**¥ 174,197**	¥ 125,603	**$ 1,738,667**
Reconciliation Between Cash and Cash Equivalents and Cash and Deposits in the Consolidated Balance Sheets:			
Cash and deposits in the consolidated balance sheets	**¥ 174,916**	¥ 126,872	**$ 1,745,843**
Time deposits over 3 months	**(719)**	(1,269)	**(7,176)**
Cash and cash equivalents in the consolidated statements of cash flows	**¥ 174,197**	¥ 125,603	**$ 1,738,667**

The accompanying notes are an integral part of the 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 Financial Instruments and Exchange Law of Japan. Certain items presented in the original consolidated financial statements in Japanese have been reclassified for the convenience of readers outside Japan. The account reclassification, however, has no effect on shareholders' equity, net sales or net income.

On the accompanying consolidated financial statements, which are stated in Japanese yen, the currency of the country in which the Company is incorporated and principally operates, amounts less than ¥1 million are rounded up / down. Therefore, some accounts and notes are not consistent with those on the original consolidated financial statements in Japanese, on which amounts less than ¥1 million are rounded down. The translations of Japanese yen amounts into U.S. dollar amounts with respect to the year ended March 31, 2008 are included solely for the convenience of readers outside Japan and have been made at the rate of ¥100.19 = U.S.$1, the rate prevailing on March 31, 2008, which was the final business day of financial institutions in fiscal 2008. 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.

2. Summary of Significant Accounting Policies

(1) Principles of consolidation

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

The number of consolidated subsidiaries, unconsolidated subsidiaries and affiliates at March 31, 2008 and 2007 was as follows:

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

	2008	2007
Consolidated subsidiaries	255	246
Unconsolidated subsidiaries and affiliates, accounted for by the equity method	123	115
Unconsolidated subsidiaries and affiliates, stated at cost	142	151

For the year ended March 31, 2008, 26 subsidiaries were newly added to the scope of consolidation and 17 subsidiaries were excluded from the scope of consolidation. In addition 19 unconsolidated subsidiaries and affiliates were newly added to the scope of consolidation under the equity method and 11 unconsolidated subsidiaries and affiliates were excluded from the scope of consolidation under the equity method.

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

Of the Company's consolidated subsidiaries, fiscal year-ends of 49 subsidiaries in 2008, and of 44 subsidiaries in 2007, are different from the Company's fiscal year-end. If the fiscal year-ends of these subsidiaries are three months or less prior to the Company's fiscal year-end, the Company uses the financial statements of the subsidiaries as of their fiscal year-ends and for the years then ended for consolidated accounting purposes and significant transactions occurring between subsidiaries' year-ends and the Company's year-end are adjusted upon consolidation. As for subsidiaries whose fiscal year-ends are three months or more prior to the Company's fiscal year-end, the Company uses the preliminary financial statements, with reasonable adjustments that would have been made to conform to financial statements as of the Company's fiscal year-end and for the year then ended, for consolidated accounting purposes.

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 the minority interest proportion stated at the 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. However, due to the fact that the Company shall not hold securities for the purpose of trading, trading is not applicable.

Held-to-maturity securities	Amortized cost method.
Available-for-sale securities	
Securities with market price	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 net assets, net of applicable income taxes. Sales costs are principally determined by the moving average method).
Securities without market price	At cost, determined principally by the moving average method.

(4) Derivatives

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

(5) Inventories

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

(6) Depreciation method for depreciable assets

Property and Equipment are principally depreciated by the declining balance method. Details of accumulated depreciation on the accompanying consolidated balance sheets are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
Buildings and structures	**¥ 60,392**	¥ 58,445	**$ 602,775**
Machinery, equipment and vehicles	**97,950**	104,287	**977,642**
Other property and equipment	**8,591**	8,593	**85,747**
Total accumulated depreciation	**¥166,933**	¥171,325	**$1,666,164**

The number of years over which the asset is depreciated and the treatment of undepreciated balances 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 and equipment, 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 principally amortized by the straight-line method.

(7) Impairment on fixed assets

Calculation of the impairment on 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.

(8) Deferred charges

Bond Issue Costs	Charged to income as incurred
Stock Issue Costs	Charged to income as incurred

(9) Allowance for doubtful accounts

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

(10) Provision for bonuses to directors

To prepare for the payment of bonuses to directors and corporate auditors, the provision which should be attributable to this fiscal year of expectable payment amounts was recognized. Accordingly, ¥804 million ($8,025 thousand) and ¥721 million were included in other current liabilities on the accompanying consolidated balance sheets as of March 31, 2008 and 2007, respectively.

(11) 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 respective fiscal years. The employee retirement benefit liability for the Company or a part of the Company's retirement benefit plans and that for one of its consolidated subsidiaries were shown as debit balances as of March 31, 2008 and 2007, respectively. Accordingly, ¥3,549 million ($35,423 thousand) and ¥2,177 million were included in others of investments and other assets on the accompanying consolidated balance sheets as of March 31, 2008 and 2007, respectively.

Past service costs are charged to income as incurred.

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

(12) Directors' and corporate auditors' retirement benefits

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

Accrued retirement benefits for directors and corporate auditors of ¥817 million ($8,155 thousand) and ¥2,261 million at March 31, 2008 and 2007, respectively, were included in other long-term liabilities on the accompanying consolidated balance sheets.

At the annual general shareholders' meeting on June 26, 2007, the abolition of retirement benefits for directors was decided.

(13) 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.

(14) Provision for liquidation of affiliated companies

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

(15) 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 and affiliates are also translated into Japanese yen at the prevailing rate in the foreign currency market on the respective balance sheet dates, while shareholders' equity is translated at the historical rates. The resulting translation difference is accounted for as foreign currency translation adjustments and minority interests in net assets.

(16) Leases

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

(17) Accounting methods for hedges

1. Accounting method for hedges

Hedges are principally accounted for by the deferred hedge method.

2. Hedge methods and targets

Hedge methods	a.	Forward exchange contracts
	b.	Interest rate swap contracts
	c.	Commodity future and forward contracts
Hedge targets	a.	Foreign currency transactions
	b.	Interest on deposits and loans
	c.	Commodity transactions in the nonferrous metal, crude oil, petroleum products, rubber, foodstuffs, cotton, and other markets

3. Hedge policy

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

4. Method of evaluating the effectiveness of hedges

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

5. Others

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

(18) Consumption tax

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

(19) 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.

(20) Per share data

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

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

(21) Changes in accounting policies and adoption of new accounting standards

1. For the year ended March 31, 2008

a. Accounting standard for depreciation method for depreciable assets

Effective from the fiscal year ended March 31, 2008, the company and its domestic consolidated subsidiaries changed the depreciation method for tangible fixed assets acquired on or after April 1, 2007 in accordance with the revised Corporate Tax Law of Japan. The impact of this change on the Consolidated Statements of Income is immaterial.

Due to the revision of Corporate Tax Law, the Company and its domestic consolidated subsidiaries depreciate the difference between 5% of the acquisition price and the memorandum value of tangible fixed assets acquired before March 31, 2007 equally over five years from the fiscal year following the year in which the tangible fixed assets are depreciated to 5% of the acquisition price in accordance with the depreciation method under the Corporate Tax Law before the revision. The impact of this change on the Consolidated Statements of Income is immaterial.

b. Accounting standard for accounting methods for hedges

Prior to the fiscal year ended March 31, 2007, the Company applied replacement equivalent methods to forward foreign exchange contracts entered in to hedge forecasted transactions denominated in foreign currencies.

Effective from the fiscal year ended March 31, 2008, the Company changed the method of accounting for such forward foreign exchange contracts and began applying the benchmark method. This change was made as a result of the implementation of a newly modified internal accounting system in order to achieve a better presentation of foreign currency assets, liabilities and derivatives positions. As a result of the change of this accounting method, operating income increased by ¥820 million ($8,184 thousand. However, the effect on income before income taxes and minority interests was no impact.

2. For the year ended March 31, 2007

a. Accounting standard for directors' bonus

Prior to the fiscal year ended March 31, 2006, bonuses to directors and corporate auditors were appropriated as disposal of retained earnings based on the resolution of annual general shareholders' meeting. Effective from the fiscal year ended March 31, 2007, the Company and its domestic consolidated subsidiaries adopted "Accounting Standard for Directors' Bonus" issued by the Accounting Standards Boards of Japan ("ASBJ"). Under this new accounting standard, the Company and its domestic consolidated subsidiaries must accrue bonuses to directors and corporate auditors at the year end to which such bonuses are attributable. As a result of adoption of this accounting standard, operating income and income before income taxes and minority interests decreased by ¥721 million.

In April 2006, the Company introduced an Executive Officer System. With regard to bonuses to executive officers, the Company used the method similar to bonuses to directors and corporate auditors, and the provision of ¥340 million was included in other current liabilities on the accompanying consolidated balance sheets.

b. Accounting standard for presentation of net assets in the balance sheet

Effective from the fiscal year ended March 31, 2007, the Company and its consolidated subsidiaries adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" and its "Related Implementation Guidance" issued by ASBJ, accompanying enforcement of the new Corporate Law.

Under this new accounting standard, the balance sheet comprises Assets, Liabilities and Net Assets sections. The Net Assets section comprises four subsections, which are Shareholders' equity, Difference of appreciation and conversion, Stock acquisition rights and Minority interests in consolidated subsidiaries, as applicable.

The Net Assets section includes items which were not included in the previously presented Shareholders' Equity section. Difference of appreciation and conversion section includes deferred profits or losses on hedges, net of taxes, which were previously included in assets or liabilities. And, Minority interests in consolidated subsidiaries were presented between non-current liabilities and the previously presented shareholders' equity.

The amount that corresponds to "Total Shareholders' Equity" of the previous year is ¥566,162 million.

c. Accounting standard for stock options

Effective from the fiscal year ended March 31, 2007, the Company and its consolidated subsidiaries adopted "Accounting Standard for Stock Options" and its "Related Implementation Guidance" issued by ASBJ.

This standard requires recognition of compensation expense for stock options based on the fair value at the date of grant and over vesting period as consideration for receiving goods or services. The Company recognized the compensation expense concerning stock options by selling, general and administrative expenses in consolidated statements of income. In addition, this standard requires stock options to be presented as Stock Acquisition Rights as a separate component of Net Assets in the balance sheets until exercised. As a result, operating income and income before income taxes and minority interests decreased by ¥144 million, and the same amount was recognized as Stock Acquisition Rights in Net Assets.

d. Accounting standard for business combinations

Effective from fiscal year ended March 31, 2007, the Company and its consolidated subsidiaries adopted "Accounting Standard for Business Combinations" issued by the Business Accounting Council and "Implementation Guidance related to Business Combinations and Business Divestitures" issued by ASBJ.

The Accounting Standard for Business Combinations allows companies to apply the pooling of interests method of accounting only when certain specific criteria are met such that the business combination is essentially regarded as a uniting-of-interests. For business combinations that do not meet the uniting-of-interests criteria, the business combination is considered to be an acquisition and the purchase method of accounting is required.

3. Pledged Assets

Pledged assets as collateral as of March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
Cash and deposits	**¥ 103**	¥ 477	**$ 1,028**
Trade notes and accounts receivable	**3,140**	3,784	**31,340**
Inventories	**3,438**	3,848	**34,315**
Other current assets	**324**	465	**3,234**
Buildings and structures	**6,993**	9,726	**69,797**
Machinery, equipment and vehicles	**4,405**	8,765	**43,966**
Land	**4,323**	4,880	**43,148**
Other property and equipment	**601**	511	**5,999**
Investment securities	**7,116**	6,777	**71,025**
Long-term loans	**131**	462	**1,308**
Total	**¥30,574**	¥39,695	**$305,160**

Collateral secured obligations as of March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
Trade notes and accounts payable	**¥ 8**	¥ –	**$ 80**
Short-term loans payable and current portion of long-term debt	**4,433**	6,172	**44,246**
Long-term debt, less current portion	**3,737**	6,180	**37,299**
Total	**¥8,178**	¥12,352	**$81,625**

4. Multi-currency Revolving Facilities and Commitment Lines

The Company and its consolidated subsidiaries, such as Toyota Tsusho America, Inc., Toyota Tsusho U. K. Ltd., Toyota Tsusho Europe S.A., Neuss Branch, and Toyota Tsusho (Singapore) Pte. Ltd., maintain a line of credit in the form of multi-currency revolving facilities provided by 8 financial institutions in order to obtain required funds should unexpected events arise.

As of March 31, 2008 and 2007, the unused line of credit of the multi-currency revolving facilities was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
Maximum line of credit of the multi-currency revolving facilities	**¥30,000**	¥50,000	**$299,431**
Less, outstanding drawdown on revolving facilities	**–**	–	**–**
Balance	**¥30,000**	¥50,000	**$299,431**

In addition, certain consolidated subsidiaries enter into commitment line contracts with financial institutions for the flexibility and safety of their funding activities. The unused balances of commitment lines at March 31, 2008 and 2007 were as follows:

	Millions of Currency		Thousands of U.S. Dollars
	2008	2007	**2008**
Maximum line of credit of the commitment line contracts	**¥18,000**	¥19,200	**$179,658**
	and Baht 1,000	and Baht 1,000	**31,740**
Less, outstanding drawdown on commitment line contracts	**15,800**	17,400	**157,700**
Balance	**¥ 2,200**	¥ 1,800	**$ 21,958**
	and Baht 1,000	and Baht 1,000	**31,740**

5. Short-term Loans Payable and Long-term Debt

Short-term loans payable

The average annual interest rates applicable to short-term loans, principally from banks, outstanding at March 31, 2008 and 2007 were 2.93% and 4.76%, respectively.

Summary of long-term debt

Long-term debt as of March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
2.00% straight bonds due 2007	**¥ –**	¥ 15,000	**$ –**
0.50% straight bonds due 2008	**–**	5,000	**–**
0.59% straight bonds due 2008	**200**	200	**1,996**
0.64% straight bonds due 2009	**5,000**	5,000	**49,905**
0.90% straight bonds due 2009	**200**	200	**1,996**
1.65% straight bonds due 2011	**30,000**	30,000	**299,431**
1.55% straight bonds due 2012	**10,000**	10,000	**99,811**
1.09% straight bonds due 2015	**10,000**	10,000	**99,810**
2.26% straight bonds due 2016	**15,000**	15,000	**149,716**
Floating rate straight bonds due 2016	**10,000**	10,000	**99,810**
Long-term loans, principally from commercial and trust banks and insurance companies, maturing serially through 2018	**405,697**	432,670	**4,049,277**
Total	**486,097**	533,070	**4,851,752**
Less, current portion	**(44,783)**	(36,558)	**(446,981)**
	¥441,314	¥496,512	**$4,404,771**

The average annual interest rates applicable to long-term loans outstanding at March 31, 2008 and 2007 were 2.04% and 2.11%, respectively.

The aggregate annual maturities of long-term debt at March 31, 2008 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Year ending March 31	**2008**	**2008**
2009	**¥ 44,783**	**$ 446,981**
2010	**62,096**	**619,782**
2011	**54,296**	**541,930**
2012	**54,895**	**547,909**
2013	**43,410**	**433,277**
2014 and thereafter	**226,617**	**2,261,873**
Total	**¥486,097**	**$4,851,752**

6. Shareholders' Equity

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

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

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

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

7. Income Taxes

As of March 31, 2008 and 2007, 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
	2008	2007	**2008**
Deferred tax assets:			
Unrealized profit	**¥ 1,922**	¥ 1,056	**$ 19,184**
Allowance for doubtful accounts	**1,011**	5,848	**10,091**
Employee retirement benefits	**2,613**	5,015	**26,080**
Write-down of investment securities	**11,446**	5,453	**114,243**
Write-down of investment in subsidiaries and affiliates	**7,964**	7,495	**79,489**
Deferred losses on hedges	**4,921**	8,038	**49,117**
Net operating loss carryforward	**45,185**	76,170	**450,993**
Valuation losses of inherited assets on the merger	**18,665**	19,981	**186,296**
Others	**18,496**	13,430	**184,609**
Subtotal	**112,223**	142,486	**1,120,102**
Valuation allowance	**(46,220)**	(45,001)	**(461,324)**
Total deferred tax assets	**66,003**	97,485	**658,778**
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	**27,982**	49,138	**279,289**
Valuation of assets and liabilities of consolidated subsidiaries on acquisition	**890**	1,194	**8,883**
Deferred profits on hedges	**4,921**	8,480	**49,117**
Valuation profits of inherited assets on the merger	**7,440**	7,669	**74,259**
Others	**2,857**	5,684	**28,516**
Total deferred tax liabilities	**44,090**	72,165	**440,064**
Net deferred tax assets (liabilities)	**¥ 21,913**	¥ 25,320	**$ 218,714**

Reconciliation items of differences between the Japanese statutory effective tax rate and actual effective income tax rate for the year ended March 31, 2008 and 2007 were as follows:

	Percentage of pretax income	
	2008	2007
Japanese statutory effective tax rate	40.3%	40.3%
Increase (decrease) due to:		
Permanently nondeductible expenses	1.1	1.1
Equity in earnings of unconsolidated subsidiaries and affiliates	(3.0)	(2.3)
Differences of tax rates for overseas consolidated subsidiaries	(7.0)	(7.2)
Valuation allowance	9.4	(12.2)
Amortization of goodwill	4.4	5.5
Others	0.3	(0.2)
Actual effective income tax rate	45.5%	25.0%

8. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2008 and 2007 were ¥432 million ($4,312 thousand) and ¥213 million, respectively.

9. Other Income (Expenses)

Details of Others, net, included in Other Income (Expenses) for the years ended March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Gain on sales of fixed assets	¥ 393	¥ 981	$ 3,923
Loss on sales or disposal of fixed assets	(1,438)	(1,009)	(14,353)
Gain on sales of investment securities	4,139	2,148	41,312
Loss on sales of investment securities	(453)	(327)	(4,521)
Write-down of investment securities	(8,380)	(3,746)	(83,641)
Gain on reversal of allowance for doubtful accounts	8,160	3,545	81,445
Gain on collection of doubtful accounts	–	466	–
Loss on disposal of investments in and advances to unconsolidated subsidiaries and affiliates	(1,100)	–	(10,979)
Loss on amortization of past service costs	–	(1,403)	–
Loss on provison for liquidation of affiliated companies	(3,396)	–	(33,896)
Settlements on litigation	132	–	1,317
Others, net	2,494	126	24,893
Total	¥ 551	¥ 781	$ 5,500

10. Contingent Liabilities

Contingent liabilities as of March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Discounted exports bills	¥30,122	¥32,530	$300,649
For guarantees of indebtedness to:			
Unconsolidated subsidiaries and affiliates	¥24,644	¥18,615	$245,973
Others	6,362	7,460	63,499
Subtotal	31,006	26,075	309,472
Provision for guarantees	–	(87)	–
Total	¥31,006	¥25,988	$309,472

11. Lease Transactions

Year ended March 31, 2008

Finance Leases

Finance lease transactions without transfer of ownership for the year ended March 31, 2008 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	¥16,429	¥ 5,309	¥11,120	$163,978	$ 52,989	$110,989
Others	11,205	5,843	5,362	111,838	58,320	53,518
Total	¥27,634	¥11,152	¥16,482	$275,816	$111,309	$164,507

Future minimum lease payments	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥ 3,766	$ 37,589
More than one year	12,800	127,757
Total	¥16,566	$165,346

	Millions of Yen	Thousands of U.S. Dollars
Annual lease payments	¥3,891	$38,836
Depreciation	3,891	38,836

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

Future minimum lease payments to be received	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥46	$459
More than one year	38	379
Total	¥84	$838

Noncancelable Operating Leases

Lease payments for noncancelable operating lease transactions as of March 31, 2008 were as follows:

Lessee

Future minimum lease payments	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥ 3,481	$ 34,744
More than one year	13,987	139,605
Total	¥17,468	$174,349

Lessor

Future minimum lease payments to be received	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥ 286	$ 2,855
More than one year	988	9,861
Total	¥1,274	$12,716

Year ended March 31, 2007

Finance Leases

Finance lease transactions without transfer of ownership for the year ended March 31, 2007 were as follows:

Lessee

	Millions of Yen		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥15,604	¥ 4,141	¥11,463
Others	11,232	6,226	5,006
Total	¥26,836	¥10,367	¥16,469

Future minimum lease payments	Millions of Yen
Within one year	¥ 3,437
More than one year	13,175
Total	¥16,612

	Millions of Yen
Annual lease payments	¥3,641
Depreciation	3,641

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

Future minimum lease payments to be received	Millions of Yen
Within one year	¥ 71
More than one year	72
Total	¥143

Noncancelable Operating Leases

Lease payments for noncancelable operating lease transactions as of March 31, 2007 were as follows:

Lessee

Future minimum lease payments	Millions of Yen
Within one year	¥ 3,239
More than one year	11,231
Total	¥14,470

Lessor

Future minimum lease payments to be received	Millions of Yen
Within one year	¥ 315
More than one year	1,220
Total	¥1,535

12. Information of Securities

(a) Securities with market price

Original cost, carrying amount and unrealized gain (loss) of available-for-sale securities with market price at March 31, 2008 and 2007 were as follows:

	Millions of Yen						Thousands of U.S. Dollars		
	2008			2007			2008		
	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	¥61,072	¥136,430	¥75,358	¥66,836	¥189,001	¥122,165	$609,562	$1,361,713	$752,151
Market value less than original cost amount:									
Equity securities	26,282	21,778	(4,504)	25,831	22,676	(3,155)	262,322	217,367	(44,955)
Total	¥87,354	¥158,208	¥70,854	¥92,667	¥211,677	¥119,010	$871,884	$1,579,080	$707,196

Note: Impairment losses of ¥7,773 million ($77,583 thousand) and ¥1,853 million were recognized in the consolidated statements of income, for available-for-sale securities with market price for the years ended March 31, 2008 and 2007, respectively.

(b) Securities without market price

Book value of securities not measured at market value at March 31, 2008 and 2007 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Available-for sale securities:			
Unlisted securities	¥36,680	¥ 36,916	$366,104

(c) Sale of available-for-sale securities

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Total amount of sold	¥4,103	¥12,104	$40,952
Realized gains	1,689	2,034	16,858
Realized losses	(41)	(77)	(409)

13. Derivative Instruments

The Company and its consolidated subsidiaries utilize foreign exchange contracts, interest rate swap contracts and commodity related futures, forwards, swaps and options, mainly to avoid adverse effects of fluctuations of the market risk generated along with usual activities of the Company's business, and unusually, these derivative transactions are used to acquire earnings.

To minimize credit risk exposure associated with these derivative transactions, the Company and its consolidated subsidiaries select highly ranked financial institutions, exchanges and brokers as counter parties.

In accordance with the internal regulations on derivative transactions, for managing market and credit risk of these derivative transactions, each Business Division which entered into derivative transactions directly reports to the Company's management and to the Administrative Division which is responsible for managing risks.

Estimated fair value and valuation gain (loss) on the contract or notional amount of derivative instruments at March 31, 2008 and 2007 were as follows:

	Millions of Yen						Thousands of U.S. Dollars		
	2008			2007			2008		
Commodity Related	Contract or notional	Estimated fair value	Valuation gain (loss)	Contract or notional	Estimated fair value	Valuation gain (loss)	Contract or notional	Estimated fair value	Valuation gain (loss)
Exchange-traded									
Future contracts:									
Nonferrous Metal									
(Sell)	¥61,265	¥ 65,903	¥ (4,638)	¥53,941	¥54,238	¥(297)	$611,488	$657,780	$ (46,292)
(Buy)	43,518	49,619	6,101	44,168	44,198	30	434,355	495,249	60,894
Produce & Foodstuffs									
(Sell)	571	511	60	447	426	21	5,699	5,100	599
(Buy)	397	353	(44)	715	687	(28)	3,962	3,523	(439)
Natural Rubber									
(Sell)	1,598	1,494	104	81	83	(2)	15,950	14,912	1,038
(Buy)	68	72	4	66	83	17	679	719	40
Over-the-counter									
Forward contracts:									
Nonferrous Metal									
(Sell)	69,171	77,153	(7,982)	6,627	7,107	(480)	690,398	770,067	(79,669)
(Buy)	95,482	106,865	11,383	12,008	12,413	405	953,009	1,066,623	113,614
Over-the-counter									
Commodity swap contracts:									
Petroleum Products									
Receipt-variable/ Payment-fixed	3,678	3,832	(154)	–	–	–	36,710	38,247	(1,537)
Receipt-fixed/ Payment-variable	3,512	3,580	68	–	–	–	35,053	35,732	679
Total			¥ 4,902			¥(334)			$ 48,927

Notes: 1. The estimated fair value amounts of future contracts were determined using market information on The Tokyo Commodity Exchange or The Tokyo Grain Exchange or other exchanges.
2. The estimated fair value amounts of forward contracts were determined using the value calculated by major transaction partners.
3. The estimated fair value amounts of commodity swap contracts were determined using quotes obtained from financial institutions.
4. Excluding transactions for derivative financial instruments to which hedge accounting is applied.

Currency Related:	Millions of Yen 2008 Contract or notional	Estimated fair value	Valuation gain (loss)	2007 Contract or notional	Estimated fair value	Valuation gain (loss)	Thousands of U.S. Dollars 2008 Contract or notional	Estimated fair value	Valuation gain (loss)
Over-the-counter									
Forward exchange contracts:									
Selling:									
U.S. Dollars	¥38,838	¥36,941	¥ 1,897	¥13,553	¥13,533	¥ 20	$387,643	$368,709	$ 18,934
Other currencies	9,943	9,348	595	63	62	1	99,241	93,303	5,938
Buying:									
U.S. Dollars	66,923	63,039	(3,884)	14,729	14,673	(56)	667,961	629,195	(38,766)
Other currencies	12,114	12,552	438	1,596	1,594	(2)	120,910	125,282	4,372
Over-the-counter									
Currency option contracts:									
Selling:									
Put	4,809	4,805	4	–	–	–	47,999	47,959	40
Call	421	379	42	–	–	–	4,202	3,783	419
Buying:									
Put	421	397	(24)	–	–	–	4,202	3,963	(239)
Call	4,809	4,808	(1)	–	–	–	47,999	47,989	(10)
Total			¥ (933)			¥(37)			$ (9,312)

Notes: 1. The estimated fair value amounts of forward exchange contracts were determined using forward exchange rate at the end of fiscal year.
2. The estimated fair value amounts of currency option contracts were determined using quotes obtained from financial institutions.
3. Option premiums are not received or paid because these currency option contracts are zero cost option contracts that means the premiums of the written options are the same as those paid for the options that are purchased.
4. Excluding transactions for derivative financial instruments to which hedge accounting is applied.

Interest Rate Related:	Millions of Yen 2008 Contract or notional	Estimated fair value	Valuation gain (loss)	2007 Contract or notional	Estimated fair value	Valuation gain (loss)	Thousands of U.S. Dollars 2008 Contract or notional	Estimated fair value	Valuation gain (loss)
Over-the-counter									
Interest rate swap contracts:									
Receipt-variable/ Payment-fixed	¥840	¥(11)	¥(11)	¥1,192	¥(15)	¥(15)	$8,384	$(110)	$(110)
Total			¥(11)			¥(15)			$(110)

Notes: 1. The estimated fair value amounts of interest rate swap contracts were determined using the quotes obtained from financial institutions.
2. Excluding transactions for derivative financial instruments to which hedge accounting is applied.

14. 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.

	Millions of Yen		Thousands of U.S. Dollars
Employee Retirement Benefits Liability	**2008**	2007	**2008**
Employee retirement benefits obligation	**¥(59,402)**	¥(58,258)	**$(592,894)**
Fair value of pension plan assets	**44,652**	51,241	**445,673**
Unfunded benefits obligation	**(14,750)**	(7,017)	**(147,221)**
Unrecognized actuarial difference	**5,508**	(3,807)	**54,976**
Unrecognized past service costs	**–**	36	**–**
Net amount recognized	**(9,242)**	(10,788)	**(92,245)**
Prepaid pension	**(3,549)**	(2,177)	**(35,422)**
Employee retirement benefit liability	**¥(12,791)**	¥(12,965)	**$(127,667)**

Note: Consolidated subsidiaries are accounted for mainly through the application of the simplified calculation method.

	Millions of Yen		Thousands of U.S. Dollars
Retirement Benefit Expenses	**2008**	2007	**2008**
Service expenses	**¥3,211**	¥2,915	**$32,049**
Interest expenses	**1,114**	1,124	**11,119**
Expected return on pension plan assets	**(958)**	(931)	**(9,562)**
Amortization of actuarial difference	**239**	364	**2,386**
Retirement benefit expenses	**3,606**	3,472	**35,992**
Others	**527**	533	**5,260**
Total	**¥4,133**	¥4,005	**$41,252**

Note: Others represent the contributions under defined contribution plan, etc.

Basis of Calculation of Benefit Obligations	**2008**		2007	
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 past service costs	**mainly**	**1 year**	mainly	1 year
Amortization of actuarial difference	**mainly**	**12 years**	mainly	12 years

On October 1, 2006, the Company introduced a new employee retirement benefit plan in order to achieve a plan that can be managed during the future stably and continuously. As a result, in relation to the introduction of new plan, the Company recognized the decrease of employee retirement benefit liability amounting to ¥1,753 million and a loss on amortization of past service costs amounting to ¥1,403 million.

15. Segment Information

Industry Segments

Millions of Yen

Year ended March 31, 2008	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Others	Total	Elimination	Consolidation
Net Sales:										
External customers	¥2,109,066	¥1,581,966	¥938,301	¥1,562,346	¥335,449	¥379,071	¥ 94,154	¥7,000,353	¥ –	¥7,000,353
Inter-segment	366	7,857	51	2,592	79	3,124	8,008	22,077	(22,077)	–
Total	2,109,432	1,589,823	938,352	1,564,938	335,528	382,195	102,162	7,022,430	(22,077)	7,000,353
Cost of sales and selling, general and administrative expenses	2,074,007	1,554,184	895,730	1,560,891	331,174	371,641	103,111	6,890,738	(22,056)	6,868,682
Operating income (loss)	¥ 35,425	¥ 35,639	¥ 42,622	¥ 4,047	¥ 4,354	¥ 10,554	¥ (949)	¥ 131,692	¥ (21)	¥ 131,671
Total assets	¥ 646,843	¥ 518,800	¥222,511	¥ 378,770	¥119,346	¥150,875	¥663,402	¥2,700,547	¥(97,340)	¥2,603,207
Depreciation	4,323	6,131	3,011	9,318	4,828	1,644	8,142	37,397	–	37,397
Capital expenditure for long-lived assets	5,717	5,497	13,784	3,983	2,535	1,142	11,798	44,456	–	44,456

Thousands of U.S. Dollars

Year ended March 31, 2008	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Others	Total	Elimination	Consolidation
Net Sales:										
External customers	$21,050,664	$15,789,660	$9,365,216	$15,593,832	$3,348,129	$3,783,521	$ 939,754	$69,870,776	$ –	$69,870,776
Inter-segment	3,653	78,421	509	25,871	788	31,181	79,928	220,351	(220,351)	–
Total	21,054,317	15,868,081	9,365,725	15,619,703	3,348,917	3,814,702	1,019,682	70,091,127	(220,351)	69,870,776
Cost of sales and selling, general and administrative expenses	20,700,739	15,512,367	8,940,313	15,579,309	3,305,460	3,709,362	1,029,155	68,776,705	(220,142)	68,556,563
Operating income (loss)	$ 353,578	$ 355,714	$ 425,412	$ 40,394	$ 43,457	$ 105,340	$ (9,473)	$ 1,314,422	$ (209)	$ 1,314,213
Total assets	$ 6,456,163	$ 5,178,162	$2,220,890	$ 3,780,517	$1,191,197	$1,505,889	$6,621,439	$26,954,257	$(971,554)	$25,982,703
Depreciation	43,148	61,194	30,053	93,003	48,188	16,409	81,266	373,261	–	373,261
Capital expenditure for long-lived assets	57,062	54,866	137,579	39,754	25,302	11,398	117,756	443,717	–	443,717

Millions of Yen

Year ended March 31, 2007	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Others	Total	Elimination	Consolidation
Net Sales:										
External customers	¥1,845,536	¥1,535,117	¥751,721	¥1,269,283	¥349,629	¥382,746	¥ 78,694	¥6,212,726	¥ –	¥6,212,726
Inter-segment	328	6,164	9	2,647	66	1,951	6,957	18,122	(18,122)	–
Total	1,845,864	1,541,281	751,730	1,271,930	349,695	384,697	85,651	6,230,848	(18,122)	6,212,726
Commissions										
Cost of sales and selling, general and administrative expenses	1,811,366	1,510,665	718,499	1,267,430	345,965	376,821	90,097	6,120,843	(18,120)	6,102,723
Operating income (loss)	¥ 34,498	¥ 30,616	¥ 33,231	¥ 4,500	¥ 3,730	¥ 7,876	¥ (4,446)	¥ 110,005	¥ (2)	¥ 110,003
Total assets	¥ 612,599	¥ 487,247	¥170,582	¥ 368,553	¥109,937	¥142,825	¥654,770	¥2,546,513	¥(84,284)	¥2,462,229
Depreciation	3,837	6,167	2,488	10,110	4,799	1,475	6,526	35,402	–	35,402
Capital expenditure for long-lived assets	9,947	3,812	7,212	3,983	952	1,386	13,749	41,041	–	41,041

Geographic Segments

Millions of Yen

Year ended March 31, 2008	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
Net Sales:								
External customers	¥4,840,867	¥1,071,299	¥473,203	¥469,530	¥145,454	¥7,000,353	¥ –	¥7,000,353
Inter-segment	640,326	130,557	135,902	13,225	4,705	924,715	(924,715)	–
Total	5,481,193	1,201,856	609,105	482,755	150,159	7,925,068	(924,715)	7,000,353
Cost of sales and selling, general and administrative expenses	5,426,720	1,173,995	596,780	462,426	132,818	7,792,739	(924,057)	6,868,682
Operating income	¥ 54,473	¥ 27,861	¥ 12,325	¥ 20,329	¥ 17,341	¥ 132,329	¥ (658)	¥ 131,671
Total assets	¥2,014,225	¥ 345,005	¥228,946	¥176,904	¥ 85,746	¥2,850,826	¥(247,619)	¥2,603,207

Thousands of U.S. Dollars

Year ended March 31, 2008	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
Net Sales:								
External customers	$48,316,868	$10,692,674	$4,723,056	$4,686,396	$1,451,782	$69,870,776	$ –	$69,870,776
Inter-segment	6,391,117	1,303,094	1,356,443	131,999	46,961	9,229,614	(9,229,614)	–
Total	54,707,985	11,995,768	6,079,499	4,818,395	1,498,743	79,100,390	(9,229,614)	69,870,776
Cost of sales and selling, general and administrative expenses	54,164,288	11,717,686	5,956,483	4,615,491	1,325,661	77,779,609	(9,223,046)	68,556,563
Operating income	$ 543,697	$ 278,082	$ 123,016	$ 202,904	$ 173,082	$ 1,320,781	$ (6,568)	$ 1,314,213
Total assets	$20,104,052	$ 3,443,508	$2,285,118	$1,765,685	$ 855,834	$28,454,197	$(2,471,494)	$25,982,703

Millions of Yen

Year ended March 31, 2007	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Consolidation
Net Sales:								
External customers	¥4,253,452	¥ 949,756	¥537,304	¥340,987	¥131,227	¥6,212,726	¥ –	¥6,212,726
Inter-segment	484,673	73,557	65,585	17,136	3,103	644,054	(644,054)	–
Total	4,738,125	1,023,313	602,889	358,123	134,330	6,856,780	(644,054)	6,212,726
Cost of sales and selling, general and administrative expenses	4,693,506	1,000,317	589,963	343,224	118,586	6,745,596	(642,873)	6,102,723
Operating income	¥ 44,619	¥ 22,996	¥ 12,926	¥ 14,899	¥ 15,744	¥ 111,184	¥ (1,181)	¥ 110,003
Total assets	¥1,955,530	¥ 314,093	¥237,795	¥126,695	¥ 73,897	¥2,708,010	¥(245,781)	¥2,462,229

Overseas Trading Transactions

Millions of Yen

Year ended March 31, 2008	Asia & Oceania	North America	Europe	Others	Total
Overseas trading transactions	¥2,049,615	¥459,659	¥520,421	¥441,884	¥3,471,579
Consolidation					7,000,353
Share of consolidated net sales	29.3%	6.6%	7.4%	6.3%	49.6%

Thousands of U.S. Dollars

Year ended March 31, 2008	Asia & Oceania	North America	Europe	Others	Total
Overseas trading transactions	$20,457,281	$4,587,873	$5,194,341	$4,410,460	$34,649,955
Consolidation					69,870,776

Millions of Yen

Year ended March 31, 2007	Asia & Oceania	North America	Europe	Others	Total
Overseas trading transactions	¥1,839,182	¥482,375	¥390,559	¥385,107	¥3,097,223
Consolidation					6,212,726
Share of consolidated net sales	29.6%	7.8%	6.3%	6.2%	49.9%

16. Related Party Transactions

During the years ended March 31, 2008 and 2007, the Company had operational transactions with Toyota Motor Corporation ("TMC"), a 22.2% shareholder of the Company as of March 31, 2008. A summary of the significant transactions with TMC for the years ended or as at March 31, 2008 and 2007, is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
For the year:			
Sales of raw materials	**¥359,731**	¥330,368	**$3,590,488**
Purchase of automobiles	**278,058**	253,985	**2,775,307**
At year-end:			
Trade accounts receivable	**¥ 56,995**	¥ 52,315	**$ 568,869**
Trade accounts payable	**19,215**	16,022	**191,786**

17. Stock-based Compensation

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

	Millions of Yen	Thousands of U.S. Dollars
Selling, general and administrative expenses	**¥438**	**$4,372**

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

(a) Stock option details

	2008	2007
Position and number of grantees	Directors and Executive officers of the Company: 42 Certain eligible employees of the Company: 248 Directors of affiliated companies of the Company: 31	Directors and Executive officers of the Company: 43 Certain eligible employees of the Company: 244 Directors of affiliated companies of the Company: 31
Class and number of shares (Note)	998,000 shares of common stock	764,000 shares of common stock
Date of issue	August 9, 2007	August 3, 2006
Vesting conditions	Grantee must be employed as a director, executive officer, regular employee of the Company or affiliated companies of the Company at the time of exercise. However, grantee can exercise the stock options for 18 months after retirement or resignation from the Company or affiliated companies.	Grantee must be employed as a director, executive officer, regular employee of the Company or affiliated companies of the Company at the time of exercise. However, grantee can exercise the stock options for 18 months after retirement or resignation from the Company or affiliated companies.
Service period	From August 9, 2007 to July 31, 2009	From August 3, 2006 to July 31, 2008
Exercise period	From August 1, 2009 to July 31, 2013	From August 1, 2008 to July 31, 2010

	2006	2005
Position and number of grantees	Directors of the Company: 33 Certain eligible employees of the Company: 164 Directors of affiliated companies of the Company: 16	Directors of the Company: 32 Certain eligible employees of the Company: 163 Directors of affiliated companies of the Company: 15
Class and number of shares (Note)	970,000 shares of common stock	1,750,000 shares of common stock
Date of issue	August 3, 2005	August 4, 2004
Vesting conditions	Grantee must be employed as a director, regular employee of the Company or affiliated companies of the Company at the time of exercise. However, grantee can exercise the stock options for 18 months after retirement or resignation from the Company or affiliated companies.	Grantee must be employed as a director, regular employee of the Company or affiliated companies of the Company at the time of exercise. However, grantee can exercise the stock options for 18 months after retirement or resignation from the Company or affiliated companies.
Service period	From August 3, 2005 to July 31, 2007	From August 4, 2004 to July 31, 2006
Exercise period	From August 1, 2007 to July 31, 2009	From August 1, 2006 to July 31, 2008

	2004
Position and number of grantees	Directors of the Company: 29 Certain eligible employees of the Company: 153 Directors of affiliated companies of the Company: 17
Class and number of shares (Note)	1,630,000 shares of common stock
Date of issue	August 1, 2003
Vesting conditions	Grantee must be employed as a director, regular employee of the Company or affiliated companies of the Company at the time of exercise. However, grantee can exercise the stock options for 18 months after retirement or resignation from the Company or affiliated companies.
Service period	From August 1, 2003 to July 31, 2005
Exercise period	From August 1, 2005 to July 31, 2007

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

(b) Number of stock options and state of fluctuation

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

(i) Number of stock options

	2008	2007	2006	2005	2004
Non-exercisable stock options					
Stock options outstanding at the end of the previous fiscal year	**–**	754,000	967,000	–	–
Stock options granted	**998,000**	–	–	–	–
Forfeitures		–	–	–	–
Conversion to exercisable stock options		–	967,000	–	–
Stock options outstanding at the end of the fiscal year	**998,000**	754,000	–	–	–
Exercisable stock options					
Stock options outstanding at the end of the previous fiscal year	**–**	–	–	904,000	332,000
Conversion from non-exercisable stock options	**–**	–	967,000	–	–
Stock options exercised	**–**	–	354,000	681,000	332,000
Forfeitures	**–**	–	–	–	–
Stock options outstanding at the end of the fiscal year	**–**	–	613,000	223,000	–

(ii) Price of options

Exact Yen Amounts

	2008	2007	2006	2005	2004
Exercise price	**¥3,148**	¥2,805	¥1,915	¥1,170	¥ 780
Average market price of the stock at the time of exercise	**–**	–	2,833	2,867	2,934
Fair value of options on grant date	**667**	564	–	–	–

(3) Method for estimating fair value of stock options

The method for estimating fair value of stock options granted for fiscal 2008 is as follows:

a) Valuation method used: Black-Scholes model

b) Principal basic values and estimation methods

	2008
Share price fluctuations (Note 1)	**28.26%**
Projected remaining period (Note 2)	**4 years**
Projected dividend (Note 3)	**¥26 per share**
Non-risk interest rate (Note 4)	**1.23%**

Notes 1. Computed based on actual share prices during a four-year period (from June 2003 to July 2007).
2. Because of a lack of accumulated data and difficulty in making rational estimates, it is assumed the stock options are exercised at the midpoint of the exercise period.
3. Based on the year-end dividend for the fiscal year ended March 31, 2007.
4. Yields on government bonds for the period corresponding to the projected remaining period.

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

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

18. Accounting Treatment of Trade Notes

Trade notes, to which due dates come at the fiscal year-end, are entered in the book on the day of the exchange. Because the previous fiscal year-end was a holiday for financial institutions in Japan, the following trade notes receivable and trade notes payable were included in outstanding balances in the consolidated balance sheets:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
Trade notes receivable	**–**	¥13,068	**–**
Trade notes payable	**–**	9,175	**–**

19. Net Income per Share

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

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	**2008**
Net income per share basic:			
Net income	**¥ 67,506**	¥ 77,212	**$673,780**
Net income not attributable to common shareholders	**–**	–	**–**
Net income attributable to common shareholders	**67,506**	77,212	**673,780**
Weighted average shares (thousand)	**350,796**	333,570	
Net income per share basic (exact yen amounts)	**¥ 192.44**	¥ 231.47	**$ 1.92**
Net income per share diluted:			
Increase in weighted average shares for diluted computation (thousand)	**660**	1,699	
Net income per share diluted (exact yen amounts)	**¥ 192.08**	¥ 230.30	**$ 1.92**

20. Number of Issued Shares and Treasury Stock

1. Number of Issued Shares

The changes in total number of issued share for the year ended March 31, 2008 were as follows:

Beginning Balance	354,056,516 shares
Increase	– shares
Decrease	– shares
Ending Balance	354,056,516 shares

2. Number of Treasury Stock

The changes in total number of treasury stock for the year ended March 31, 2008 were as follows:

Beginning Balance	3,527,442 shares
Increase due to purchases for stock options	860,000 shares
Increase due to purchases of less-than-one-unit shares from shareholders	51,973 shares
Decrease due to execution of rights of stock options	(1,367,000) shares
Decrease due to sales of less-than-one-unit shares to shareholders	(9,349) shares
Net increase (decrease) of the quota of the Company's stocks owned by affiliates accounted by the equity method	7,624 shares
Ending Balance	3,070,690 shares

21. Change in Net Assets

Matters related to dividends

(a) Dividend payment

Approvals by an annual general shareholders' meeting held on June 26, 2007 are as follows:

Dividend on Common Stock

1)	Total amount of dividends:	¥4,910 million ($49,007 thousand)
2)	Dividends per share:	¥14.00
3)	Record date:	March 31, 2007
4)	Effective date:	June 27, 2007

Approvals by the Board of Directors meeting on October 31, 2007 are as follows:

Dividend on Common Stock

1)	Total amount of dividends:	¥4,911 million ($49,017 thousand)
2)	Dividends per share:	¥14.00
3)	Record date:	September 30, 2007
4)	Effective date:	November 26, 2007

(b) Dividends whose record date is attributable to the accounting period ended March 31, 2008 but to be effective after the said accounting period.

Approvals by an annual general shareholders' meeting held on June 25, 2008 are as follows:

Dividend on Common Stock

1)	Total amount of dividends:	¥5,619 million ($56,083 thousand)
2)	Funds for dividends:	Retained earnings
3)	Dividends per share:	¥16.00
4)	Record date:	March 31, 2008
5)	Effective date:	June 26, 2008

22. Merger with TOMEN CORPORATION

On April 1, 2006, the Company merged with TOMEN CORPORATION ("TOMEN"), one of general trading companies in Japan, for further expanding their respective business domains and creating new business opportunities, as well as enhancing corporate value.

Regarding the accounting treatment of this merger, the Company applied "Accounting Standard for Business Combinations" and "Implementation Guidance related to Business Combinations and Business Divestitures", which are new accounting standards effective starting in the year ended March 31, 2007, based on "Accounting Treatment for Corporate Separation".

The Company was the surviving company and inherited all of TOMEN's assets, liabilities, business rights and obligation. The details of assets and liabilities which were inherited from TOMEN are as follows:

Current assets	¥439,171 million
Non-current assets	¥282,574 million
Total assets	¥721,745 million
Current liabilities	¥468,813 million
Long-term liabilities	¥194,270 million
Total liabilities	¥663,083 million

On the merger, the Company issued 44,695,912 new shares, which were allotted to shareholders listed in TOMEN's final roster of shareholders (including the roster of beneficial shareholders) or registered shareholders as of the day prior to the merger date (i.e. March 31, 2006), at the rate of 0.069 shares of the Company's common stock for each share of TOMEN common stock held. And, due to this issuance of new shares, the Company's capital surplus increased by ¥91,492 million.

At the merger day, the Company appropriated "Goodwill" of ¥145,406 million that is the difference between cost of investments, which are the issuance of the above new shares, TOMEN's common stock and preferred stock held by the Company as of the day prior to the merger date, and TOMEN's shareholders' equity at fair value. This "Goodwill" is amortized over periods of 10 years using the straight-line method, from the fiscal year ended March 31, 2007.

In the accompanying consolidated financial statements and notes, the figures in 2006 were based on the former situations of the Company, i.e. before the merger with TOMEN.

23. Issuance of New Shares and Increase in Common Stock and Capital Surplus

1. Merger with TOMEN CORPORATION

As described in Note 22, the Company merged with TOMEN on April 1, 2006. On the merger, the Company issued 44,695,912 shares and allotted these shares to shareholders listed in TOMEN's final roster of shareholders (including the roster of beneficial shareholders) or registered shareholders as of the day prior to the merger date (i.e. March 31, 2006). Due to this issuance of new shares, the Company's capital surplus increased by ¥91,492 million, but there was no increase in common stock of the Company.

2. Issuance of new shares by way of public offering and third party allotment

The Company issued new shares by way of public offering and third party allotment as described below, based on the resolution of its Board of Directors held on October 31, 2006.

a. Issuance of new shares by way of public offering

1)	Issue date:	November 21, 2006
2)	Number of shares issued:	19,500,000 shares
3)	Aggregate paid-in amount:	¥55,719 million
4)	Amount of increase in common stock:	¥27,865 million
	Amount of increase in capital surplus:	¥27,854 million

b. Issuance of new shares by way of third party allotment

1)	Issue date:	November 21, 2006
2)	Number of shares issued:	5,390,000 shares
3)	Aggregate paid-in amount:	¥16,057 million
4)	Amount of increase in common stock:	¥8,031 million
	Amount of increase in capital surplus:	¥8,026 million
5)	Party to receive allocation and number of shares to be allocated:	Toyota Motor Corporation 5,390,000 shares

c. Issuance of new shares by way of third party allotment to be made in connection with secondary offering by way of over-allotment

1)	Issue date:	December 19, 2006
2)	Number of shares issued:	1,603,300 shares
3)	Aggregate paid-in amount:	¥4,581 million
4)	Amount of increase in common stock:	¥2,291 million
	Amount of increase in capital surplus:	¥2,290 million
5)	Party to receive allocation and number of shares to be allocated:	Nomura Securities Co., Ltd. 1,603,300 shares

Note: The above mentioned "Secondary offering by way of over-allotment" will be made along with, and taking into consideration market demand for, the public offering of new shares set out in "a. Issuance of new shares by way of public offering," by Nomura Securities Co., Ltd. ("NOMURA"), the lead manager of the public offering, which it will borrow from shareholders of the Company. In connection with the secondary offering by way of over-allotment, at the Board of Directors held on October 31, 2006, the Company resolved to issue new shares to NOMURA by way of third party allotment, in order for NOMURA to return such borrowed shares to the relevant shareholders.

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors

To the Board of Directors of
TOYOTA TSUSHO CORPORATION

We have audited the accompanying consolidated balance sheet of TOYOTA TSUSHO CORPORATION ("the Company") and its subsidiaries as of March 31, 2008, and the related consolidated statements of income, changes in net assets and cash flows for the year 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 audit.

We conducted our audit 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and its subsidiaries as of March 31, 2008, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note1 to the consolidated financial statements.

PricewaterhouseCoopers Aarata

August 19, 2008

Corporate Data

Corporate Information (As of March 31, 2008)

General Information

Name: TOYOTA TSUSHO CORPORATION

Head Office: 9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan

Established: July 1, 1948

Number of Employees:
Parent company 2,474
Consolidated 26,121

Paid-in Capital: ¥64,936,432,888

Common Stock:
Authorized 1,000,000,000
Issued 354,056,516

Number of Shareholders: 70,197

Major Shareholders:

	Number of shares (thousands)	Shareholding (%)
Toyota Motor Corporation	76,368	21.57%
Toyota Industries Corporation	39,365	11.12%
Japan Trustee Services Bank, Ltd.	18,553	5.24%
The Master Trust Bank of Japan, Ltd.	17,913	5.06%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,698	3.30%
Mitsui Sumitomo Insurance Co., Ltd.	10,903	3.08%
Trust & Custody Services Bank, Ltd.	6,871	1.94%
Aioi Insurance Co., Ltd.	6,813	1.92%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,746	1.91%
Nippon Life Insurance Company	5,320	1.50%

Stock Listings: Tokyo, Nagoya (Ticker code 8015)

Independent Auditors: PricewaterhouseCoopers Aarata
(Date of Engagement: July 25, 2006)

Transfer Agent for Shares: Mitsubishi UFJ Trust and Banking Corporation

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Mailing Address
Stock Transfer Agency Department
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Phone: 0120-232-711 (free dial within Japan)

Handling Offices
All branches nationwide of Mitsubishi UFJ Trust and Banking Corporation
All branches nationwide of Nomura Securities Co., Ltd.

Phone (free dial within Japan):
0120-244-479 (Headquarters Stock Transfer Agency Department)
0120-684-479 (Osaka Stock Transfer Agency Department)

Contact:
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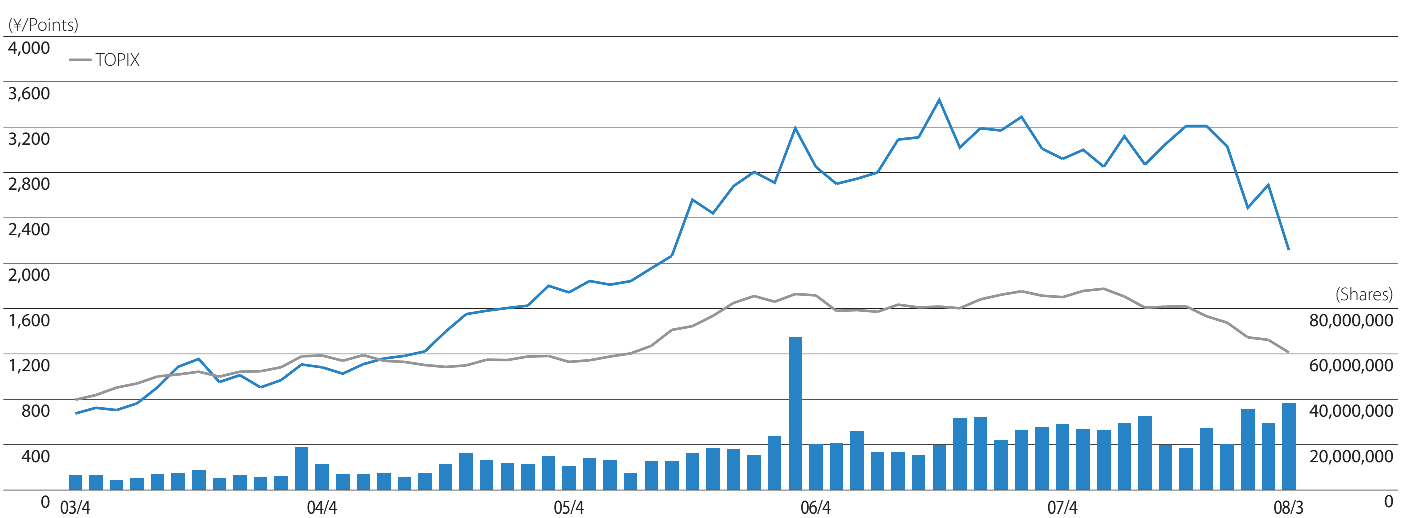
Phone: +81-52-584-5011
Facsimile: +81-52-584-5659
URL: http://www.toyota-tsusho.com/english/

Stock Price Range and Trading Volume:



History

Major Developments in the History of Toyota Tsusho

1936	Toyoda Kinyu Kaisha was established to provide consumer financing for TOYOTA automobiles.
1942	Company name changed to Toyoda Sangyo Kaisha, Ltd., and subsequently extended the range of its activities to include trade.
1948	The trading division of Toyoda Sangyo Kaisha was established as a separate company (now Toyota Tsusho Corp.) under the name Nisshin Tsusho Kaisha, Ltd.
1956	Company name changed to Toyoda Tsusho Kaisha, Ltd.
1957	Established its first overseas joint ventures, Toyoda Thailand Co., Ltd.
1960	Established its first overseas subsidiary, Toyoda New York, Inc.
1961	Stock listed on the Second Section of the Nagoya Stock Exchange.
1964	Began exporting Toyota vehicles, starting with the Dominican Republic.
1975	Stock re-listed on the First Section of the Nagoya Stock Exchange.
1977	Stock listed on the First Section of the Tokyo Stock Exchange.
1985	Unsecured convertible bonds (amounting to ¥10 billion) issued for the first time.
1987	Warrant bonds ($70 million in guarantees) issued on the European market. Company name changed to Toyota Tsusho Corporation.
1999	Business tie-up with Kasho Company, Ltd.
2000	Capital investment and business tie-up with Tomen Corporation. Merger with Kasho Company, Ltd.
2003	Accepted third-party allotment of new shares to increase capital position in Tomen Corporation by ¥5.0 billion.
2006	Merger with Tomen Corporation.

Network (As of June 1, 2008)

Organization Chart

- General Meeting of Shareholders
  - Corporate Auditors
  - Board of Corporate Auditors
- Board of Directors
- Chairman / Vice Chairman / President / Executive Vice Presidents
  - Executive Board Members' Meeting
- Corporate Management Committees
- Investment & Project Planning Committee
- Other Councils
- Business Management Committee
- Business Operating Committee
- Internal Audit Dept.
- Global Environment & Production Kaizen Dept.
- Safety Management Dept.

Administrative Division

- Secretarial Dept.
- Corporate Planning Dept.
- Human Resources Dept.
- General Administration Dept.
- Corporate Accounting Planning Dept.
- Business Accounting Dept.
- Financial Planning Dept.
- Risk Management Dept.
- Affiliate Planning & Administration Dept.
- Internal Control Dept.

Global Strategic Integration Division

- Global Strategic Integration Planning Dept.
- Global IT Dept.
- Global Project Planning Dept.
- Business Development Dept.
- Global Logistics Planning Dept.
- Global Logistics Operation Dept.
- Global Strategic Logistics Dept.
- Global Project Integration Dept.

- Toyota Coordination Dept.
- Domestic Offices: 16
- Overseas Offices: 30
- Overseas Trading Subsidiaries: 26

Metals Division

- Metal Planning Dept.
- Steel Sheet & Plate Sales Dept.
- Steel Bar, Wire, Rod, Pipe & Construction Material Dept.
- Nonferrous Metals Dept.
- Iron & Steel Raw Material Dept.
- Steel Export Dept.
- Tokyo Metals Dept.
- Hamamatsu Metals Dept.
- Osaka Metals Dept.
- Kyushu Metals Dept.

Machinery & Electronics Division

- Machinery & Electronics Planning Dept.
- Toyota Automotive Units & Plant Parts Dept.
- Toyota Automotive Body & Plant Service Dept.
- Machinery Dept.
- Tokyo Machinery Dept.
- Osaka Machinery Dept.
- Hamamatsu Machinery Dept.
- Kyushu Machinery Dept.
- Textile Machinery & Solution Dept.
- Material Handling & Construction Machinery Dept.
- Electronics Dept.
- Information System Dept.
- Global Production Parts Dept. 1
- Global Production Parts Dept. 2

Automotive Division

- Automotive Planning Dept.
- Automotive Business Management Dept.
- Automobile Service Dept.
- The Americas Automotive Dept.
- Europe Automotive Dept.
- China Automotive Dept.
- Asia & Oceania Automotive Dept.
- Middle East & Pakistan Automotive Dept.
- Africa Automotive Dept.
- Tokyo Automotive Dept.
- Osaka Automotive Dept.
- Parts & Aftersales Marketing Dept.

Energy & Chemicals Division

- Energy & Chemicals Planning Dept.
- Organic Chemicals Dept.
- Industrial Chemicals Dept.
- Fine Chemicals Dept.
- Plastics Dept.
- Automotive Materials Dept. 1
- Automotive Materials Dept. 2
- Electronics & Performance Materials Dept.
- Energy Dept.
- Energy Projects Development Dept.

Produce & Foodstuffs Division

- Produce & Foodstuffs Planning Dept.
- Feed & Oilseeds Dept.
- Produce Dept.
- Foodstuffs Dept.
- Osaka Produce & Foodstuff Dept.

Consumer Products, Services & Materials Division

- Consumer Products, Services & Materials Planning Dept.
- Textile Products Dept.
- Harvest Marketing Dept.
- Living Materials & Products Dept.
- Estate Development Dept.
- Insurance Dept. 1
- Insurance Dept. 2
- Automotive Parts & Materials Dept.
- Industrial Textile Dept.

Network

Japan

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Russia & the CIS

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Almaty, Moscow, Tashkent

Africa

TOYOTA TSUSHO CORPORATION

Alexandria, Alger, Cairo, Tunis

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Durban, Nairobi

Middle East

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Amman, Dubai, Jeddah, Sharjah

TOYOTA TSUSHO EUROPE S.A.

Gebze Kocaeli

TOMEN IRAN LIMITED LIABILITY COMPANY

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Asia

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Makati, Beijing, Guangzhou, Hanoi, Ho Chi Minh, Vientiane, Jakarta, Yangon, Dhaka, New Delhi, Mumbai, Bangalore, Colombo, Islamabad, Lahore, Karachi

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Harbin, Shengyang

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Beijin, Changchun

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Chengdu, Chongqing, Hangzhou, Nanjing, Nantong, Qingdao, Wuxi, Yantai

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Xiamen

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TOYOTA TSUSHO (THAILAND) CO., LTD.

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KASHO INTERNATIONAL (THAILAND) CO., LTD.

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Bandung, Cibitung, Surabaya

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Bangalore, Mumbai, New Delhi

Oceania

TOYOTA TSUSHO (AUSTRALASIA) PTY. LTD.

231-233 Boundary Rd., Laverton North, VIC 3026, Australia

Sydney

TOYOTA TSUSHO (N.Z.) LTD.

Level 16, Westpac Tower, 120 Albert St., Auckland 0600, New Zealand

Principal Consolidated Subsidiaries and Affiliates by Equity Method (As of March 31, 2008)

Main Regional Subsidiaries

Company Name	Country	Shareholding	Main Business
Toyota Tsusho (China) Co., Ltd.	China	100.00	Trading and investment
Toyota Tsusho (Dalian) Co., Ltd.	China	100.00	Trading
Toyota Tsusho (Tianjin) Co., Ltd.	China	100.00	Trading
Toyota Tsusho (Shanghai) Co., Ltd.	China	100.00	Trading
Toyota Tsusho (Guangzhou) Co., Ltd.	China	100.00	Trading
Toyota Tsusho (H.K.) Corporation Limited	China	100.00	Trading and investment
Toyota Tsusho Korea Corporation	Korea	100.00	Trading
Toyota Tsusho Philippines Corporation	Philippines	100.00	Trading
Toyota Tsusho (Singapore) Pte. Ltd.	Singapore	100.00	Trading
P.T. Toyota Tsusho Indonesia	Indonesia	100.00	Trading and investment
Toyota Tsusho (Australasia) Pty. Ltd.	Australia	100.00	Trading and investment
Toyota Tsusho (N.Z.) Ltd.	New Zealand	100.00	Trading
Tomen Iran Ltd.	Iran	100.00	Trading and investment
Toyota Tsusho Europe S.A.	Belgium	100.00	Trading and investment
Toyota Tsusho U.K. Ltd.	U.K.	100.00	Trading and investment
Toyota Tsusho Africa Pty. Ltd.	South Africa	100.00	Trading and investment
Toyota Tsusho America, Inc.	U.S.A.	100.00	Trading and investment
Toyota Tsusho de Venezuela, C.A.	Venezuela	100.00	Trading
S.C. Toyota Tsusho do Brasil Ltda.	Brazil	100.00	Trading and investment
Toyota Tsusho Argentina S.A.	Argentina	100.00	Trading and investment
Toyota Tsusho India Pvt. Ltd.	India	95.40	Trading and investment
Chen Tai Fong Co., Ltd.	Taiwan	74.77	Trading and investment
Toyota Tsusho (Malaysia) Sdn. Bhd.	Malaysia	51.00	Trading and investment
Toyota Tsusho (Thailand) Co., Ltd.	Thailand	49.00	Trading and investment

Metals Division

Company Name	Country	Shareholding	Main Business
Aichi Kokan Industries, 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 Material Corporation	Japan	100.00	Sales of metal products
Ecoline Corporation	Japan	100.00	Development and sales of software and hardware and communication services
Toyotsu Tekkou Hanbai Co., Ltd.	Japan	99.00	Sales and processing of steel sheets
Toyotsu Recycle Corporation	Japan	97.02	Collection and sales of nonferrous metals and used automotive parts
Toyotsu Hitetsu Center Corporation	Japan	65.00	Processing and sales of aluminum and sheets
Pro Steel Co., Ltd.	Japan	61.30	Processing and sales of special steel sheets
Toyota Steel Center Co., Ltd.	Japan	90.00	Processing and warehousing of steel sheets
Toyota Metal Co., Ltd.	Japan	50.00	Collection, processing and sales of metal scrap; Disposal and recycling of industrial waste
Toyota Tsusho Non Ferrous, Inc.	U.S.A.	100.00	Manufacture and sales of wrought aluminum parts for vehicles
Toyota Tsusho Metals Ltd.	U.K.	100.00	Metal dealer and broker
P.T. Indonesia Smelting Technology	Indonesia	100.00	Supplying of molten aluminum
Toyota Tsusho Technopark (M) Sdn. Bhd.	Malaysia	95.10	Management of industrial park
Poland Smelting Technologies Sp. z o.o.	Poland	85.10	Supplying of molten aluminum
Hanshin Kogyo. Co., Ltd.	Japan	25.00	Manufacture and sales of steel pipes
Tianjin Fengtian Steel Process Co., Ltd.	China	70.00	Processing and sales of steel sheets
Siam Hi-Tech Steel Center Co., Ltd.	Thailand	47.84	Processing and sales of steel sheets

Company Name	Country	Shareholding	Main Business
Top Tube Manufacturing Co., Ltd.	Thailand	18.98	Manufacture and sales of high precision small dimension steel tube
P.T. Steel Center Indonesia	Indonesia	50.00	Processing and sales of steel sheets
Alpha Industries Bhd.	Malaysia	29.92	Manufacture and sales of copper products, wires and wire products
O.Y.L. Steel Center Sdn. Bhd.	Malaysia	20.10	Processing and sales of steel sheets
Nanjing Yunhai Magnesium	China	20.00	Manufacture and sales of magnesium alloy
Tovecan Corporation Ltd.	Vietnam	26.36	Manufacture and sales of tin cans, marketing of printed tinplate sheets
CFT Vina Copper Co., Ltd.	Vietnam	31.00	Manufacture and sales of copper wire rod

Machinery & Electronics Division

Company Name	Country	Shareholding	Main Business
TEMCO Corporation	Japan	100.00	Manufacture, sales, mediation and maintenance of machinery and equipment
Toyotsu S.K. Co., Ltd.	Japan	100.00	Sales of textile, food processing and precision machinery and equipment
Wind Tech Corporation	Japan	100.00	Wind power generation
Wind Tech Bounotsu Corporation	Japan	100.00	Wind power generation
Wind Tech Tahara Corporation	Japan	100.00	Wind power generation
Toyotsu Syscom Corporation	Japan	100.00	Mobile communications services and handsets, other communication services and equipment
Toyota Tsusho Electronics Corporation	Japan	100.00	Development and sales of semiconductors and electronic components
Tomuki Corporation	Japan	100.00	Marketing and sales of such electronic components as passive components and electronic components for semiconductors
DICO Co., Ltd.	Japan	85.00	Sales and maintenance of 3D printer machines, 3D scanner machines and 3D software
Ene Vision Corporation	Japan	60.87	Design, construction and maintenance for co-generation facilities
Vestech Japan Co., Ltd.	Japan	92.00	Import and engineering support for wind power generators
Tomen Electronics Corporation	Japan	40.16	Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment
PPL Corporation	Japan	40.16	Agency of central procurement for semiconductors and electronic components
Tomen Devices Corporation	Japan	36.07	Sales of semiconductor memories and other electronic components
Toyota Tsusho Corporation de Mexico S.A. de C.V.	Mexico	100.00	Dealer of Toyota industrial equipment and genuine parts
Tomuki (Hong Kong) Limited	China	100.00	Marketing and sales of such electronic components as passive components and electronic components for semiconductors
Tomen Electronics (Shanghai) Co., Ltd.	China	40.16	Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment
Tomen Devices (Shanghai)., Ltd.	China	36.07	Sales of semiconductor memories and other electronic components
Tomen Electronics (Hong Kong) Limited	China	40.16	Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment
Tomen Electronics Taiwan Corp.	Taiwan	40.16	Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment
P.T. Toyota Tsusho Mechanical & Engineering Service Indonesia	Indonesia	100.00	Engineering services
Industrial Tech Services Vietnam Co., Ltd.	Vietnam	94.00	Engineering services
TT Network Integration Asia Pte. Ltd.	Singapore	72.80	Telecommunications network connection construction, monitoring and support of communications network systems and system integration
Industrial Tech Services, Inc.	U.S.A.	51.00	Engineering services
Tomen Electronics America, Inc.	U.S.A.	40.16	Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment
Tomen (Singapore) Electronics Pte. Ltd.	Singapore	40.16	Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment
Tomen Electronics (Thailand) Co., Ltd.	Thailand	40.16	Marketing and sales of semiconductors, integrated circuits, electronic components and computer-related equipment
Shanghai Hong Ri International Electronics Co., Ltd.	China	25.66	Marketing and sales of semiconductors, integrated circuits and electronic components

Automotive Division

Company Name	Country	Shareholding	Main Business
Toyotsu Auto Service, Inc.	Japan	100.00	Sales and repair of automotive parts and machinery
Toyota Lanka (PVT) Ltd.	Sri Lanka	100.00	Import, retail and services of Toyota vehicles and genuine parts
Toyota Tsusho South Pacific Holdings Pty. Ltd.	Australia	100.00	Holding company
TTAF Manegement Ltd.	U.K.	100.00	Management services
Establishment Florden S.A.	British West Indies	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 Tsusho Automobiles Bordeaux S.A.S.	France	100.00	Retail and services of Toyota vehicles and genuine parts
LMI Holdings B.V.	Netherlands	100.00	Holding company
Toyota Tsusho Praha spol. s. r.o.	Czech Republic	100.00	Retail and services of Toyota vehicles and genuine parts
Toyota Adria, podjetje za izvoz in promet z vozili, d.o.o.	Slovenia	100.00	Wholesale of Toyota vehicles and genuine parts
Toyotsu Auto (Middle East) FZE	U.A.E	100.00	Trading of automotive parts
Toyota Tsusho Vostok Auto Co., Ltd.	Russia	100.00	Retail and services of Toyota vehicles and genuine parts
Toyota de Angola, S.A.R.L.	Angola	100.00	Import and distribution of Toyota vehicles and genuine parts
Toyota Zambia Ltd.	Zambia	100.00	Retail and services of Toyota vehicles and genuine parts
Toyota East Africa Ltd.	Kenya	100.00	Import and distribution of Toyota vehicles and genuine parts
Toyota Malawi Ltd.	Malawi	100.00	Import and distribution of Toyota vehicles and genuine parts
Toyota Zimbabwe (Private) Ltd.	Zimbabwe	100.00	Retail and services of Toyota vehicles and genuine parts
LMI Ltd.	Zimbabwe	100.00	Holding company
Comercio de Veiculos Toyota Tsusho Ltda.	Brazil	100.00	Retail and services of Toyota vehicles and genuine parts
Toyota Trinidad & Tobago Ltd.	Trinidad and Tobago	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
Toyota Tsusho Automobile London Holdings Limited	U.K.	100.00	Holding company
Toyota Lakozy Auto Private Ltd.	India	93.16	Retail and services of Toyota vehicles and genuine parts
JV "Business Car" Co. Ltd.	Russia	92.00	Wholesale, retail and services of Toyota vehicles, folklifts, and genuine parts
Daihatsu Italia S.R.L.	Italy	80.00	Wholesale of Daihatsu vehicles and genuine parts
Toyota Jamaica Ltd.	Jamaica	80.00	Retail and services of Toyota vehicles and genuine parts
T.T.H.K. Co., Ltd.	Cambodia	75.50	Retail and services of Toyota vehicles and genuine parts
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 TC Hanoi Car Service Corporation	Vietnam	50.00	Retail and services of Toyota vehicles and genuine parts
Toyota Tsusho Euroleasing Hungary KFT	Hungary	51.00	Retail and services of Toyota vehicles and genuine parts
TOO Toyota Tsusho Kazakhstan Auto	Kazakhstan	51.00	Retail and services of Toyota vehicles, folklifts and genuine parts
D&T Motors Corporation	Korea	46.55	Retail and services of Toyota vehicles and genuine parts
Jiangmen Huatong Toyota Motor Sales & Service Co., Ltd.	China	50.00	Retail and services of Toyota vehicles and genuine parts
Harbin Huatong Toyota Motor Service Co., Ltd.	China	50.00	Retail and services of Toyota vehicles and genuine parts
Shenyang Huatong Toyota Motor Sales & Service Co., Ltd.	China	50.00	Retail and services of Toyota vehicles and genuine parts
Xian Huatong Toyota Motor Sales & Service Co., Ltd.	China	50.00	Retail and services of Toyota vehicles and genuine parts
Wulumuqi Huatong Toyota Motor Sales & Service Co., Ltd.	China	40.00	Retail and services of Toyota vehicles and genuine parts
Guangzhou Huatong Toyota Motor Sales & Service Co., Ltd.	China	50.00	Retail and services of Toyota vehicles and genuine parts
Kunshan Tonghe Toyota Service Co., Ltd.	China	50.00	Retail and services of Toyota vehicles and genuine parts
Hangzhou Longtong Toyota Service Co., Ltd.	China	40.00	Retail and services of Toyota vehicles and genuine parts
Wenzhou Huatong Toyota Service Co., Ltd.	China	33.00	Retail and services of Toyota vehicles and genuine parts
P.T. Astra Auto Finance	Indonesia	30.00	Automobile consumer finance
Hinopak Motors Ltd.	Pakistan	29.67	Manufacture and sales of truck, bus 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

Energy & Chemicals Division

Company Name	Country	Shareholding	Main Business
Toyotsu Plachem Co., Ltd.	Japan	100.00	Sales of resin and chemical products
Daiichi Sekken Co., Ltd.	Japan	100.00	Manufacture and sales of synthetic detergents and soaps
Tomen Chemical Co., Ltd.	Japan	100.00	Export, import and wholesale of various chemicals
Tomen Plastics Corporation	Japan	100.00	Export, import and wholesale of synthetic resins and synthetic rubber, and formed products
Toyota Chemical Engineering Co., Ltd.	Japan	100.00	Disposal of industrial waste, manufacture and sales of recycled dust fuel
Toyotsu Energy Corporation	Japan	100.00	Sales and warehousing of LPG and petroleum products
Daitoh Kasei Co., Ltd.	Japan	100.00	Plastic molding
Tomen Power Samukawa Corporation	Japan	70.00	Electricity wholesale trade
Toyotsu Petrotex Corporation	Japan	65.30	Sales of petroleum products
Deepwater Chemicals, Inc.	U.S.A.	100.00	Manufacture and sales of iodides
Dewey Chemical Inc.	U.S.A.	100.00	Manufacture and sales of iodine
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 coal project
Tomen Toyota Tsusho Petroleum (S) Pte. Ltd.	Singapore	100.00	Export and offshore trading of crude oil, petroleum products and bunker oil
Tomen Power (Singapore) Pte. Ltd.	Singapore	100.00	Operation and management of wind power generation projects
Tomen Power Corporation	U.S.A.	100.00	Holding company
Tomen Panama Asset Management S.A.	Panama	100.00	Financing for coal project
Kwarta Maritime S.A.	Panama	100.00	Marine shipping business
Kwarta Shipping S.A.	Panama	100.00	Marine shipping business
Eastern Chemical Co., Ltd.	Thailand	94.34	Manufacture of ethyl alcohol by fermentation of molasses
Thai Chemical Terminal Co., Ltd.	Thailand	83.64	Sales of solvents
Tomen Telecom (Thailand) Limited	Thailand	84.36	Sales of IT communications equipment, etc.
Tomen Telecommunications (Malaysia) Sdn. Bhd.	Malaysia	80.00	Sales of IT communications equipment, etc.
Sanyo Chemical Industries, Ltd.	Japan	19.56	Manufacture and sales of chemicals, primarily surface active agents for textile and industrial use
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
Nihon Tennen Gas Co., Ltd.	Japan	39.02	Production and sales of natural gas, iodine, industrial chemicals and pharmaceuticals
Nihon Detergent Mfg. Co., Ltd.	Japan	35.63	Manufacture and sales of household and industrial detergent
Eurus Energy Holdings Corporation	Japan	40.00	Operation and management of wind power generation projects worldwide
KPC Holdings Corporation	Korea	32.90	Holding company
Korea Fine Chemical Co., Ltd.	Korea	10.05	Manufacture and sales of isocyanate and amino acids
Korea Polyol Co., Ltd.	Korea	10.05	Manufacture and sales of polypropylene products
P.T. Kaltim Pasifik Amoniak	Indonesia	25.00	Manufacture and sales of ammonia
Wuxi Advanced Kayaku Chemical Co., Ltd.	China	20.00	Manufacture and sales of dyes
Philippine Prosperity Chemicals Inc.	Philippines	45.00	Distribution of solvents
Toyoda Gosei U.K. Ltd.	U.K.	20.00	Manufacture and sales of resin and rubber products

Produce & Foodstuffs Division

Company Name	Country	Shareholding	Main Business
Sunfeed Co., Ltd.	Japan	100.00	Import and sales of feed products
Chubu Syokuryo Kaisha, Ltd.	Japan	100.00	Sales of rice and special rice grain, wholesale marketing of frozen foods and other food products
Toyota Tsusho Foods Corporation	Japan	100.00	Import and distribution of foodstuffs, marine products and liquors
Toyo Grain Terminal Co., Ltd.	Japan	99.00	Management of storage silos for feed grain, harbor transport, customs clearance functions
Higashi-Nada Tomen Silo Co., Ltd.	Japan	97.51	Management of storage silos for feed grain, harbor transport, customs clearance functions
Yamakichi Co., Ltd.	Japan	100.00	Wholesale of commercial foodstuffs
Tohoku Grain Terminal Co., Ltd.	Japan	88.78	Management of storage silos for feed grain, harbor transport, customs clearance functions
Grand Place Corporation	Japan	97.50	Production and sales of chocolate
Tohoku Godo Warehouse Co., Ltd.	Japan	63.75	Warehousing and transport of animal feed
Kanto Grain Terminal Co., Ltd.	Japan	59.82	Management of storage silos for feed grain, harbor transport, customs clearance functions
Oleos "MENU" Industria e Comercio Ltda.	Brazil	100.00	Manufacture and sales of cottonseed oil products
Tianjin Commercial River Cereals, Oils & Foodstuffs Co., Ltd.	China	100.00	Sorting and processing of green mung beans
Cradle Foods Co., Ltd.	Japan	45.23	Production and sales of canned products of processed farm produce
Banshuu Choumiryou Co., Ltd.	Japan	50.00	Production and sales of amino acid seasoning
Langfang Itokin Food Co., Ltd.	China	44.51	Rice milling and production of rice flour mix
K&T Foods Co., Ltd.	China	50.00	Manufacture and sales of frozen foods and operation of take-out lunch outlets
Yantai Sun Glory Foods Co., Ltd.	China	45.00	Sorting and processing of nuts

Consumer Products, Services & Materials Division

Company Name	Country	Shareholding	Main Business
Toyotsu Life-Mac Corporation	Japan	100.00	Sales of office furniture and equipment, home nursing care goods
Toyotsu Fashion Express Co., Ltd.	Japan	100.00	Design, manufacture and sales of apparel
Toyo Tateami Kaisha, Ltd.	Japan	100.00	Manufacture and sales of knit fabrics
Toyo Cotton (Japan) Co.	Japan	100.00	Import, export and sales of raw cotton
Toyotsu Family Life Corporation	Japan	100.00	Insurance agency
Toyotsu Insurance Management Corporation	Japan	100.00	Insurance broker
Ogawatec Corporation	Japan	100.00	Planning and construction of membrane structures such as domes for stadiums
Toyotsu Lumber, Pulp and Paper Corporation	Japan	100.00	Import, processing and sales of wood products for trucks and houses, export and sales of recycled waste-paper, import and sales of pulp
Toyotsu Hoken Customer Center Corporation	Japan	100.00	Consulting and customer service call center for insurance
Toyotsu-Living Co., Ltd.	Japan	100.00	Management, construction and agent of condominiums
Toyotsu Vehitecs Co., Ltd.	Japan	80.00	Manufacture of textile goods
Renown Uniforms Corporation	Japan	80.00	Planning and marketing of uniforms and related products
Toyotsu New Pack Co., Ltd.	Japan	75.00	Manufacture and sales of packing supplies
Tatsumura Textile AI Co., Ltd.	Japan	70.02	Development, manufacture, processing and sales of fabric for automotive industries
Care Port Japan Corporation	Japan	75.00	Purchase of nursing care benefit claims
P.T. Tomenbo Indonesia	Indonesia	100.00	Manufacture of synthetic yarn spinning
Toyota Tsusho Hoken Agency (M) Sdn. Bhd.	Malaysia	75.99	Insurance Agent
Pinghu Towa Co., Ltd.	China	82.70	Manufacture of automotive air-bags
Shinatomo Co., Ltd.	Japan	20.00	Domestic sales, import and export of various textile materials and products
Fukusuke Corporation	Japan	23.18	Manufacture, processing and sales of apparel

Company Name	Country	Shareholding	Main Business
Biscaye Holdings Co., Ltd.	Japan	36.46	Holding company
Shanghai Ever Green Textile Co., Ltd.	China	22.30	Sizing, weaving, dyeing, finishing and sales of acetate lining fabrics
Yuen Long Textile Co., Ltd.	China	35.00	Dyeing and sales of acetate, polyester and rayon lining fabrics
Fujian Daguan Stone Co., Ltd.	China	20.00	Manufacture and sales of stone products
Ningbo Araco Co., Ltd.	China	20.00	Manufacture, processing and sales of fabric for automotive industries

Corporate Staff Divisions

Company Name	Country	Shareholding	Main Business
Toyotsu Logistics Service Co., Ltd.	Japan	100.00	Warehousing and logistics services
Hot-Line International Transport Ltd.	Japan	100.00	Non-vessel operating common carrier and returnable container business
Toyotsu Business Service Corporation	Japan	100.00	Accounting services and factoring
Toyotsu Office Service Corporation	Japan	100.00	Shared service provider
Toyotsu Human Resources Corporation	Japan	100.00	General temporary staffing, special outsourcing, fee-based recruiting and consulting services
Fong Yu Investment Co., Ltd.	Taiwan	100.00	Investment
Hot-Line International Transport (H.K.) Limited	China	100.00	Non-vessel operating common carrier and returnable container business
Hot-Line International Transport (China) Limited	China	100.00	Non-vessel operating common carrier and returnable container business
Tianjin Fengtian International Logistics Co., Ltd.	China	36.19	Warehousing and logistics services
Tomen America Inc.	U.S.A.	100.00	Trading
P.T. Toyota Tsusho Logistic Center	Indonesia	97.91	Warehousing and logistics services

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

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Non-Wood Green Products Association of Japan

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