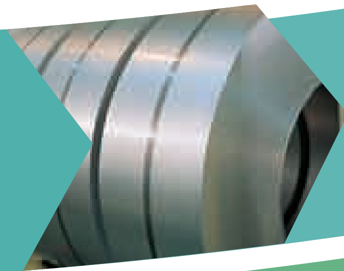
G VALUE
with you

Annual Report 2009
Toyota Tsusho Corporation



Seeking New Value in Challenging Times

Toyota Tsusho at a Glance

The Toyota Tsusho Group's long-term vision is to generate balanced earnings from automotive and non-automotive fields by 2015. Guided by this vision, we are working to reinforce and organically fuse four unique business platforms—Resources and the Environment, Processing and Manufacturing Businesses, Logistics, and Product and Market Development—to provide value-added functions and services that are matched to customer needs, offer support solutions addressing issues faced by customers and to generate new value.

One of our key competitive advantages lies in our global processing and logistics functions in the automotive field, which are grounded on the keywords of "real places, real things, reality," along with our overseas automobile sales network. In the fields of produce & foodstuffs, energy & chemicals and electronics, other major business assets of ours include the extensive networks we have cultivated and developed worldwide, and our expertise in conducting large-scale business projects that span many years.

50 Non-Automotive Field

Toyota Tsusho at a Glance (Business Fields)

	Resources and the Environment	Processing and Manufacturing Businesses	Logistics	Product and Market Development
Metals Division	End-of-life vehicle recycling Recovery and processing of scrap metal inside plant Development of rare earth mines	Metal processing (sheet steel, steel bars, wire, steel pipe, aluminum, etc.) Molten aluminum production	JIT logistics at processing centers	Development of recycling technologies
Machinery & Electronics Division	Environmental equipment (cogeneration equipment, etc.) Wind power generators	Equipment design and manufacture EMS (Electronics Manufacturing Service) Development of automotive embedded software	Delivery, assembly and maintenance of machinery and equipment, provision of consumables, etc. Parts logistics for overseas automobile production Quality control support for semiconductors, etc.	Market identification of machinery, forklifts and trucks IT and network solutions 3-D printers, etc.
Automotive Division	Used vehicles		JIT logistics of genuine factory and general-purpose parts, and accessory parts	Market research, marketing proposals, development of sales markets
Energy & Chemicals Division	State-of-the-art chemical raw materials for electronic components and batteries Treatment and recycling of industrial wastes Energy procurement Drilling marine gas fields under contract Electric power wholesaling (IPP)	Manufacturing of resin compounds, processing of semi-finished products Manufacturing of petrochemical products Manufacturing of inorganic chemicals	Operation of chemical tanks Supply tankers for bunker fuel	Identification of plant projects Renewable energy Development of clean development mechanism (CDM) projects
Produce & Foodstuffs Division	Advanced composting process	Agricultural production and cultivation management Processing and manufacture of foods Rice milling	Grain terminals Quality and safety control	Development of sales markets Product development
Consumer Products, Services & Materials Division	Collection and recycling of used paper	Garment processing Dyeing processing		Materials development Product planning and development Development of sales markets Collection and recycling of used paper

Profile

Toyota Tsusho is a general trading company that develops business together with its consolidated group companies—89 in Japan and 320 overseas—and with customers around the world, via a global network covering Japan and approximately 60 other countries worldwide.

Toyota Tsusho has a divisional system made up of seven divisions, namely the Metals; Machinery & Electronics; Automotive; Energy & Chemicals; Produce & Foodstuffs; Consumer Products, Services & Materials; and Administration divisions. With this system, the Company provides products and services in a broad range of business domains that are essential to realizing the creation of a prosperous and fulfilling society.

Looking ahead, we remain committed to harnessing teamwork as we strive to achieve our ambitions and share the rewards with all our stakeholders, while making every effort to become a company that is invaluable to society.

G'VALUE with you

"G'VALUE with you" is the Toyota Tsusho Group's slogan for realizing its Corporate Philosophy. 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

Corporate Philosophy

Living and prospering together with people, society, and the earth, we aim to be a value-generating corporation that contributes to the creation of a prosperous society.

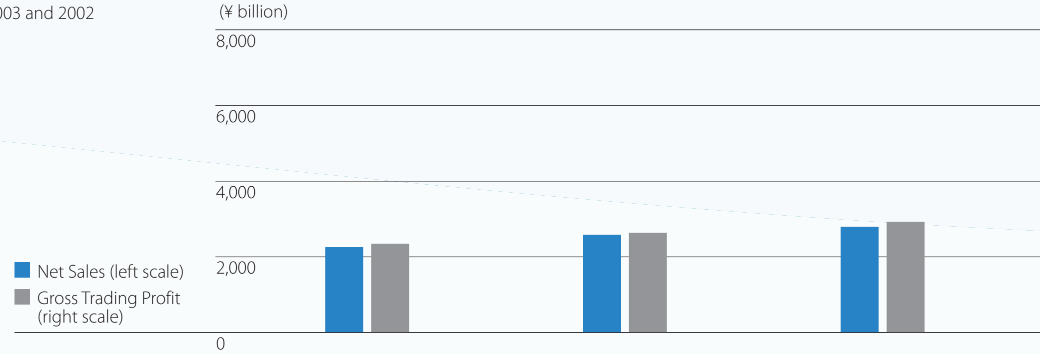
Behavioral Guidelines

As a good corporate citizen, we will:

- Implement open and fair corporate activities
- Fulfill our social responsibilities, and conserve the global environment
- Offer creativity, and provide added value
- Respect people, and create an active workplace worth working in

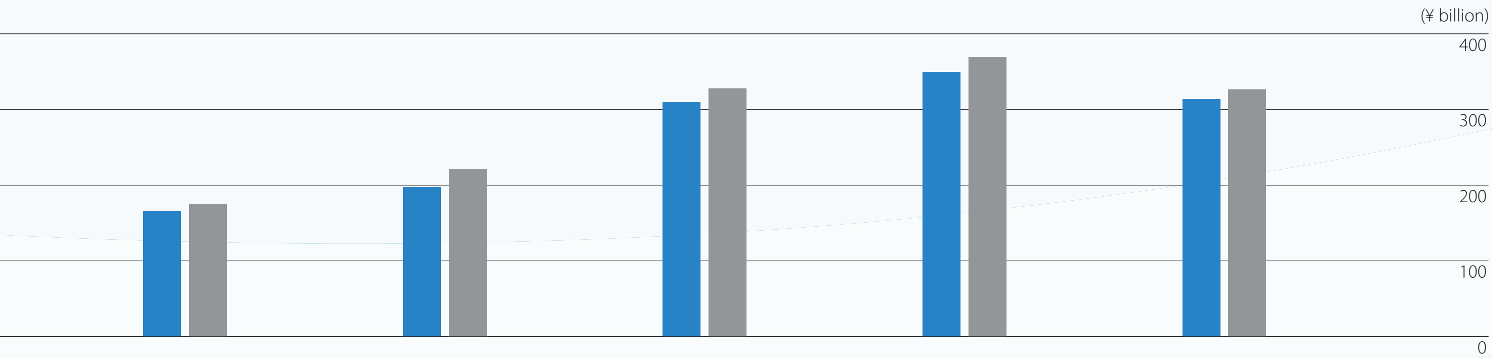
Eight-year Financial Summary

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years Ended March 31, 2009, 2008, 2007, 2006, 2005, 2004, 2003 and 2002



	2002	2003	2004
Results of Operations:			
Net Sales (Note 3)	¥2,255,698	¥2,576,453	¥2,787,794
Cost of Sales	2,153,454	2,462,173	2,658,589
Commission Income (Note 3)	15,048	17,039	17,223
Gross Trading Profit	117,292	131,319	146,428
SG&A Expenses	91,040	100,252	109,407
Operating Income	26,252	31,067	37,021
Net Income	8,781	18,829	20,663
Financial Position at Year-End:			
Current Assets	¥ 670,309	¥ 706,440	¥ 742,328
Total Assets	922,054	960,399	1,032,602
Current Liabilities	620,171	640,222	671,155
Total Net Assets (Note 4)	150,680	159,492	188,785
Cash Flows:			
Net Cash Provided by Operating Activities	¥ 47,461	¥ 19,092	¥ 62,660
Net Cash Used in Investing Activities	(11,745)	(20,095)	(38,220)
Net Cash Provided by (Used in) Financing Activities	(21,615)	5,874	(18,111)
Cash and Cash Equivalents at End of Year	56,674	61,666	67,704
Per Share:			
Net Income:			
Basic	¥31.31	¥66.06	¥72.75
Diluted	–	66.01	72.35
Cash Dividends for the Year	7.50	7.75	8.00
Common Stock:			
Number of Shares Outstanding at Year-End	282,867	282,867	282,867

Notes: 1. TOYOTA TSUSHO CORPORATION merged with TOMEN CORPORATION on April 1, 2006. The figures for fiscal 2006 and before were based on the former TOYOTA TSUSHO CORPORATION.
2. The U.S. dollar amounts have been translated from the amounts stated in yen, solely for the convenience of the readers, at the rate of ¥98.23=U.S.$1, the approximate exchange rate on March 31, 2009, which was the final business day of financial institutions in fiscal 2009.
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."



Former TOYOTA TSUSHO CORPORATION		New TOYOTA TSUSHO CORPORATION (Note 1)			
				Millions of Yen	Thousands of U.S. Dollars (Note 2)
2005	2006	2007	2008	2009	2009
¥3,315,831	¥3,945,319	¥6,212,726	¥7,000,353	¥6,286,996	$64,002,809
3,161,069	3,751,042	5,884,267	6,630,829	5,960,317	60,677,155
20,921	27,316	–	–	–	–
175,683	221,593	328,459	369,524	326,679	3,325,654
119,368	141,536	218,456	237,853	235,661	2,399,073
56,315	80,057	110,003	131,671	91,017	926,570
37,522	45,733	77,212	67,506	40,224	409,487
¥ 862,477	¥1,106,984	¥1,659,437	¥1,885,496	¥1,460,128	$14,864,379
1,198,394	1,602,702	2,462,229	2,603,207	2,130,089	21,684,709
749,252	1,019,217	1,298,916	1,479,494	1,045,088	10,639,193
237,132	314,319	626,539	639,731	586,996	5,975,730
¥ 17,836	¥ 33,089	¥ 44,599	¥ 104,728	¥ 123,760	$ 1,259,900
(29,410)	(119,379)	(31,159)	(36,717)	(54,827)	(558,149)
12,027	90,453	(46,555)	(23,058)	4,614	46,971
69,548	75,032	125,603	174,197	242,530	2,469,001

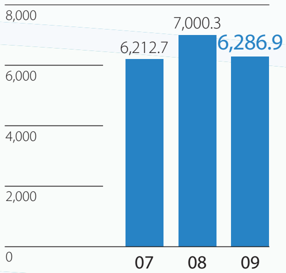
				Yen	U.S. Dollars (Note 2)
¥132.98	¥161.88	¥231.47	¥192.44	¥114.73	$1.17
132.11	160.75	230.30	192.08	114.72	1.17
12.00	18.00	26.00	30.00	26.00	0.26

				Thousands of shares
282,867	282,867	354,057	354,057	354,056

Highlights

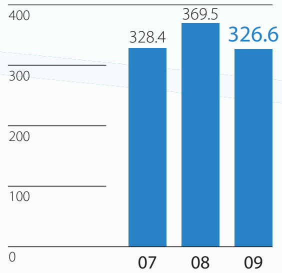
Net Sales
(¥ billion)

–713.4 billion yen



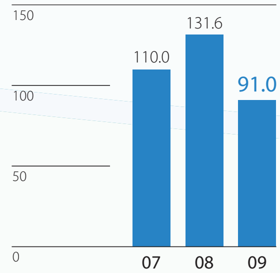
Gross Trading Profit
(¥ billion)

–42.9 billion yen



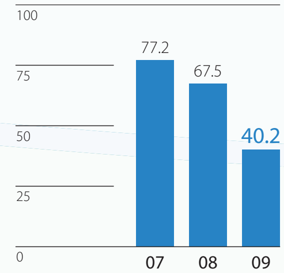
Operating Income
(¥ billion)

–40.6 billion yen



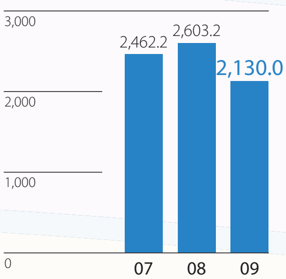
Net Income
(¥ billion)

–27.3 billion yen



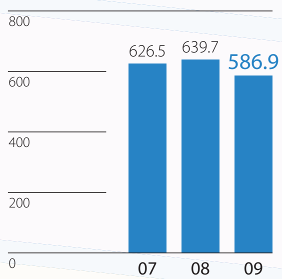
Total Assets
(¥ billion)

–473.2 billion yen



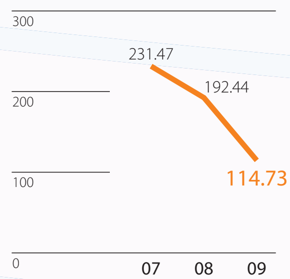
Total Net Assets
(¥ billion)

–52.8 billion yen



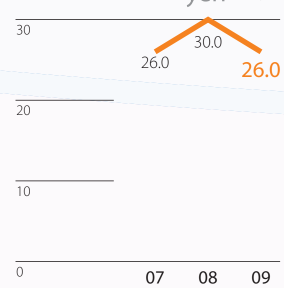
Net Income (Basic) per Share
(¥)

–77.71 yen

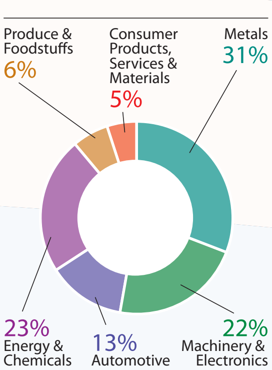


Cash Dividends per Share
(¥)

–4.0 yen

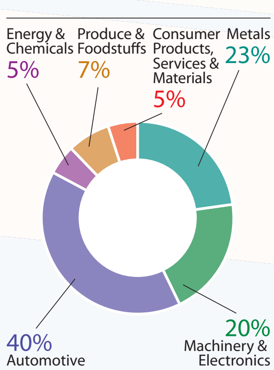


Segment Sales* (FY2009)
(%)



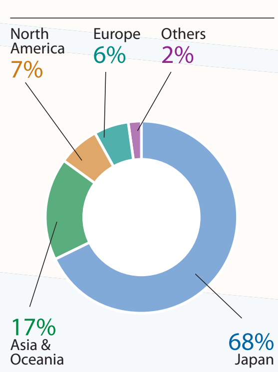
* Not including Others segment

Segment Operating Income* (FY2009)
(%)

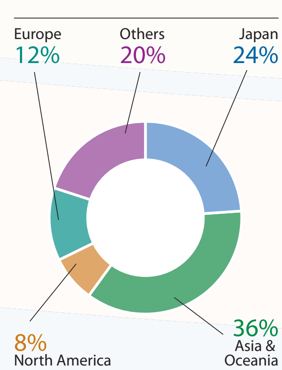


* Not including Others segment

Regional Sales (FY2009)
(%)



Regional Operating Income (FY2009)
(%)



Contents

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 2009.

To Our Stakeholders

Positive Net Income Generated in Worse-Than-Expected Economic Conditions

In fiscal 2009, the year ended March 31, 2009, Toyota Tsusho faced extremely harsh economic conditions. As we explained in last year's annual report, we had always remained conscious of several risks that could hinder our sustained growth, such as further appreciation of the yen, and a U.S. economic recession caused by contraction in financial markets. However, the speed of the economic downturn and the extent of its impact on the global economy ended up surpassing our expectations.

The worsening business environment had an impact on our consolidated performance for fiscal 2009. Consolidated net sales declined 10.2% year on year to ¥6,286.9 billion; operating income decreased 30.9% to ¥91.0 billion, and net income was down 40.4% at ¥40.2 billion. Consolidated net sales and earnings both underperformed our initial forecasts.

Toyota Tsusho is aiming for ROE of at least 15% in five years as a long-term target. However, in fiscal 2009, ROE declined 4.4 percentage points year on year to 7.2%. This was partly due to an accounting effect in which foreign currency-denominated net assets of overseas group companies declined on a yen basis due to the stronger yen, in addition to lower net income.

In terms of cash flows, Toyota Tsusho posted positive free cash flow of ¥68.9 billion. Free cash flow is cash flows from operating activities minus cash flows from investing activities. This positive free cash flow reflected our ongoing efforts to manage the company with an emphasis on cash-flow efficiency, through such means as the efficient use of working capital related mainly to trade receivables and inventories, and operating assets such as land and machinery and equipment.

However, we faced a challenging environment shaped by what is referred to in some quarters as a "once in a century" downturn, and by losses posted by the auto industry and many other manufacturing sectors. In this context, I believe that our positive net income, despite falls in net sales and earnings, is an encouraging result. This is because it shows that efforts to boost our earnings power in non-automotive fields, such as the produce and foodstuffs business, have helped to give us an earnings structure that is resilient to changes in economic conditions.

Playing "Offense" and "Defense" in an Increasingly Challenging Business Environment

The auto industry, which is a major source of earnings for us, is now entering a period of profound transformation. Faced with an unprecedented drop in global automobile sales, the auto industry has been forced to drastically cut back production, curb capital investments, and reduce personnel, among other measures. Against the backdrop of this harsh business environment, Toyota Tsusho must unavoidably forecast sharp falls in net sales and earnings for fiscal 2010.

JUNZO SHIMIZU
President

Conversely, I believe that these transformative periods also harbor many business opportunities. Eco-friendly cars such as hybrid and electric vehicles are a perfect example. Helped partly by preferential government policies in Japan and the U.S. as well as various European and Asian nations, business opportunities for eco-friendly vehicles are rapidly increasing around the world. In the resource and energy field, the markets are finally returning to normal after the influx of speculative money had caused the price-formation process to decouple from actual supply-demand dynamics. This is giving us a growing number of opportunities to make business investments in projects at appropriate price levels. Looking ahead, Toyota Tsusho will "play offense" by seizing on many different business opportunities of this kind, with the view to creating new earnings sources and growth opportunities. Meanwhile, we will also "play defense." This will involve reaffirming the principle of "real places, real things, and reality," to raise operating efficiency and rigorously ensure safety at actual business sites.

The difficult business environment also provides a prime growth opportunity for our human resources, which are the greatest asset of Toyota Tsusho. For younger staff who joined the company during the boom times that had continued through the first half of the previous year, this is a great chance to learn in depth about risk management—the basis of the trading company business—in such areas as credit management, receivables collections, and controlling trading positions. I'm confident that the development of younger staff will ultimately help to drive the future growth of Toyota Tsusho.

Toward Sustained Growth

In July 2008, Toyota Tsusho celebrated its 60th anniversary. During the past sixty years, Toyota Tsusho has faced many economic downturns, including the two oil shocks, the high-yen recession, the collapse of Japan's economic "bubble," and the Asian currency crisis. Time and again, we have rode out each crisis with the support of our strong partners like our customers, business partners, and shareholders. Going forward, we will bring together our high aspirations, open-mindedness, and passion for excellence as well as our tough-minded spirit and initiative to develop businesses that give first priority to the needs of customers and society at large, as we work to achieve sustained growth in a challenging business environment.

Finally, I would like to extend my sincerest thanks to all stakeholders for their long-standing support and understanding of Toyota Tsusho's values, business foundations and growth strategies. I look forward to your continued support and advice in the years ahead.

August 2009

J. Shimizu

Junzo Shimizu, *President*

Feature

page 12

Feature 1: Interview With the President

President Shimizu explains Toyota Tsusho's business results for fiscal 2009, a year in which the business environment changed drastically, the Company's "offense" and "defense" measures to be implemented in the automotive and non-automotive fields in line with the new long-term business plan, and the achievements of investment plans together with future plans.

Feature 2: Building a Strong Value Chain Through the Creation of New Functions

Toyota Tsusho is responding to the changing business environment by adding new functions to the global network and wide-ranging expertise it has built up, to implement the "Create new functions" initiative by applying added-value that is unique to the Company. "Create new functions," one of our "offense" measures, is described by introducing some detailed examples of initiatives in various fields in which the Company has been involved.

page 26

Feature 1: Interview With the President

In fiscal 2009, the year ending March 31, 2009, Toyota Tsusho saw seismic shifts in its business environment, along with a noticeable impact on its performance for the fiscal year. Despite these conditions, the Company's basic management policies and business strategies remained unchanged. Guided by our long-term business plan, we will continue to implement the Toyota Tsusho Group Way as we remain focused on the offensive and defensive aspects of management.

Fiscal 2009 Performance

Question

Fiscal 2009 was a year of significant challenges for the global economy. How did you see the business environment in fiscal 2009, and what are current conditions like?

Answer

The automobile market, where our core business lies, was hit hard by the global economic crisis, with global automobile production falling precipitously from the second half of fiscal 2009. Against this backdrop, the Metals Division and Machinery & Electronics Division, for which auto-related businesses account for a majority of business, faced an uphill battle in terms of performance. However, even the Automotive Division, which operates in the midst of the same automotive field, did not see a drop in earnings in proportion to the fall in automobile sales volume. This was because the automotive retail business being developed in Africa, Russia and elsewhere has started to shift to an operating structure capable of generating earnings from not only new car sales, but also parts sales, after-sales services and other sources. In non-automotive fields, higher earnings were posted by the Energy & Chemicals Division on the back of rising coal prices, and by the Produce & Foodstuffs Division, which benefited from rising feed grain prices and firm demand. In this manner, Toyota Tsusho is developing business in a broad range of areas as a general trading company and is making steady progress with building a balanced business portfolio. As a result, we are steadily putting in place a stable earnings structure.

Next, I'd like to discuss the current business environment. Compared with the January–March quarter, that is, the fourth quarter of fiscal 2009 when sharp production cutbacks, including accompanying inventory reductions, took place, automobile production is returning to normal levels, due in part to steady orders for new hybrid models launched in May 2009. Generally speaking, however, automobile production remained at a low level in the April–June quarter. At this time, worldwide automobile production has gradually returned to around 70% of the peak level in fiscal 2009.

On the other hand, some projections show that automobile sales in the U.S. market may fall significantly below 10 million units this year. However, we do not expect any drop in automobile sales to become protracted, considering the continuing growth in the U.S. population, and the number of vehicles owned and the years of ownership.

Net Sales by Business Segment (Year-on-year Change)
(¥ billion)

	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Others
2008	2,109.0	1,581.9	938.3	1,562.3	335.4	379.0	94.1
2009	1,942.2 (–7.9%)	1,355.0 (–14.3%)	809.5 (–13.7%)	1,399.4 (–10.4%)	366.0 (+9.1%)	311.5 (–17.8%)	103.0 (+9.5%)

Operating Income by Business Segment (Year-on-year Change)
(¥ billion)

	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Others
2008	35.4	35.6	42.6	4.0	4.3	10.5	(0.9)
2009	20.4 (–42.1%)	18.6 (–47.7%)	36.8 (–13.5%)	4.5 (+11.9%)	6.1 (+42.1%)	4.4 (–57.7%)	(0) (–)

Question

Automakers and other auto-related companies have posted extremely weak business results for fiscal 2009 and forecasts for fiscal 2010. Why do you think Toyota Tsusho has been able to remain profitable despite the fact that its core source of earnings is the automotive field?

Answer

One reason is that Toyota Tsusho has far fewer fixed expenses than the manufacturing sector in terms of development expenses and depreciation and amortization. That said, compared with when our core business was trading activities, our fixed expenses are rising as we become involved in more businesses where we hold facilities and warehouses of our own as the principal. These businesses include processing, assembly and logistics operations related to automobile production, and trading activities such as automobile sales in overseas markets. However, our breakeven point is still low compared with the manufacturing sector.

The second reason is that our expanded earnings power in non-automotive fields that are not unduly affected by economic conditions, such as the produce and foodstuffs business, has significantly benefited our overall profitability, following our merger with Tomen Corporation in 2006. Around the time of the merger, we carried out a drastic scrap-and-build program designed to more effectively utilize our limited business resources, as we strove to realign our business portfolio. At present, these measures have led to better risk diversification over product fields and geographical regions, and enhanced efficiency.

Question

Could you please elaborate on your business forecasts for fiscal 2010?

Answer

Since the second half of fiscal 2009, there has been a sharp drop in demand in a variety of fields in the wake of the rapid economic deterioration, including not only auto-related businesses, but also machinery, electronics, chemicals, textiles and real estate-related fields. Toyota Tsusho was able to generate consolidated net income of around ¥40.2 billion in fiscal 2009, due in part to its strong performance in the first half of the fiscal year, when the economy had remained healthy, in addition to its comparatively small fixed costs and diversified business portfolio, as I just explained. However, while it now seems that the worst is behind us, we expect the operating environment to remain challenging for the rest of the current fiscal year. Based on this, we are forecasting a decrease of 20% in net sales and a drop of nearly 40% in operating income from the previous fiscal year. In particular, the Machinery & Electronics segment is forecasting a decline of more than 60% in earnings based on expectations of sharp cuts in capital investment by companies and falling demand in the automobile and home electric appliance sectors. In the Metals segment and Energy & Chemicals segment, which benefited from surging prices in fiscal 2009, the major factors reducing earnings will be not only a projected drop in demand but also falling prices. In the Automotive segment, we are concerned that the segment will be unable to avoid worsening profitability due to an abrupt fall in sales in overseas markets, as well as the stronger yen, the shift from large to smaller automobiles, and a fierce sales offensive from competitors, including discounts offered by competing automakers.

Long-Term Business Plan

Question

Given the challenging business environment faced by the auto industry, Toyota Tsusho's core business, have you changed the Company's business policies and strategies?

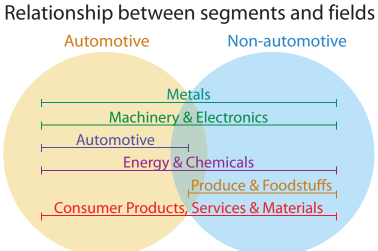
Answer

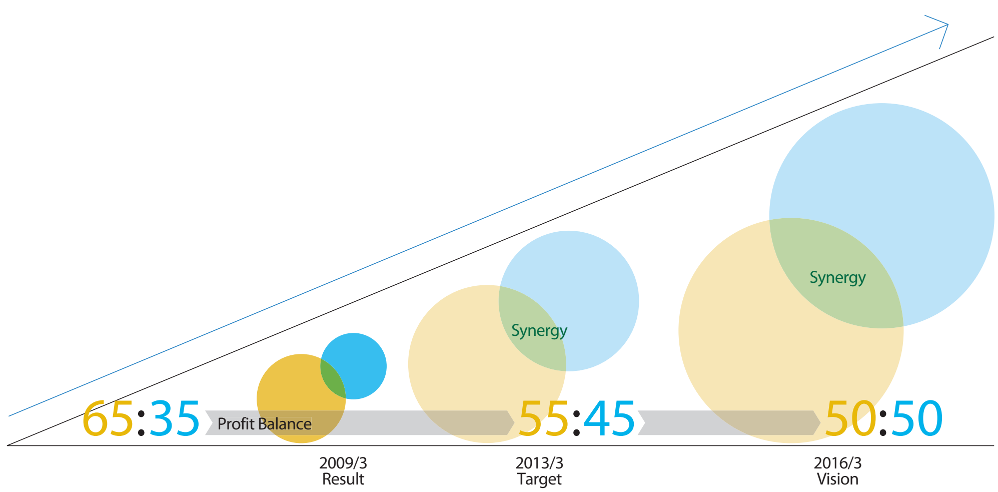
Basically, there has been no change to the vision we have pursued since 2006 of generating an equal share of earnings from automotive and non-automotive fields by 2015. Considering the serious deterioration in the operating environment faced by the auto industry since the summer of 2008, we believe that the recovery ahead will require a certain period of time. In non-automotive fields, we face similar circumstances in terms of the significant impact of the prevailing economic recession on these fields, except for certain areas. Therefore, we need to properly strengthen the foundations of both fields, even as we sow the seeds of future growth at the same time. This approach is described in the keywords of "Offense" and "Defense" in the current long-term business plan running through fiscal 2014. However, these has been no change to our basic policy of "growing earnings in both automotive and non-automotive fields in a balanced manner."

We have included numerical targets for fiscal 2014 in the long-term business plan. In this regard, there was some discussion on whether it was really meaningful to include long-term targets for five years from now given the difficulty of setting forecasts for fiscal 2010 amid such an uncertain outlook for the business environment. However, I'm convinced that it is precisely because of the harsh business environment that we must establish a long-term vision and targets with a steady eye on the future, and take on challenges with high aspirations. That is why we included long-term numerical targets in the new plan. All directors, including myself, and employees are working as one to stay true to the Toyota Tsusho Group Way while embracing the challenge of achieving the plan's goals.

VISION 2015

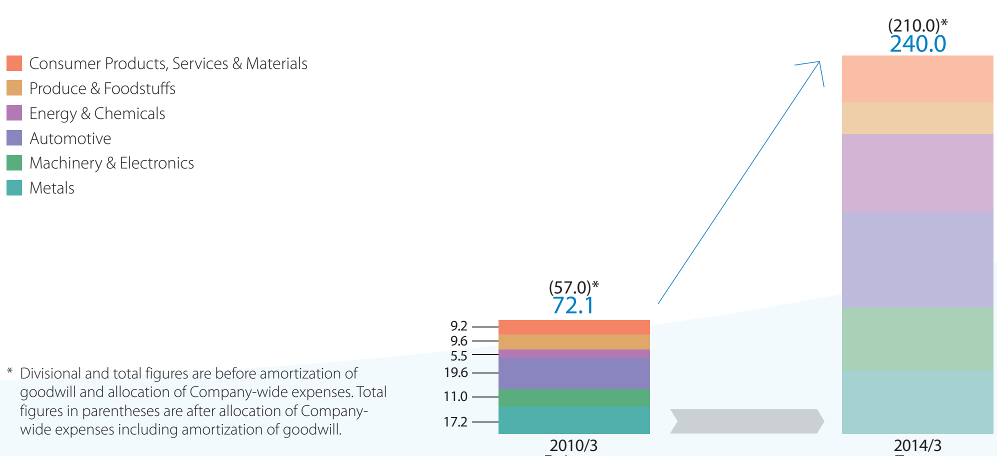
Relationship between segments and fields





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.

Question

Could you please provide more concrete details on the new long-term business plan?

Answer

Every year, we update the plan in line with changes in the operating environment and business progress. In fiscal 2009, there were headwinds such as sharp falls in automobile sales and declines in resource and materials prices due to the global financial crisis. In financial markets in Japan, these factors also led to a drastic drop in the Nikkei average. In this environment, we devised the future policies and plans of our long-term business plan based on two keywords for our businesses: "Offense" and "Defense."

In regard to the former, we believe that in a certain sense now is the perfect opportunity for making investments. Especially in the non-automotive fields, certain projects that previously surged in price and were too expensive for us now fall within the parameters of our risk capital. In fiscal 2010 and fiscal 2011, our policy is to do our utmost to identify fields where we can compete and tackle new challenges based on the three priorities: "Challenge new markets," "Create new functions," and "Pursue new businesses."

In regard to the latter, in the automotive field, although we expect the business environment to remain difficult, we will reaffirm the principle of "real places, real things, and reality," to carry out general checks of actual operations. In this process, we will lay the foundation for "playing offense" with the view to capturing future growth opportunities. We will also keep a medium- and long-term perspective so that we don't lose sight of the exact timing of the upturn in the general economy going forward.

Let me now explain in more detail our concrete measures on both the offensive and defensive fronts. Beginning with measures on the offensive front, the first measure is "Challenge new markets." From fiscal 2010, regionalized management will be introduced to cultivate new markets by concentrating business resources and to speed up decision-making at overseas sites. Our goal is for each of four key regions, namely Asia and Oceania, China, Europe, and North and Central America to formulate and implement their own strategy. Three countries and four regions, chosen from among emerging and resource-rich nations, have been identified as important countries and regions for the Company as a whole. These countries and regions will be managed directly by the head office to facilitate the concentration of business resources. Through these measures, we aim to speed up decision-making within each regional base, and strengthen our presence in emerging and resource-rich countries.

Offensive and Defensive Management

"Offense"

I. Challenge new markets
Develop Toyota Tsusho Group's strong points in new regions and customers in accordance with the Global and Regional Strategy

II. Create new functions
Add further functions to the existing core businesses to tackle the changes

III. Pursue new businesses
Concentrate management resources on endeavors in winnable fields and with winnable partners by ensuring selection and focus

"Defense"

Overall check of actual operations

I. Overall check up: safety
Raise the safety awareness of each and every employee and carry out comprehensive safety check leaving no stones unturned.

II. Overall check up: business
Dive into business sites to carry out overall check of existing businesses and operations and implement Scrap and Build

III. Overall check up: the Group's team power
From a long-term perspective, systematically develop human resources who can succeed on the global stage

IV. Ensure compliance

"Offense" : Identify fields to compete in and challenge enthusiastically

"Defense" : Overall check of all activities according to the principles of "Genchi (Real places)", "Genbutsu (Real things)", "Genjitsu (Reality)"

This describes the basic stance of the Toyota Motor Group regarding the importance of actually going to the site and confirming the situation first-hand when performing work.

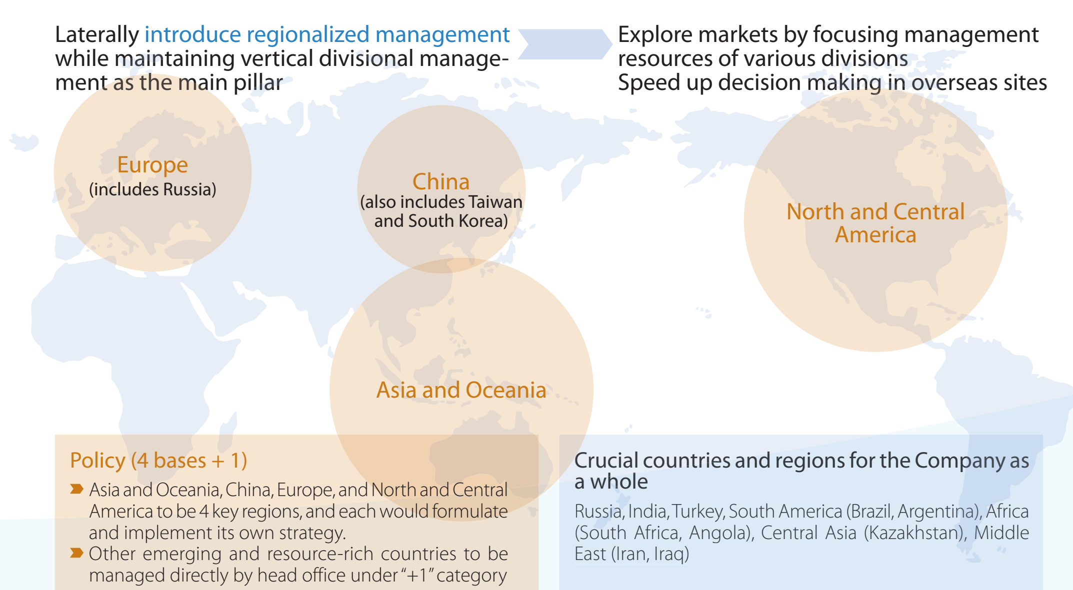
Formulating strategies along regional lines, with the aim of having product divisions collaborate on developing businesses based on those strategies, will pave the way for the provision of one-stop services to customers in each region. Toyota Tsusho has always had a high internal fluidity of staff, with quite frequent personnel transfers across product divisions. Developing business through cross-divisional collaboration at the head office has long been part of our corporate culture. However, we have been strongly conscious of and have worked to strengthen consolidated management at each product division, including a growing number of group companies in step with rapid business expansion over the past few years. For this reason, we decided to use this opportunity to reaffirm our consciousness of horizontal collaborations across product divisions.

The next initiative is "Create new functions." Here, our approach is to extend existing businesses to new customers, and provide existing customers with new value-added functions, as well as cultivate new customers and develop new businesses. (For details on "Creating new functions," please see the section titled "Feature 2: Building a Strong Value Chain Through the Creation of New Functions" starting on page 26.)

The final management initiative is "Pursue new businesses." Emerging global issues such as environmental and food problems are increasingly becoming a reality in step with the world's population growth. Viewing these issues as business opportunities, we will consider developing environment-related, foodstuff-related and water-related businesses as priority fields. These fields address universal social needs and could allow Toyota Tsusho to provide new value that contributes to society. Accordingly, our policy is to channel funds and personnel into these areas to build new business models.

The centerpiece of measures on the defensive front is an overall check of actual operations. Specifically, this will involve checks along the four key themes of an "overall check of safety," "overall check of work," "overall check of team power" and "ensuring compliance." In terms of an "overall check of work," we will rebuild our business portfolio through a rigorous scrap-and-build program. Efforts will also be focused on bolstering our IT infrastructure, risk management, and financial strategy as platforms for developing business.

New Market Strategy



Establishing framework for strengthening operations at key regions, emerging and resource-rich countries

Key Regions

Question
Could you please elaborate on your regional initiatives? To start, which regions do you believe have growth potential?

Answer
We will continue to prioritize the BRICS* markets as countries where we will strengthen our presence. Over more than thirty years, Toyota Tsusho has done businesses in China in a wide range of fields. We entered the region with the establishment of a subsidiary in Hong Kong in 1971. In 1977, we began importing coal and other resources from China for supply to Toyota Motor Corporation, and in 1983, we were involved in a technology partnership between Daihatsu Motor Co., Ltd. and Tianjin Automotive Industrial (Group) Co. From the latter half of the 1990s, when local joint venture auto production began, we enhanced production support capabilities, while concentrating investments on building a dealership network. Today, our business in China has a workforce of over 2,000 local employees, with nearly 200 staff members sent from Japan to 77 group companies (as of March 31, 2009), including local subsidiaries. At the same time, the business today generates operating income of more than ¥15.0 billion a year. Turning to business development in Brazil, Russia, India, and South Africa, our produce and foodstuffs business in Brazil and auto-related business in Russia and South Africa have started to generated a certain level of earnings. However, with the size of earnings from all four countries combined about the same as China, there are still many more business opportunities in these areas.

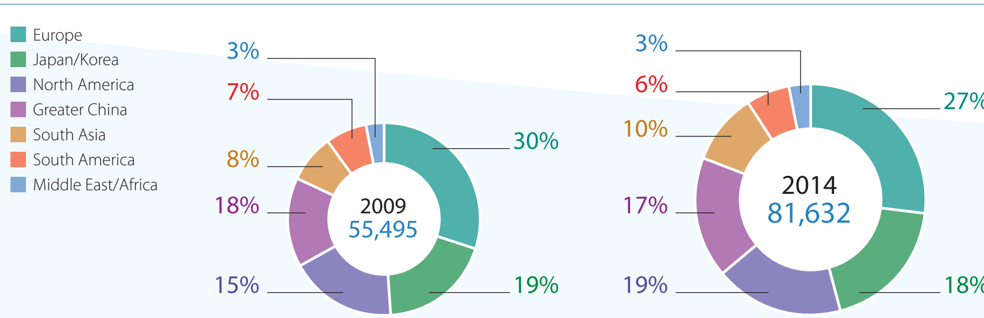
Other countries and another region we are prioritizing include Egypt, Kuwait, Kazakhstan, Vietnam and Africa. While we need to take a long-term view over five or ten years, I believe that Africa is sure to enter a growth phase after Asia. Efforts will also be continued to develop business in Iran and Iraq, where we have long cultivated relationships based on trust.

* BRICS: Brazil, Russia, India, China and South Africa

Question
Will the future direction for regional development of the automobile sales business change as well?

Answer
In terms of automobile sales, we will continue to make investments while carefully sorting the growing markets from the stagnant ones in each country and region. Specifically, our efforts will remain focused on newly emerging countries as before. Currently, Toyota Tsusho accounts for only around 5% of Toyota's total overseas automobile sales volume, leaving us with much more room for growth. Remarkably, automobile sales are still growing in the Chinese market despite the prevailing global economic downturn, and rapid expansion is anticipated going forward. For this reason, although we expect competition to further intensify, we intend to actively enlarge our sales network, including through acquisitions. As we expect the model mix for automobile sales to shift from large to smaller vehicles due to environmental and cost factors, we plan to take active steps to promote overseas automobile sales on behalf of Daihatsu Motor Co., Ltd. and Fuji Heavy Industries Ltd. (Subaru). We aim to rise above the fierce competition by ensuring that we develop new services and functions. This will be achieved not only by leveraging our extensive track record and expertise, but also by constantly thinking about what kind of added-value we can provide to customers.

Global Automobile Production Forecast
(Calendar year; thousands of vehicles)



Source: CSM Worldwide

Strategies for the Automotive Field and Non-Automotive Fields

What is your strategy for the automotive field going forward?

Question

Toyota Tsusho has constructed a new logistics center for Suzuki Motor Corporation in Shizuoka Prefecture. Do you intend to increase business with automakers other than Toyota?

Answer

Toyota Tsusho's logistics business, which takes advantage of the Toyota Production System (TPS), has long been applauded by auto-related companies outside the Toyota Group. However, with very little breathing space in terms of human resources, we have yet to launch logistics services for non-Toyota companies on a full scale. We also had the opportunity to build new partnerships with non-Toyota automakers through the Eco Car Project backed by the Thai government. However, the reality at the moment is that new plant construction and business outsourcing services have come to a halt because Toyota and other automakers are grappling with overcapacity in terms of production facilities and personnel following the sharp contraction in production output. We believe that all will depend on the timing of an upturn in corporate investment sentiment in response to a gradual recovery in market conditions.

Question

How about extending TPS to companies other than automakers?

Answer

We have been actively pressing ahead with initiatives to provide the parts procurement and logistics capabilities we have developed for automobiles to home electric appliance manufacturers and other enterprises. Many parts and components for home electric appliances, such as plastic covers, have complex shapes and are bulky. Our logistics expertise can go a long way toward reducing losses caused by physical damage during transport and inventories for many different items. We hope to cultivate new customers by proposing improvements of this kind. We are also stepping up sales activities aimed at making the surplus capacity at our metal scrap processing and recycling plants available to other industries that are in proximity to our plants.

Question

Amid concerns over the downturn in the auto industry, addressing environmental issues has become a common challenge for the entire industry. However, initiatives to develop the hybrid and electric vehicles that have come under the spotlight in recent years will be considerably different than those in the traditional automotive field. How will Toyota Tsusho seize on these business opportunities?

Answer

In terms of differences with conventional gasoline-engine automobiles, the key factors distinguishing hybrid and electric vehicles are electric motors and batteries, as well as the electronic control unit (ECU) and power control unit (PCU) that control them. Besides the product aspects of these automobiles, many other issues must be addressed such as putting in place power generation and recharging infrastructure, and providing daily after-sales services such as repairs and maintenance.

Of these, let me first discuss the elements directly related to automobiles such as motors and batteries. Ever since Toyota rolled out the world's first mass-produced hybrid vehicle in 1997, Toyota Tsusho has been involved with the procurement of materials and components for the past ten years or so. These motors and batteries need to be fitted with many different cutting-edge materials and control technologies that must meet various criteria, such as power output, endurance and durability. To satisfy these needs of automakers, Toyota Tsusho has striven to procure higher quality, high value-added materials and components in cooperation with materials, semiconductor and other manufacturers.

There are high expectations for the roll-out of plug-in hybrid vehicles.

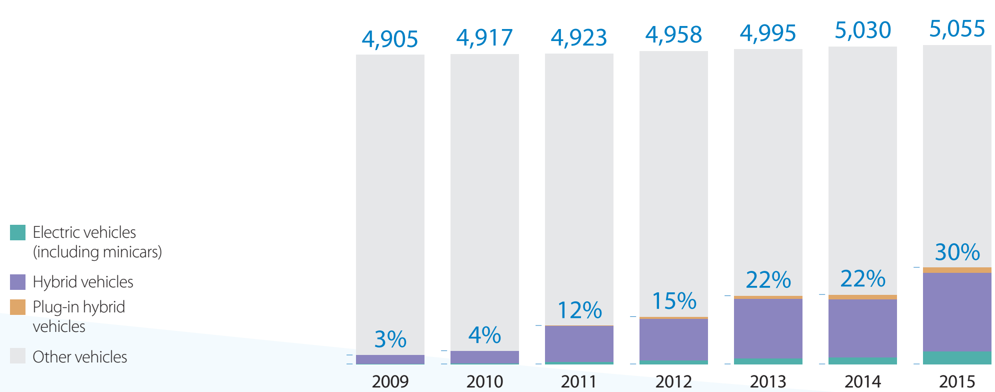
Going forward, our plan is to actively move onto the offensive by making further investments in securing and developing materials vital to motors and batteries, such as rare earth metals. In 2008, Toyota Tsusho acquired all shares of Wako Bussan Co., Ltd., a trading company specialized in rare earth metals, allowing us to obtain this company's rights to rare earth metals produced in India. However, because this is far from enough to ensure a stable supply in light of future market expansion, we are currently developing a mine in Vietnam. Our goal is to begin supplying rare earth metals from both India and Vietnam in 2010 and 2011, respectively, as we continue efforts to develop new sources of supply.

Furthermore, as the market for plug-in hybrid vehicles that can be recharged at home expands, demand is expected to shift from today's mainstream nickel-hydride batteries to lithium-ion batteries. Lithium is mined from salt lakes, and the world's main supply sources are currently in South America. Toyota Tsusho has begun surveys to search for new supply sources. In addition, one component of the electrolytes of lithium-ion batteries is phosphorous. Toyota Tsusho commands the top share of yellow phosphorous in Japan in terms of handling volume. Leveraging our knowledge, expertise and network in this business, we aim to establish a new value chain going forward.

In parallel, we will ensure that we "play defense" by once again checking our operations to see if we have overlooked anything during the rapid business expansion of past years. We will build upon advances already made through checking the safety of business sites that are responsible for actual operations around the world, and checking whether we are addressing local customer needs in a detailed manner.

Outlook for New Electric, Hybrid, and Plug-in Hybrid Vehicle Sales in Japan

(Calendar year; thousands of vehicles)



Source: Ministry of the Environment

Next, could you please describe your activities in non-automotive fields?

Question

Toyota Tsusho is strengthening its hand in resource-related areas. Are you seeking to obtain upstream resource rights?

Answer

In resource businesses, we believe that how we incorporate resource rights into value chains is more important than the value of those rights. Whether it is rare metals or natural gas, Toyota Tsusho's approach is to focus on projects where it can proactively get involved in the flow of resources from upstream, to mid-stream and downstream stages of the value chain by providing functions and services.

Question

Amid a downturn in other product divisions, which growing fields of the Produce & Foodstuffs Division contributed to earnings in fiscal 2009?

Answer

In the Produce & Foodstuffs business, we are working to shift from businesses focused on the demands and needs of the Japanese market to businesses focused on overseas consumers. We are also working to shift from trading activities centered on the import and export of commodities to businesses where we own operating assets for processing, production and other purposes. As an example, the silo business used to be focused mainly on Japan, but now we are looking at developing business in various Southeast Asian regions. As consumers' standard of living improves in line with economic growth, the consumption of meat in local diets becomes more prevalent, giving rise to diversifying needs and luxury tastes for food, including the need for high quality, and food reliability and safety. In response to these needs, we intend to horizontally expand our business model in Japan to these regions. We have conducted business and proven our strengths in Japan, which is home to some of the world's most demanding consumers and markets. This expertise is sure to allow us to compete successfully in overseas markets as well.

Question

Which businesses have the potential to drive future growth in the Consumer Products, Services & Materials Division?

Answer

In the lifestyle business, we believe that the only growth market in Japan is what we call the "harvest age" market*. As Japan's overall population declines, we will develop businesses in the country targeting the growing senior citizen age segment.

For example, Toyota Tsusho developed "medical condominiums" in a condominium project integrated with a general hospital through a method called an "equivalent exchange agreement." This project won accolades from both the hospital and customers. Although the real estate business is susceptible to business cycles over the short term, we believe that demand will continue to increase for high value-added condominium units of this kind as Japan's demographic structure changes. We are also strengthening business development targeting the harvest age segment in other areas too. In addition, GUTT REHABILITATION LTD., an operating company that had been engaged in mail-order sales of nursing care-related products, was converted into a subsidiary of Toyota Tsusho. Efforts will also be focused on developing the insurance business overseas, and expanding the value chain in the housing materials-related business.

The AXIA Hachioji "medical condominium" developed by Toyota Tsusho using the "equivalent exchange agreement" method.

* Toyota Tsusho refers to senior citizens aged 60 years or older as the "harvest age" generation.

Investment Plans, Financial Targets and Dividend Policy

Question

You often repeat the phrase, "Toyota Tsusho is not a mere investment company." What is your approach to investment, and what is your investment record and plans going forward?

Answer

Our fundamental approach to investment is to determine whether an investment is consistent with the direction of the Company. For new investments, we look at what kinds of functions we can provide as a company to the project, and whether those functions will help to enhance the value of our partners and subsidiaries, allowing us to grow together over the medium and long terms.

In this sense, the business investments we make as a trading company are entirely different from financial investments that are decided on by weighing investment risk and returns. We don't make investments solely based on potential investment returns. Instead, we emphasize criteria such as whether the investment field or business fits in with our Company-wide strategy and product division strategy; whether the project is one with which Toyota Tsusho staff can get proactively involved at all stages, from talks and negotiations with partners and investees onward, while also giving serious consideration to the extent our staff can contribute to the project.

Toyota Tsusho has established quantitative criteria for making investment decisions, including standards such as risk-return profiles and the collection time frame for investments. Together with consistency with the aforementioned approach, we make comprehensive "Go/No Go" investment decisions. After making investments, every year we check to see if there are any discrepancies between actual performance and initially planned P/L and B/S figures, risk-return targets and other parameters. In the event of something problematic, we continue to take steps to try to improve the situation, while promptly deciding to exit a business if the discrepancy with initial plans is too large and it is difficult to achieve an improvement.

Main investment projects and investment results over the past two years are shown below:

Main Investment Projects (Totals for 2008/3 and 2009/3)

Total
Approx.
125.0 billion yen

Automotive Field
80.0 billion yen

- Increasing the capacity of the steel sheet processing business (Japan, U.S., etc.)
- Developing the molten aluminum supply business
- Developing the steel scrap processing business (Japan, U.K., etc.)
- Establishing a Semiconductor Quality Support Center (Japan)
- Establishing a Quality Center for Automotive Electronic Components (Japan)
- Developing an automotive software development business (China)
- Expanding the automobile sales business (Western Europe, Russia and Eastern Europe, Northern Europe, China, Africa, etc.)

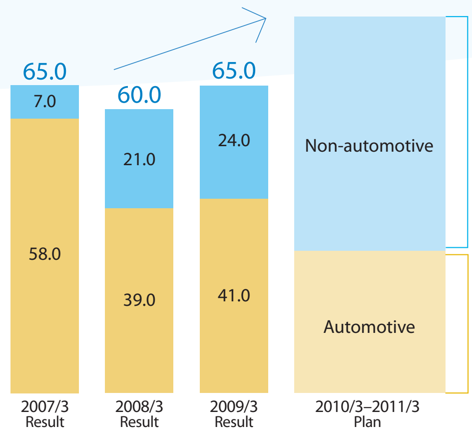
Non-Automotive Fields
45.0 billion yen

- Entering the rare earth metals business
- Bolstering the mobile phone sales business
- Strengthening the industrial waste processing business
- Strengthening functions in petroleum-related businesses (tanker charter business in Singapore)
- Expanding the IPP business (Thailand)
- Bolstering functions in natural gas-related businesses (contract-based offshore gas field business in Egypt)
- Expanding the capacity of grain terminals (Japan)
- Entering the agricultural production business (Japan)
- Strengthening the apparel business (established apparel retailing company in Hong Kong, etc.)
- Strengthening functions in businesses targeting the "harvest age" market

Investments in the Past and Current Investment Plans

(¥ billion)

In addition to the Cross Functional Team in Corporate Division, which supports analysis and evaluation of investment plans, the time it takes to implement investment plans will be shortened through initiatives such as establishment of a dedicated department for new business plans at each division.



While ¥200 billion worth of investments are planned for two years, an overall check of the portfolio will be implemented and ¥10 billion worth of investment plans would be scrapped.

Ratio of total investments in two years

Automotive : Non-Automotive

30:70

Under the recently announced long-term business plan, the ratio of investments in automotive and non-automotive fields is around 30:70. Investments in the automotive field should proceed as planned as most involve the horizontal expansion of businesses we have already developed. As for investment in the non-automotive field, investments should go forward in around 60% to 70% of the businesses we would like to pursue. This is because many of the prospective investments in the non-automotive field are large, and regrettably Toyota Tsusho does not have the human resources or risk buffers needed from a financial standpoint to complete every project from start to finish on a standalone basis. Therefore, we will work together with strategic partners to develop each business. In the current investment plans, there were actually around ¥300 billion worth of investment projects that all of the divisions combined would have liked to pursue. However, considering their timing and significance, we have announced investments of ¥200 billion, which is a highly reliable figure.

Jatropha is attracting attention as a raw material for biomass diesel fuel (BDF).

The energy field was given the highest priority in terms of the allocation of investments in our investment plan.

In particular, we will make investments in developing new sources of energy in the two key areas of natural gas and power generation businesses. Biomass energy is one important component. Recently, we have been working to build a value chain extending from sourcing raw materials to the supply of biomass fuel. The goal is to start marketing tree saplings of a non-food bio-fuel plant material called Jatropha, to enable the supply of biomass diesel fuel (BDF) going forward.

In this field, we believe that the electric power business and the midstream petrochemical business in Asia and the Middle East will begin to contribute to earnings at the earliest stage. In the electric power generation business, our goal remains to expand the IPP business, although we have already begun implementing certain projects. In the petrochemical field, we believe that global conditions will undergo major transformation going forward. At present, naphtha can also be produced from natural gas. As a result, the prices of crude oil and naphtha have changed places, with naphtha prices currently lower than crude oil prices. Looking ahead, this could alter the way raw materials are distributed around the world. For example, Toyota Tsusho is considering joining forces with petrochemical manufacturers to build a plant in the Middle East that can process naphtha into ethylene for supply to Japan. This project has been included in our current investment plans, and will undergo further study going forward.

A Dimethyl Ether (DME) Production Plant operated by a DME fuel production company in which Toyota Tsusho is a project participant and investor. (With a production capacity of 80,000 tons annually, the plant commenced DME fuel shipments after completing trial operations at the beginning of 2009.)

Question

Could you please tell us about your financial targets and dividend policy?

Answer

Our financial targets are designed to establish a financial structure to ensure enduring growth through cycles of investment and return.

First, we are targeting ROE of 15%, considering the need to generate returns in excess of the cost of shareholder capital, ensure consistency with internal benchmarks, and in light of past performance. We are also targeting a net DER of 1.0. However, in the event that a major project emerges that is consistent with our Company-wide strategy, we are prepared to make an investment after carefully reviewing project details, even if this may lead to a temporary deterioration in net DER. This is to ensure that we don't miss out on investment opportunities. However, even in such a case, we seek to ensure that net DER does not exceed 1.5.

Effective from fiscal 2009, we changed our dividend policy to one linking dividends to our consolidated earnings performance every fiscal year. Specifically, we plan to distribute earnings with the aim of raising the consolidated dividend payout ratio to 20%, taking into consideration funding demand for investments and other factors. In regard to internal reserves, we will allocate funds to investments aimed at further enhancing and strengthening our organization and developing future business, to ensure that we continue to generate shareholder returns over the long term.

Based on the above policy, Toyota Tsusho plans to pay an annual dividend applicable to fiscal 2009 of ¥26 per share, down ¥4 from the previous fiscal year, including a year-end dividend of ¥8 per share. In fiscal 2010, we plan to pay an annual dividend of ¥16 per share, due to the projected downturn in our performance for the fiscal year. Even with an annual dividend of ¥16 per share, the consolidated payout ratio would be 22.4%, which is largely on a par with 22.7% in fiscal 2009.

We look forward to sharing the fruits of our growth with shareholders through performance-linked dividends.

Dividend Policy

Dividends to be linked to consolidated earnings, with consolidated payout ratio of 20%

	2008/3	2009/3	2010/3 (Estimate)
Full year	¥30	¥26	¥16
Consolidated payout ratio	15.6%	22.7%	22.4%

Feature 2: Building a Strong Value Chain Through the Creation

—Adding New Functions to Existing Core Businesses to Adapt to the Changing Business Environment

Amid a rapidly changing business environment, Toyota Tsusho is newly re-assessing its long-term business plan and focusing on the offensive and defensive aspects of management. In this feature section, we will introduce some detailed examples of initiatives in both the automotive and non-automotive fields, while describing "Create new functions," one of our "offense" initiatives.

"Create New Functions" in the Automotive Field

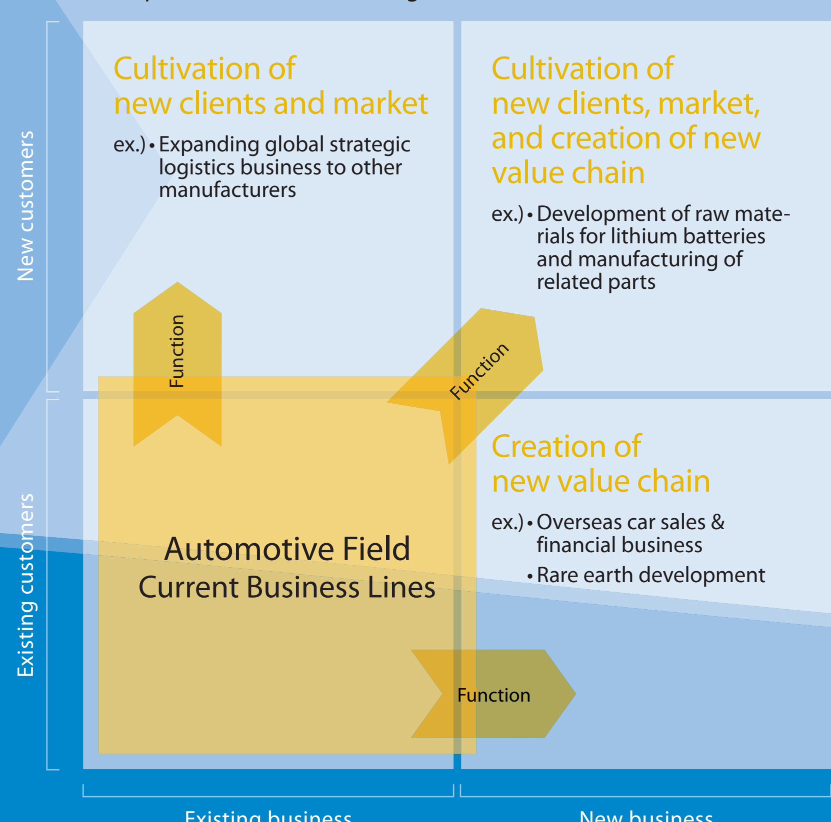
[Businesses up to now]

Up to now, Toyota Tsusho has mainly been engaged in the businesses of procuring machinery and equipment in tandem with Japanese manufacturers' advances into overseas markets, the processing and distributing of the metal raw materials and parts needed for production, and the recycling of the waste materials generated inside plants. We built support systems that enabled the manufacturers to consolidate their overseas production activities.

Since the summer of 2008 however, significant changes in the business environment have caused the unavoidable cutting back or postponement of the ongoing expansion of equipment capabilities and of new production-base projects. Businesses in the automotive field have entered a new phase.

["Create new functions" in the automotive field]

Impacted by these changes in the business environment, we will work to identify new customers and develop "Vendor to Vendor (V–V) distribution," with which we have already succeeded with the Toyota Group, with other manufacturers. As regards identifying new businesses, we will develop automotive sales finance services overseas and develop applications of rare earth resources, including for hybrid cars. Moreover, we will vigorously work to develop new businesses for new customers, including the development of raw materials for lithium batteries, which are expected to show dramatic growth in the future, and the manufacturing of parts and materials.



# of New Functions

"Create New Functions" in the Non-automotive Field

[Businesses up to now]

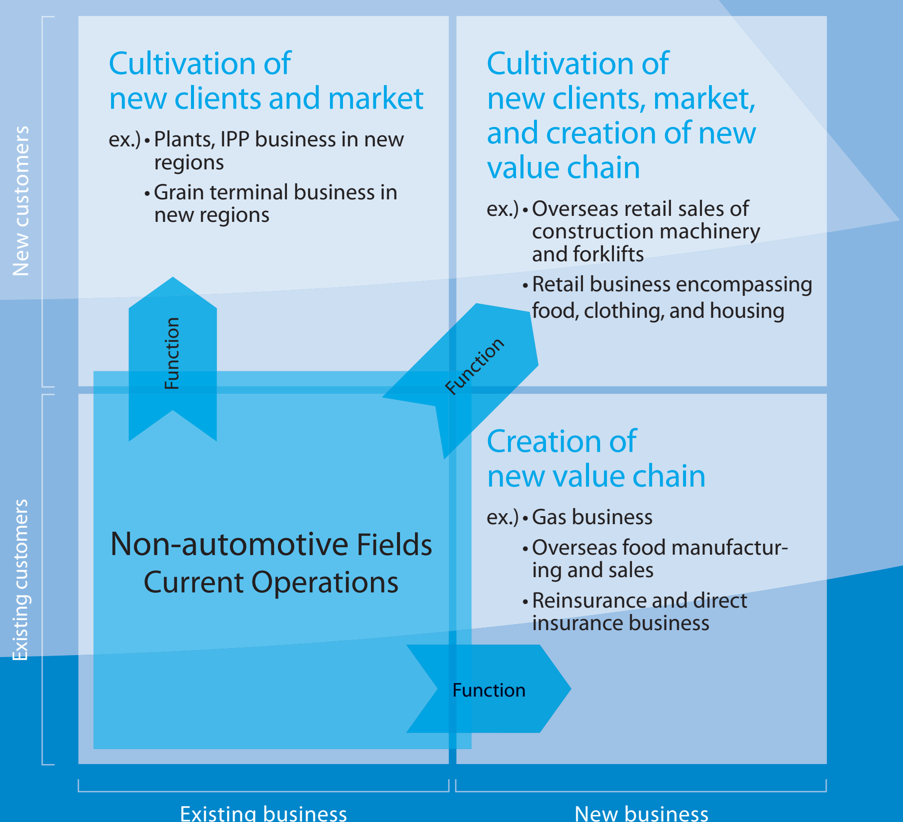
Up to now, Toyota Tsusho has accumulated a wide range of expertise in the course of providing parts procurement functionality and logistics functionality to automakers. At the same time, we have actively worked to exploit the possibilities of making use of our expertise in areas outside the automotive field.

["Create new functions" in the non-automotive field]

Making use of our experience and track record in existing businesses, we will win new customers by handling plants in new regions, expanding the IPP business, and operating overseas grain procurement bases.

As regards new businesses, going forward we will create new value chains in such fields as the natural gas industry, the manufacture and sale of foods overseas, reinsurance and the direct-insurance business.

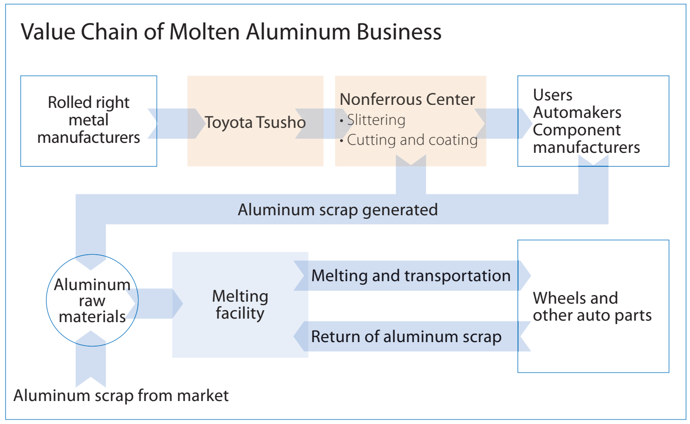
In the area that combines new customers with new businesses, we will develop the overseas retail business for construction machinery and forklift trucks, and retail businesses that integrate clothes, foods and residences, thereby identifying customers and creating new value chains.

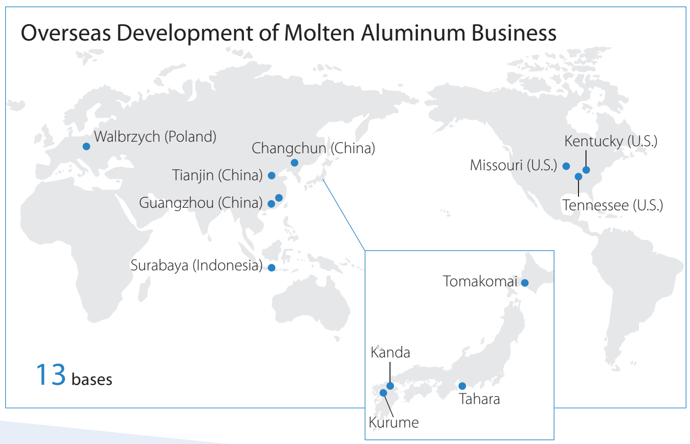


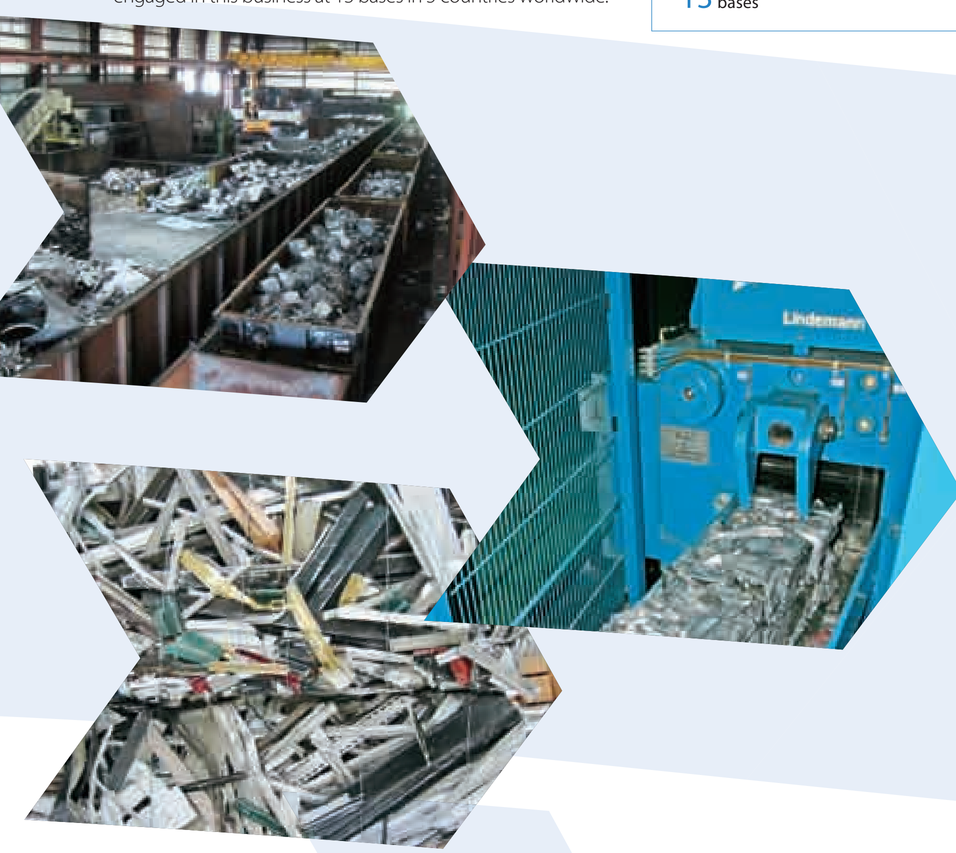
Case 01
Worldwide Development of Molten Aluminum Business

The strongest features of Toyota Tsusho's metals business are the high-precision high-quality operational functions offered in line with manufacturing and processing companies worldwide and with the TPS (Toyota Production System) philosophy.

In the nonferrous field, demand for aluminum raw materials is expected to expand due to the need for lightweight materials of automakers and parts manufacturers. Up to now, aluminum materials in the form of ingots have been supplied to meet this demand. However, Toyota Tsusho is developing a business worldwide, including Japan, the U.S., Europe and Asia, of supplying these aluminum materials in a molten state, to reduce energy costs and the environmental burden. We are building an optimum supply system that always supports highly efficient production at the overseas locations. We have been operating a molten aluminum production company in the U.S. since 1998 and in Poland and Indonesia since 2004. We established companies in China and three domestic locations in 2005–2006, and launched one more company in Japan in 2008. Currently, we are engaged in this business at 13 bases in 5 countries worldwide.







Toyota Tsusho's metal scrap recycling business is carried out at 17 locations around the world.

Case 02
Developing an Efficient Recycling Business to Reuse Valuable Global Resources

Toyota Tsusho has built a recycling network nationwide and is developing an efficient recycling business worldwide, including by actively investing in a comprehensive ELV (end-of-life vehicle) recycling business.

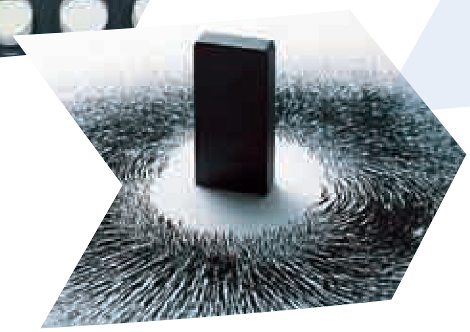
In addition, Toyota Tsusho carries out a recycling business inside plants at 17 locations around the world. This business involves collecting, processing and reusing the metal scrap generated inside plants that use steel and aluminum. We employ the indoor scrap-yard method that minimizes environmental risk, and recently, in addition to metal scrap, we have also been processing and recycling used paper, wood and plastic, thereby contributing to the reuse of global resources. Going forward, we plan to vigorously invest in this business with the aim of operating 30 locations in five years time.

Case 03
High-tech Industries—Rare Earth Business Supports Hybrid Cars

Although the phrase "rare earth" contains the word "rare," we have now become familiar with rare earth materials in our daily lives. They are used in the lenses of cameras that we use regularly in the ceramic capacitors used in household electrical appliances, in sunglasses and in ultra-violet protection cosmetics. Lanthanum and cerium are used in cathode-ray tubes and elsewhere, and neodymium and other elements are used in the hard-disk magnets in PCs and the motor magnets of hybrid cars. Rare earth elements are now said to be indispensable in these industrial fields.

However, China accounts for more than 90% of the rare earth mines operated around the world, and China is currently strengthening export regulations. As a result, it has become an urgent matter to secure supply sources other than China. Accordingly, Toyota Tsusho has turned its attention to the two countries of India and Vietnam, which produce the second largest amounts of rare earth elements after China.

Looking ahead, rare earth elements are expected to become increasingly important. In addition to existing applications, research is being conducted into how to use them in new fields: rare earth elements are projected to become even more important in the industrial arena. Toyota Tsusho will make full use of the value chain it is developing globally to work together with business partners and sales customers to secure rare earth resources. At the same time, we will endeavor to provide a stable supply of rare earth raw materials and products that meet the needs of our customers. As regards the development of these resources around the world, we will dispatch Japanese technical staff to various countries to pass on and develop Japan's ore concentration technologies and separation and refinement technologies, together with providing the relevant training.



Top row:
Rare earth ore and mine

Bottom row:
Rare earth samples and magnet made from rare earth elements

Initiatives in India

In December 2008, Toyota Tsusho acquired the commercial rights for rare earth elements, rare metals and semiconductors that had been developed for over 50 years by Wako Bussan, a trading company specializing in rare earth elements. We are currently developing a project in India that is expected to yield a supply from the first half of 2011.

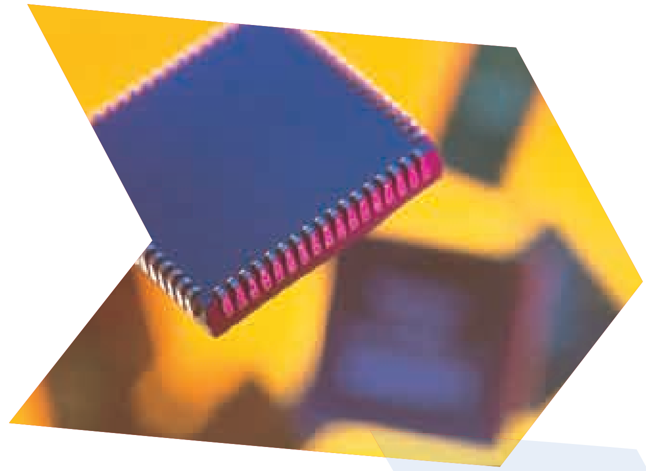
Initiatives in Vietnam

In Vietnam, we concluded a memorandum of agreement regarding mine development with the state-operated minerals company that holds the mining rights for rare earth elements, and are conducting commercialization surveys. We plan not merely to develop mines but to create local high-tech industries that use rare earth elements, thereby both contributing to the development of Vietnam and bringing into view further mine development.

Case 04
Car Electronics Bringing About Future Car Society

The auto industry is currently united in working to innovate car electronics technologies, in order to bring about a future with environmentally friendly, safe and comfortable cars by addressing the social needs of improving fuel efficiency and reducing CO_2 emissions.

Toyota Tsusho Electronics Corporation, a member of the Toyota Tsusho Group, is a specialist in these car electronics and opens up new possibilities in the auto industry by offering specialized proposals.



Electronics components are essential to realizing the eco-friendly, safe and comfortable automobiles of the future.

■ *Semiconductors*

Toyota Tsusho supplies the semiconductor products of major overseas semiconductor manufacturers to automobile-related manufacturers. We do not merely sell semiconductor products but develop businesses unique to our being a technological trading company, including in-house quality support services after products have been supplied.

■ *Embedded Software*

It is no exaggeration to say that the embedded software of car electronics is what determines the functionality of a car. Toyota Tsusho is widely involved in contracted development work for and sales of embedded software to domestic automakers. Furthermore, we are focusing on strengthening our embedded software system by vigorously working overseas to secure high-quality engineers.

■ *Development Tools**

Amid the ongoing increases in advanced functionality and high added-value for cars, we are selling and developing software development tools as solutions that enable greater efficiency in software development work.

* Software that supports software development

■ *Telematics*

Toyota Tsusho aims to commercialize new services by installing various communication systems in cars that enable interflows between many types of information and the driving environment. Telematics opens up a wide range of possibilities for providing safety and comfort, including real-time traffic information, music distribution and information about stores in the vicinity.

■ *Original ICs*

Having purchased the memory business of a U.S. semiconductor manufacturer, we produce our own original-brand ICs.

■ *JasPar (Japan Automotive Software Platform and Architecture)*

Toyota Tsusho set up this standardization group for car electronics, thereby contributing to inter-company cooperation with major automakers. JasPar determines the next-generation automotive communications and software standards in Japan.

An Expanding Car Electronics Value Chain

Original ICs
Having purchased the memory business of a U.S. semiconductor manufacturer, we produce our own original-brand ICs.

TAQS
(Toyotsu Automotive Quality Support Center)
We established this quality support center for semiconductors that brings together in one location various quality enhancement technologies capable of meeting sophisticated quality requirements underpinning automobile safety and comfort.

TTET & TTED
(Toyota Tsusho Electronics (Thailand) and Toyota Tsusho Electronics (Dalian))
Aiming to nurture automotive software engineers, we established bases in Thailand and China to conduct development work under contract.

VeLIO
(Vehicle LAN Interoperability and Optimization)
We established this certification and testing institution to determine whether the automotive computers and electronics planned for installation in automobiles satisfy the specified standards.

JasPar
(Japan Automotive Software Platform and Architecture)
We set up and run a standardization group that examines next-generation automotive communications and software standards in Japan.

Case 05
While Developing the Electric Power Business, IPP (Wholesale Electric Power) Projects Also Contribute to Regional Development and Environmental Protection

Toyota Tsusho currently participates in the following seven IPP (wholesale electric power) projects, including the natural gas combined cycle power plant (output 140MKW) in Thailand which started commercial operations in 2008.

The electric power business is a long-term business based on cooperation with local business partners with a large public-interest component. Toyota Tsusho is providing higher added-value by building a total business model in conjunction with related businesses that support electricity generation, including plant construction and fuel supply.

Based on our approach of it being more than just an investment business, we endeavor to build deep local relationships. In Pakistan, for example, Kohinoor Energy Limited has committed to developing the regional community by such initiatives as setting up a free health clinic which sees over 100 patients a day, and opening a local elementary school and supplying the children with free uniforms and textbooks.

In the wind power generation business, which we started in 1986, the Eurus Energy Holdings Corporation, a joint venture between Tokyo Electric Power Company and Toyota Tsusho, generates a total of 1.8 million kW of electricity from 18 domestic locations and 11 overseas locations in the U.S. and 4 European and Asian countries. We hold a 92% stake in the Japanese subsidiary of Vestas Wind Systems A/S, the world's largest manufacturer of wind turbines, enabling us to build an integrated value chain spanning equipment sales to operation.

Major IPP Projects

Project Name	Country	Output	Investment	Generation Method	Started Operations	Supply Period (years)
Kohinoor Energy Limited (KEL)	Pakistan	124MW	36%	Heavy oil diesel	1997/9	30
Gul Ahmed Energy Limited (GAEL)	Pakistan	127MW	31%	Heavy oil diesel	1998/5	22
Western Mindanao Power Corp. (WMPC)	Philippines	100MW	25%	Heavy oil diesel	1997/12	18
Southern Philippines Power Corp. (SPPC)	Philippines	50MW	25%	Heavy oil diesel	1998/3	18
PT Makassar Power (PTMP)	Indonesia	60MW	47.5%	Heavy oil diesel	1998/5	18
Ratchaburi Power Company Limited (RPCL)	Thailand	1,400MW	10%	Gas CCGT	2008/3·6	25
Tomen Power Samukawa Corporation	Japan	67MW	70%	Kerosene CCGT	1999/6	15

The solar and wind power generation businesses are being developed through Eurus Energy Holdings Corporation.

Case 06
Focusing on the Clean Energy Business

Toyota Tsusho is focusing efforts on the clean energy business on par with those for wind power generation. Looking ahead, there are increasing expectations that clean energy, especially biomass energy, will reduce greenhouse gases and help achieve a sustainable society. In Thailand, Toyota Tsusho is participating in a biogas Clean Development Mechanism (CDM) project. In China, we obtained U.N. approval in 2007 for a CDM electricity generation project involving the recovery of landfill gas, which includes much methane generated by a waste landfill site. As a result, we are now acquiring greenhouse gas emission credits.

Case 07
Developing Innovative Recycling Technology for Metal Resources Together With Nuclear Power Organization

If the metal from used metal products is not recovered and the products are to be disposed of as waste, there are substantial problems regarding soil contamination and the provision of the final disposal site. As the recycling of metal scrap involves high costs, what is needed is the development of an innovative low-cost recycling technology.

Toyota Tsusho has positioned the recycling business as central to its environmental business, and is particularly focusing on metals. In collaboration with the Japan Atomic Energy Agency, an independent administrative agency with a track record of measuring impurity gases in metal materials, we have commenced the joint development of advanced recycling process technologies. We will establish an advanced recycling process technology for metal resources, one of the key technologies needed for society in the 21st century. This ambitious project involving cooperation between industry and academia aims to contribute to the creation of a recycling society.

Case 09
Developing New High-frequency Response Low-dielectric Materials, Identifying Markets and Nurturing State-of-the-art Technologies

Together with Admatechs Company Limited and Taiyo Kagaku Co., Ltd., Toyota Tsusho is developing and selling mesoporous silica*, new, porous and low-dielectric materials. These materials are expected to be developed for use mainly as catalysts and plastic fillers in the digital home electronics and car electronics fields, and won the Grand Award in the materials category of the nano tech 2008 International Nanotechnology Exhibition & Conference held last year. Toyota Tsusho is not only conducting marketing activities (intellectual property surveys, market potential studies) as the project leader in the business but also participating in R&D management and swiftly making planning proposals, conscious of end users.

* Silicon dioxide particles filled with a regular arrangement of nano-sized holes that allow gas or special molecules to enter inside the particles.

Case 08
New Material Made From Sugarcane—Technology Spreading Worldwide

In light of global warming, there are increasing needs for petroleum substitutes, which are highly effective in reducing CO_2. In this context, Toyota Tsusho has formed a business alliance with Braskem S.A., the largest chemical manufacturer in South America. We have become the sales partner in the Asian region, including Japan, for a plant-derived polyethylene that Braskem will be the first company in the world to start commercial production, by 2011. Toyota Tsusho participated in Braskem's project to develop plant-derived plastics, and in 2007 the project succeeded in manufacturing this polyethylene (bioplastic) from the raw material of ethanol derived from sugarcane, at an experimental production facility inside Braskem's Technology Innovation Center. It has been verified that this is the world's first polyethylene to be 100% derived from plants. Looking ahead, we will develop and increase sales of this sustainable and recyclable resource that is friendly to the global environment and does not compete with food materials.

Sugarcane fields and plant-derived plastic products

Case 10
Expanding the Scale of the Domestic Agricultural Production Business

In July 2008, Toyota Tsusho Foods Corporation, a member of the Toyota Tsusho Group, established Vegi Dream Kurihara Co., Ltd. jointly with local farmers in Miyagi Prefecture as a point of entry into the agricultural industry in Japan. Vegi Dream Kurihara has developed a bell pepper cultivation business through the construction of a large-scale steel-frame greenhouse facility encompassing an area of 0.7 hectares (called the "Air House") in Kurihara City of Miyagi Prefecture. The company's first harvesting season was in June 2009.

In response to moves to boost and enhance vegetable production in Japan, Vegi Dream Kurihara is currently constructing another bell pepper cultivation facility at a second location, to address demand for domestically produced vegetables. The objectives are to cultivate produce that is "fresh and tasty" and "reliable and safe", as well as promote "local community development and corporate citizenship." In doing so, the company is working to expand the scale of its business.

Guided by its policy of becoming No. 1 in bell pepper production in Japan, the company seeks to increase production volume of Kurihara brand bell peppers as well as its share of the bell pepper market, and to raise recognition of the brand going forward. In the future, we aspire to cultivate "reliable and safe" domestically produced vegetables and fruits, targeting annual sales of around ¥10 billion.

From the perspective of promoting "local community development and corporate citizenship," the company is striving to help with the recovery efforts of Kurihara City, which suffered severe damage from a major earthquake in June 2008, and to contribute to the regional development of Miyagi Prefecture, which has been supportive of Vegi Dream Kurihara's business activities.

We have newly entered the agricultural production business in Japan (pre-harvest bell peppers).

Case 11
Nursing Care and Healthcare Initiatives

Toyota Tsusho worked to support residential nursing-care, including the development and sale of adult-use diapers that make use of high-absorbent resin technology, the development of a nursing-care equipment rental and wholesaling business for care-service providers at 12 locations nationwide, and the renting out of over 20,000 nursing-care beds. In collaboration with GUTT REHABILITATION LTD., a company engaged in mail-order sales of nursing-care products to providers, we strengthened product procurement and logistics capabilities to differentiate ourselves from competitors, with the aim of expanding market share in nursing-care related businesses.

At the same time, we are engaged in lifestyle proposal-based businesses that bring peace of mind, safety, comfort and enjoyment to people in the second half of their lives in the healthy senior citizen ("harvest-age") market, that is, people aged 60 or over, where significant demand is expected in the future. These businesses include financial planning services in the field of enhanced asset formation that make use of our insurance-business expertise, developing "medical condominiums" integrated with a general hospital and operating "community salons" at which harvest-age people can enjoy congregating and various health services are available.

From left:
Nursing-care equipment rental catalog,
General nursing-care equipment catalog

Business Highlights

Segment Sales* | Net Sales (¥ billion) | Operating Income (¥ billion)

Metals Division

Segment Sales: 30%

	Net Sales (¥ billion)	Operating Income (¥ billion)
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
09/3	1,942.2	20.4

Machinery & Electronics Division

Segment Sales: 21%

	Net Sales (¥ billion)	Operating Income (¥ billion)
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
09/3	1,355.0	18.6

Automotive Division

Segment Sales: 12%

	Net Sales (¥ billion)	Operating Income (¥ billion)
05/3	538.3	13.6
06/3	639.2	20.0
07/3	751.7	33.2
08/3	938.3	42.6
09/3	809.5	36.8

Energy & Chemicals Division

Segment Sales: 22%

	Net Sales (¥ billion)	Operating Income (¥ billion)
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
09/3	1,399.4	4.5

Produce & Foodstuffs Division

Segment Sales: 5%

	Net Sales (¥ billion)	Operating Income (¥ billion)
05/3		
06/3		
07/3	349.6	3.7
08/3	335.4	4.3
09/3	366.0	6.1

Consumer Products, Services & Materials Division

Segment Sales: 2%

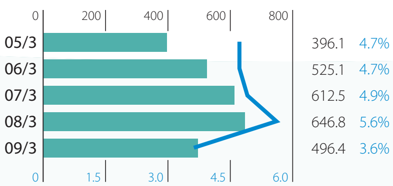
	Net Sales (¥ billion)	Operating Income (¥ billion)
05/3	280.8	5.4
06/3	316.5	6.2
07/3	382.7	7.8
08/3	379.0	10.5
09/3	311.5	4.4

* Not including Others segment

Total Assets (¥ billion)/ROA (%)

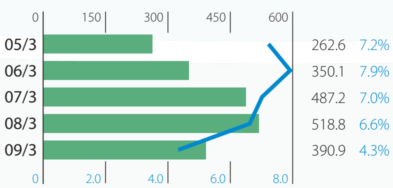
Fiscal 2009 Results

Main Products and Services



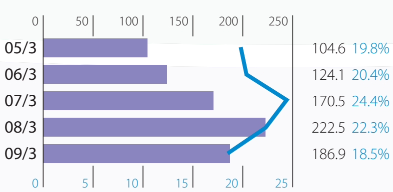
Net sales and operating income decreased 8% and 42% year on year, respectively. This was the result of the rapid drops in production by domestic and overseas automakers from the second half of the fiscal year and weakening market conditions.

- 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



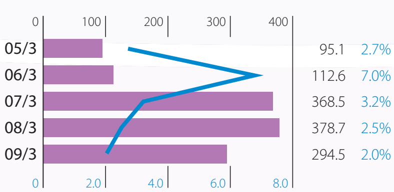
Net sales and operating income decreased 14% and 48% year on year, respectively. This mainly reflected the result of the substantial reviews of facility plans and sharp production cuts by automobile-related manufacturers and falls in semiconductor prices.

- 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
- Industrial vehicles and construction machinery
- Network integration and support
- Sales and services for the above products



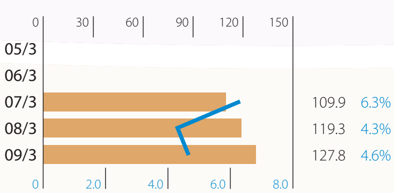
Net sales and operating income both decreased 14% year on year. This was due to the decline in automobile sales mainly in Europe, newly emerging nations and resource-rich countries caused by the impact of the worldwide economic slowdown from the second half of the fiscal year.

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



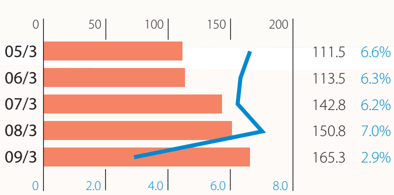
In this Division, net sales decreased 10% year on year; however, operating income increased 12% year on year. This was the result of drops in prices for crude oil, naptha and other petroleum products, and of falls in demand for resins and chemical materials for automobiles and home electric appliances.

- 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 increased net sales and operating income of 9% and 42% year on year, respectively. This mainly reflected increased handling volume in the livestock feed business due to rises in grain prices and expanded grain terminals.

- Feed and oilseeds
- Grains
- Processed foods
- Food ingredients
- Agriculture, marine and livestock products
- Alcoholic beverages
- Processing, sales and services for the above products



Net sales and operating income decreased 18% and 58% year on year, respectively. This was primarily the result of decreased demand for automobile materials due to the drastic production cuts by automakers and of lower condominium sales due to the rapid cooling of domestic business sentiment.

- 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
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.

MINORU HAYATA
Managing Director,
Chief Division Officer of Metals Division

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.

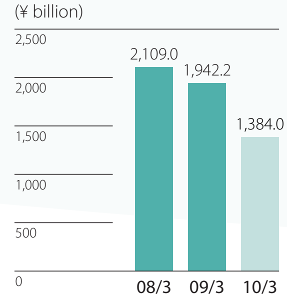
We engage in the nonferrous metals business and have built a global trading structure centered mainly in London and New York that plays a central role in reducing the risk of price fluctuations for nonferrous metals. In addition, we undertake a molten aluminum business that contributes to lowering costs 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.

In the raw materials field, we conduct environmentally considerate businesses, including a scrap iron recovery and recycling business within plants as well as an ELV (end-of-life vehicle) recycling business. In response to rising demand for eco-friendly vehicles such as hybrid and electric vehicles, we have also begun working to secure and provide a stable supply of rare earth metals for use in motors and other applications.

Above
Our molten aluminum supply business lowers fuel costs and reduces environmental loads.

Left
A project in India is working to secure and provide a stable supply of rare earth materials.

graph A
Net Sales



Changes in Business Environment and Division Initiatives (see ➤ graph D)

The Metals Division has suffered sharp falls in handling volume mainly reflecting declining worldwide demand due to the onset of a sharp economic downturn since the second half of 2008, and drastic production cuts by various manufacturers to reduce inventories. In particular, the Division's automobile business, one of its core businesses, has been significantly affected by the production cuts. This is because the Division has thus far worked to refine and expand its networks in countries and regions around the world in step with growing global automobile production. These networks include high-precision, high-quality steel sheet supply bases, aluminum processing and logistics bases, molten aluminum supply bases, and bases for recovering and recycling scrap iron generated during production processes. However, the automobile market as a whole is anticipated to gradually head toward recovery from the second half of 2009, helped partly by vigorous government economic stimulus measures in various countries, with auto markets in China and India already showing signs of recovery. In this context, the Division is working to enhance earnings by fortifying defensive measures, such as raising the efficiency of production sites and rigorously enforcing safety, with the aim of minimizing the impact of the drop in handling volumes. On the other hand, the Division is also focusing on offensive measures, such as expanding value chains for metal resources that address environmental technologies for hybrid, electric and other vehicles, and establishing metals processing businesses in new product fields.

Basic Strategies and Long-term Policies

The 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.

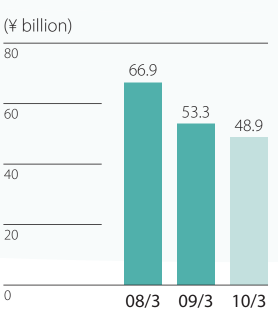
Today, the Metals Division has more than 40 operating bases worldwide specializing in functions such as steel sheet and aluminum processing and logistics, as well as the supply of molten aluminum and recycling of scrap metal. The Division will continue to augment each specialized operating base by strengthening measures related to business fundamentals such as personnel development, and quality and safety. At the same time, we will also actively utilize these specialized operating bases outside the automotive field. For example, we will begin strengthening processing and logistics functions in new specialty steel fields, such as steel bars. In addition, 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 these trends, we are using businesses set up in India and Vietnam as footholds to establish stronger ties with new resource-rich countries, and thereby create new value chains.

Outlook for Fiscal 2010 (see ➤ graphs A, B, C)

Demand for metals is projected to fall across a wide range of industries, including automobiles, construction and home electric appliances, as economic conditions deteriorate, resulting in falls in handling volumes and prices. In this operating climate, for fiscal 2010 the Metals Division is forecasting net sales of ¥1,384.0 billion, a decrease of 29% year on year. In fiscal 2010, the Metals Division does not expect to record inventory revaluation losses as a result of the application of the lower-of-cost-or-market method, as were incurred in fiscal 2009 in line with sharp falls in prices since the second half of 2008. However, operating income is forecast to decline 16% year on year to ¥17.2 billion due to the large projected decline in net sales.

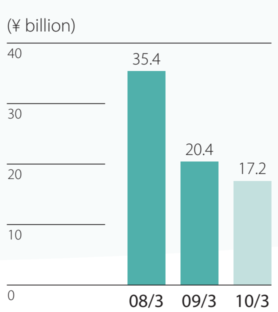
➤ graph B

Gross Trading Profit



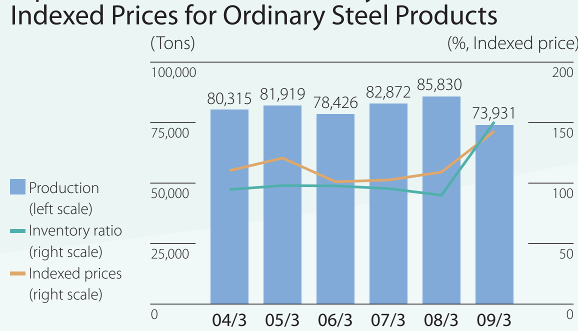
➤ graph C

Operating Income



➤ graph D

Japanese Production, Inventory Ratio and Indexed Prices for Ordinary Steel Products



* Data for April–March fiscal years
Indexed prices are calculated based on a value of 100 for calendar year 2005.
Sources: Ministry of Economy, Trade and Industry, The Japan Iron and Steel Federation, Bank of Japan, Ministry of Finance

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.

HISASHI YAMAMOTO
Senior Managing Director, Chief Division Officer of Machinery & Electronics Division

Above
Our machinery business offers a total service making use of our engineering capabilities.

Right
This quality support center for semiconductors is capable of meeting sophisticated quality requirements.

Overview of Division and Strengths

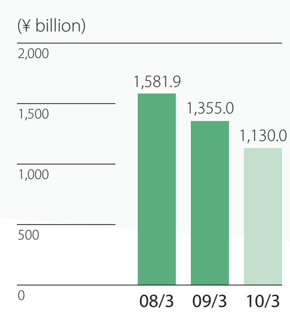
The Machinery & Electronics Division not only procures goods in Japan and overseas, but also provides total support services in such fields as machinery, facilities, information and electronics, and parts for automobile production. These services cover planning and recommendations as well as technological 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 automobile production, we have leveraged our global logistics and IT expertise to establish a global supply chain management system that enables optimal integrated logistics ranging from collection of parts based on a "milk-run" procedure (parts collection rounds), to packaging and marine container transport, sorting and reloading at overseas warehouses and delivery to overseas business locations. Through this system, we are helping to ensure a stable supply of parts while achieving transport cost reductions, short delivery periods, and inventory cuts.

graph A
Net Sales



Changes in Business Environment and Division Initiatives (see ➤ graph D)

The Machinery & Electronics Division has efficiently established overseas production bases and supported optimal global production against the backdrop of rising capital expenditures and moves by automakers to establish optimal global production and supply networks, driven by rapid economic growth in China and other Asian countries, and by steady expansion in the U.S. and European economies.

For example, the Division has strengthened global procurement and engineering capabilities for machinery and equipment, and working in close collaboration with automakers, the Division has established a network of logistics bases for supplying parts for automobile production in various countries and that is planned and designed to accommodate global logistics between multiple countries. However, capital investment by various companies in the manufacturing sector dropped sharply in response to the onset of the sharp economic downturn since the second half of 2008, and a recovery has yet to be seen except in certain areas related to measures addressing the environment. The auto industry, the Division's main client industry, is faced with an extremely challenging business environment in which production has been unavoidably slashed on an unprecedented scale, including through inventory reductions, due to the global contraction in the auto market.

In response, the Division has taken a new look at the supply chain it built during the phase of rapid expansion through the first half of 2008, and has worked to raise efficiency, including through inventory reductions. Meanwhile, in order to enhance measures with respect to plant maintenance investment (supplies and general upkeep), the Division has reinforced operating capabilities primarily at related subsidiaries. On the other hand, the Division is working to secure new sources of earnings outside the automotive field through the development of automotive electronic devices and embedded software, which continue to make steady advancement in response to environmental needs, and by strengthening the overseas sales business for construction machinery and industrial vehicles in response to demand for infrastructure development in emerging countries.

Basic Strategies and Long-term Policies

The 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.

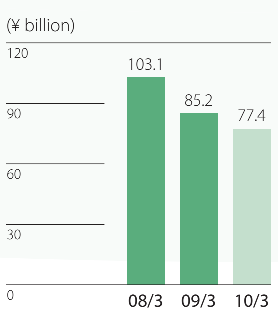
The Division also plans to actively allocate business resources to the electronic components business, which offers prospects for capturing more synergies with environmental technologies for hybrid vehicles and electric vehicles as well as with technologies for improving safety and comfort. Plans also 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 2010 (see ➤ graphs A, B, C)

Against the backdrop of the global economic recession, the outlook calls for sharp falls in corporate capital investment, including IT investment, and automobile production. In this context, the Division is forecasting lower handling volumes of machinery and equipment, and parts for automobile production. Based on this outlook, the Division is forecasting net sales of ¥1,130.0 billion, down 17% year on year, and operating income of ¥6.8 billion, down 63% year on year.

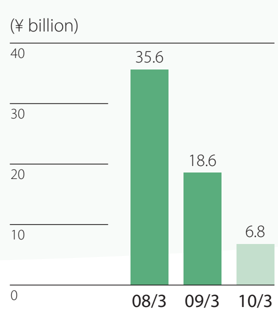
➤ graph B

Gross Trading Profit



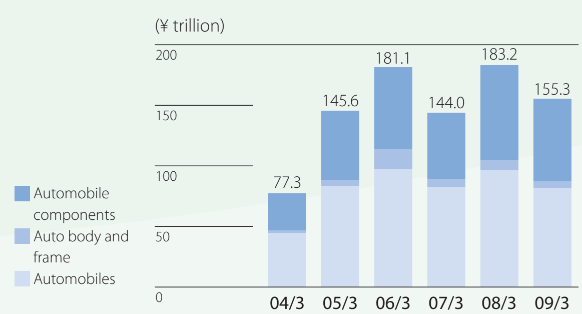
➤ graph C

Operating Income



➤ graph D

Capital Investment in the Automobile Industry



* Data for April-March periods; Figures for 2009/3 are forecasts.
Source: Ministry of Economy, Trade and Industry

Automotive Division

The Automotive Division is engaged in the export of automobiles and automobile parts as well as the management of national distributors and sales outlets overseas. By implementing lean operations and strengthening the quality of sales activities, the Division aims to become the undisputed No.1 in each region.

SEIICHIRO ADACHI
Managing Director,
Chief Division Officer of Automotive Division

Overview of Division and Strengths

The Automotive Division sells automobiles and automobile parts manufactured by Toyota Group and non-Toyota Group companies in about 140 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 150 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 directly invested in national distributors in approximately 30 countries and proactively manage marketing activities relating to pricing, model line-ups, supply and demand, marketing, etc.

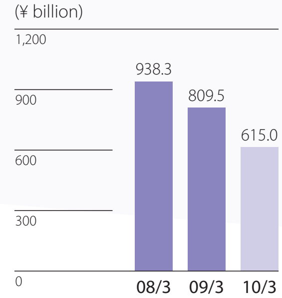
We have grouped the countries where we do business into regional areas, and have established several Regional Headquarters whose proximity to the local markets facilitate the collection and analysis of market data that allows us to react to customer needs in a more prompt and direct manner. This "antenna 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. 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.

Above
A Lexus dealer in Russia.

Right
Local staff receive instruction on repairs and other after-sales services. (China)

graph A
Net Sales



Changes in Business Environment and Division Initiatives (see ➤ graph D)

Overseas automobile sales had continued to grow steadily until around the first half of 2008, against the backdrop of economic development in Russia, Africa, China and other emerging economies and resource-rich nations. Thereafter, however, the business environment deteriorated sharply, mainly due to the global economic recession; contraction in auto loans extended by financial institutions to individuals; and the yen's rapid appreciation, all of which were triggered by the onset of the financial crisis since the fall of 2008. In this environment, the Division will return to basics by strengthening the functions it has provided so far, such as model lineup introduction and pricing, as well as balancing supply and demand, and monitoring market developments in a timely and appropriate manner.

In terms of the national distributors and sales outlets Toyota Tsusho has invested in, we are working to raise the quality of sales activities at each location so as to boost customer satisfaction. This entails further enhancing services by reaffirming our basic principles, and ensuring that all employees of overseas businesses embrace the Head Office's customer-first policy. We are also working to bolster management quality grounded on the implementation of lean operations, and also strengthen the financial position of each location.

Through these measures, we will continue to develop No. 1 automotive retailers that become "models of success" for other retailers in every country and region, in terms of both customer service and earnings power. Furthermore, we will work to refine and expand our retail network in emerging countries where motorization is expected to come to the fore in step with economic development over the medium and long terms.

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 Fuji Heavy Industries (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 vehicles and spare parts, and providing services to customers via sales outlets.

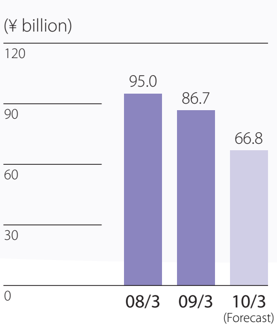
Meanwhile, we intend to aggressively invest in new Retailer-related businesses, such as sales finance and used car operations with the aim of creating new growth opportunities.

Outlook for Fiscal 2010 (see ➤ graphs A, B, C)

In fiscal 2010, the Division expects to face an extremely challenging business environment as auto markets in various countries rapidly contract due to the global economic recession. Despite some positive signs, such as demand for replacing vehicles arising from government economic stimulus measures in various countries and a recovery in market conditions in China, the Division is witnessing a substantial downturn in auto markets primarily in Eastern Europe, where financial institutions bore the brunt of the financial crisis and experienced significant setbacks, and resource-rich countries, which were impacted by falling commodity prices centered on crude oil. Based on the above, for fiscal 2010, the Automotive Division is forecasting net sales of ¥615.0 billion, a decrease of 24% year on year, and operating income of ¥19.1 billion, a decrease of 48% year on year.

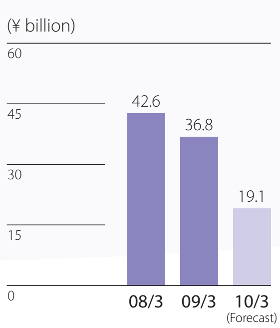
➤ graph B

Gross Trading Profit



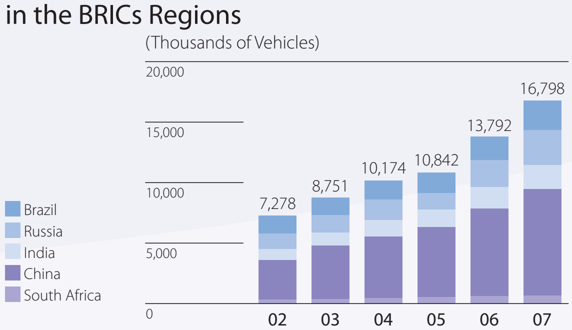
➤ graph C

Operating Income



➤ graph D

Automobile Sales Volume in the BRICs Regions



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

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.

YOSHIMASA KONDO
Senior Managing Director, Chief Division Officer of Energy & Chemicals Division

Above
This power generation project in Thailand has become completely operational, including commercial operations which have started at the No. 2 Plant.

Left
An offshore gas drilling rig under construction in Egypt as a production facility.

Overview of Division and Strengths

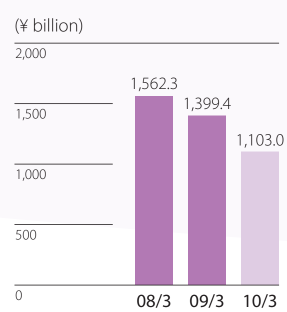
The Energy & Chemicals Division procures chemicals, synthetic resins and other raw and elemental materials as well as such basic energy resources as coal and crude oil from optimal sources worldwide. Linking upstream supply sources and downstream consumption centers in a single value chain, the Division 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 world-class 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 project 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.

graph A
Net Sales



Changes in Business Environment and Division Initiatives (see ➤ graph D)

Over the past few years, global demand in the chemicals, and energy and plant fields, had been expanding by the year, with particularly high growth continuing in Asia, especially China. However, as the sharp global economic downturn since the summer of 2008 intensified, demand sharply declined for resin materials and materials for electronic and optical applications, among other products. This follows a period of growing overseas demand for these materials, supported mainly by expanding overseas auto production and flat panel TV markets. In the energy field, sharp falls in demand and prices have continued, particularly for crude oil and coal. On the other hand, supported by government policies for reducing environmental impact, demand for hybrid and electric vehicles has been rapidly increasing, while demand has remained strong for alternative and renewable energy such as natural gas, biofuels, solar power and heat. Furthermore, newly emerging nations eyeing medium- and long-term economic growth, primarily in the Asian region, have continued to make investments in electricity supply and other social infrastructure.

In this business environment, the Division has been developing structural components for hybrid vehicles as well as battery cell and electronics materials together with chemicals manufacturers as well as user automakers and home electric appliance manufacturers. By leveraging our overseas networks, we have also striven in the energy and plant fields to ensure reliable supplies of crude oil, coal and other resources. At the same time, we have been stepping up efforts to develop eco-friendly sources of energy, such as natural gas, biofuels, and solar power and heat. 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

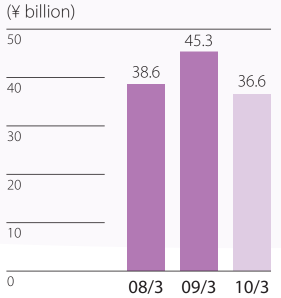
The Energy & Chemicals Division broadly divides its business into three fields based on products handled: chemicals, synthetic resins and functional materials, and energy and plant. In each field, the Division's basic policies are to reinforce ties with strategic partners and shift the emphasis of business 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 2010 (see ➤ graphs A, B, C)

Since the second half of 2008, the Division has faced an extremely challenging business environment, as the U.S. financial crisis slammed the brakes on real economies around the world. For example, prices for resources and energy such as crude oil and petroleum products, and coal have plummeted, reflecting sharp falls in demand for these commodities. In addition, demand has significantly weakened for synthetic resins and chemical materials for use in automobiles and home electric appliances against the backdrop of flagging personal consumption. Based on this, the Division is forecasting net sales of ¥1,103.0 billion, a decrease of 21% year on year, for fiscal 2010. Operating income is projected to decline 98% year on year to ¥0.1 billion.

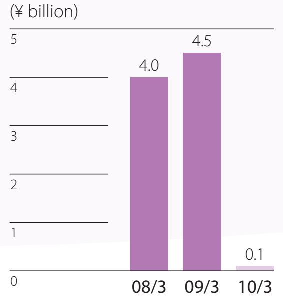
➤ graph B

Gross Trading Profit



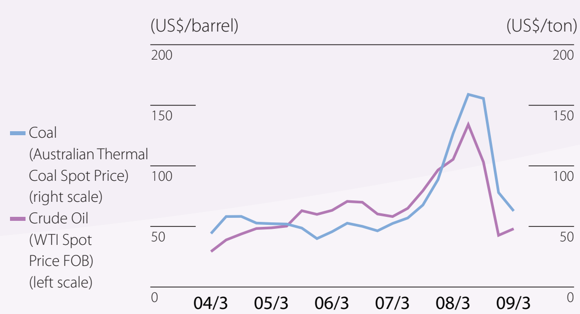
➤ graph C

Operating Income



➤ graph D

Crude Oil and Coal Prices



Produce & Foodstuffs Division

The Division is actively developing new businesses targeting overseas markets to ensure the stable procurement and supply of food resources, while enhancing food safety management systems to maintain food reliability and safety.

MAKOTO HYODO
Managing Director, Chief Division Officer of Produce & Foodstuffs Division

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 blended feed makers located further inland through our dedicated conveyor system. We are a top-ranked handler of feed grain in Japan.

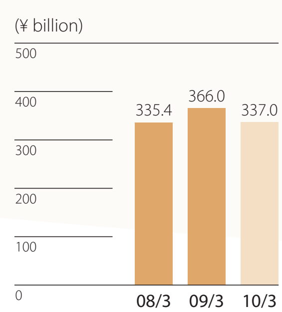
In wheat and flour, the Division has spent the past few decades establishing a comprehensive value chain spanning its ability to procure wheat from the U.S.A. and Canada to its sales network for flour in China and Southeast Asia. Among Japan's trading companies, we now boast one of the largest handling volumes of wheat and flour.

In the foodstuffs division, we are working to procure high-quality foodstuff materials from around the world and develop various food processing and production businesses using our processing bases world-wide 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.

Above
Toyota Tsusho's grain terminal (silo) business boasts one of Japan's largest storage capacities.

Left
The Toyota Tsusho Group's food processing plants have rigorous quality and safety controls.

graph A
Net Sales



Changes in Business Environment and Division Initiatives (see graph D)

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, and there is stronger demand for food materials from China and Southeast Asian countries in step with their economic expansion. 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. 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 Long-term 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 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.

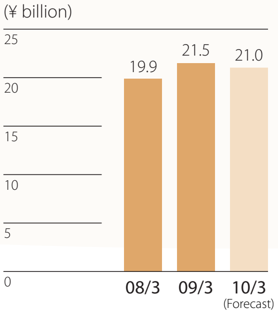
Another goal is to improve our food manufacturing capabilities, with the view to strategically developing business targeting not only the Japanese market, but overseas markets as well.

Outlook for Fiscal 2010 (see graphs A, B, C)

The global economic downturn has led to large falls in grain prices, marking a sharp change from the surging grain prices seen through the first half of 2008, which were driven by growing and diversifying global demand for these resources. Based on this, the Division is forecasting net sales of ¥337.0 billion for fiscal 2010, a decrease of 8% year on year. However, the Division anticipates higher handling volumes of feed grain for Japanese and Southeast Asian markets, taking advantage of its ability to ensure the stable procurement of these resources. In addition, the Division aims to grow sales of wheat, soybeans and other agricultural produce in overseas markets. Consequently, operating income is projected to increase 3% year on year to ¥6.3 billion.

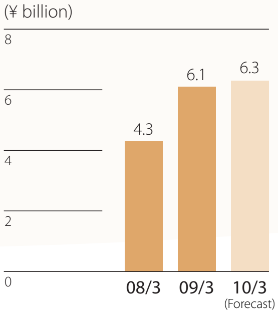
graph B

Gross Trading Profit



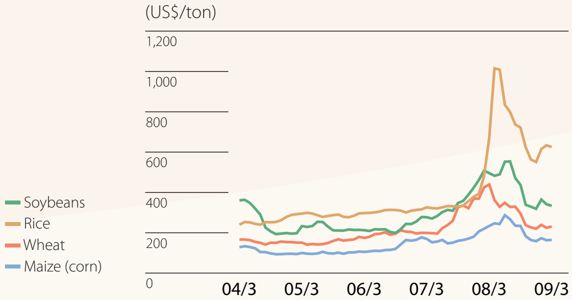
graph C

Operating Income



graph D

Major International Grain Prices

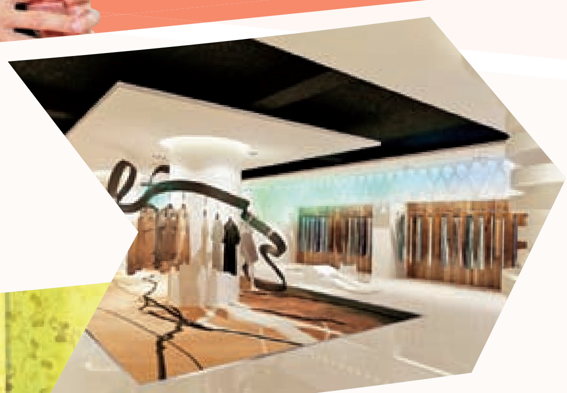


* Monthly data
Source: IMF Primary Commodity Prices

Consumer Products, Services & Materials Division

We are pursuing reforms based on two themes positioned 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.

JUN NAKAYAMA
Managing Director, Chief Division Officer of Consumer Products, Services & Materials Division



Above
This will be our first shopping mall, JFT, in Hong Kong.

Left
Our housing-related business offers safer and more comfortable living environments.

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 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 senior citizens through the development of healthcare businesses and Universal Design products.

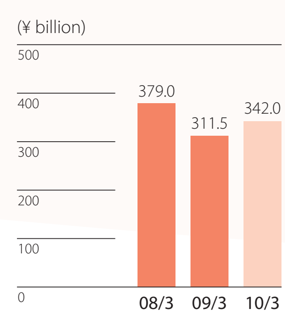
Furthermore, in the insurance field, the Division conducts a worldwide insurance business to bring peace of mind to customers, as a non-life and life insurance agency. The Division is one of Japan's leading insurance agencies in terms of the breadth and variety of its insurance products. The Division provides high-quality, integrated insurance services for both corporate customers and individuals, ranging from consulting to the signing of insurance policy agreements.

In the textile 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 TROY.

In the urban development field, we develop and provide various types of housing 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 lifestyle materials field, products based on the development of new eco-friendly textile materials and global production capabilities are marketed to the interior products, housing materials,

graph A
Net Sales



and office furniture industries. In this manner, the Division works on a daily basis to provide products and services that are closely related to customers' everyday lives.

In the automotive interior materials field, which includes seat belts, airbags, floor mats 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.

Changes in Business Environment and Division Initiatives (see ➤ graph D)

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. In the insurance business, insurance is taking on an increasingly larger role as society itself becomes more and more complex. In this climate, the Division is working to develop insurance products that precisely reflect these changing times and has put in place effective systems to this end. For instance, in an event of an auto accident, we can provide assistance via the 365 Day Auto Accident Reporting and Consulting Center. Overseas, we are building an insurance network through such means as establishing and acquiring insurance agencies and brokerages, while establishing a captive insurance company with the aim of tightening risk controls. Through these measures, the Division is offering comprehensive consulting services related to insurance. In the textile products business, the Division is working to develop even better high value-added businesses principally by establishing an apparel retailing company in Hong Kong to begin supplying Japanese apparel brands overseas. 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 the real estate securitization market. In the lifestyle materials field, the Division is working to enhance its capabilities as a comprehensive supplier, through such means as establishing a joint venture operating company in China to manufacture and sell high-quality floor mats for use in luxury vehicles. 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.

Basic Strategies and Long-term Policies

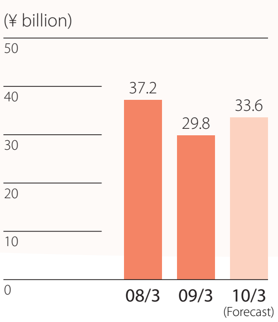
The Division broadly divides its business into six fields based on products handled: lifestyle, insurance, textile products, urban development, lifestyle materials and automotive interior materials. In each field, we have positioned two themes as main strategic pillars: narrowing down operations so as 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 Fukusuke 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 our extensive product lineups as in businesses targeting senior citizens.

Outlook for Fiscal 2010 (see ➤ graphs A, B, C)

In response to the global recession triggered by the financial crisis that began in the fall of 2008, the Division anticipates a downturn in the automotive interior materials business, which had previously grown steadily due to firm overseas demand, and a drop in textile product sales in Japan, among other areas. However, sales growth is projected mainly from commercial facilities developed in Japan. Based on this outlook, for fiscal 2010, the Division is forecasting net sales of ¥342.0 billion, up 10% year on year, and operating income of ¥8.4 billion, an increase of 88%.

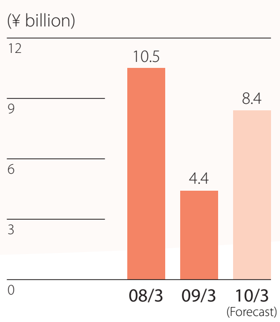
➤ graph B

Gross Trading Profit



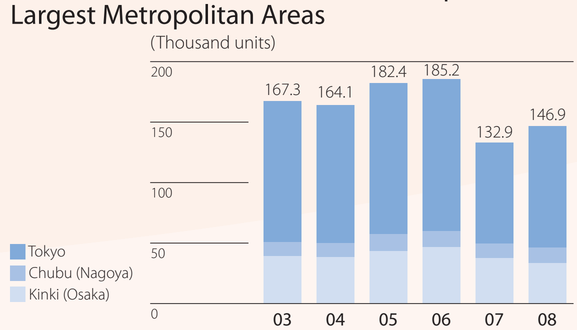
➤ graph C

Operating Income



➤ graph D

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



* 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. Through its wide-ranging business activities, Toyota Tsusho is closely involved in the lives of people around the world, and has a major role and responsibility to fulfill in terms of building a sustainable society for the future. Mindful of its relationships with stakeholders around the world, Toyota Tsusho is determined to conduct sincere business activities in compliance with laws and regulations in Japan and overseas, based on the themes of strengthening businesses and functions, protecting the environment and coexisting with society. These principles embody the Toyota Tsusho Group's approach to CSR as we work to help build a sustainable society for the future.

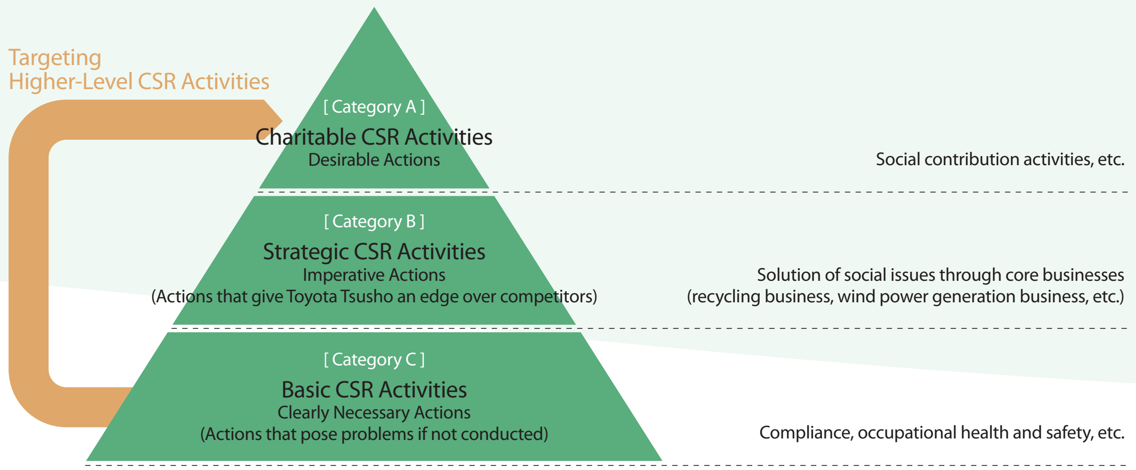
CSR Structure

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 Administration 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. In June 2009, we reorganized the organizations under the CSR Committee into the Specified Import & Export Control Committee, the Social Contribution Committee, the Conference on the Global Environment and the Safety Policy Committee, and built a structure enabling us to proactively conduct a wide range of CSR activities. (Please refer to the Corporate Governance Structure diagram on page 54.) The CSR Committee was formed to actively discuss not only matters related to Basic CSR Activities (see chart below) such as compliance and occupational health and safety, but also strengthening activities in Strategic and Charitable CSR Activities to meet growing societal expectations. Going forward, we will provide added value to society by implementing unique activities befitting Toyota Tsusho on a global basis.

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. With many business sites creating value-added services such as processing and logistics in wide-ranging business fields, we recognize 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. Accordingly, Toyota Tsusho is actively engaged in human resources development, which is the starting point for safety, in addition to working to reduce risk at workplaces in Japan and overseas after carrying out risk assessments. Having appointed "Zero Workplace Accident Promoters" in

Toyota Tsusho's CSR Hierarchy



each product division, we continue to work to enhance the capabilities of employees so that they can demonstrate leadership in safety management at their own worksites.

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 more than 400 group companies in approximately 60 nations around the world, with overseas bases accounting for approximately 70% of operating income. To achieve the Toyota Tsusho Group's corporate vision, it is essential to have 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."

A Stronger Approach to the Environment

Given that climate change and other environmental issues, as well as the transformation of energy systems, are being discussed around the world, companies must further accelerate their efforts to achieve a "sustainable society." The Toyota Tsusho Group is making a Group-wide effort to pursue both economic development and environmental preservation through its business activities. In particular, positioning the reduction of CO_2 emissions as a top priority for the Group's overall business activities, the company 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, clean energy, and the emissions rights business through CDM (Clean Development Mechanism) projects in emerging countries, 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

The Toyota Tsusho Group adheres to the guiding principle of contributing to society as a good corporate citizen. Accordingly, the Group 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, the Social Contribution Committee was established in June 2008, after beginning preparations in 2007. The committee positioned 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.

Social Contribution Activities Around the World

Today, Toyota Tsusho conducts social contribution activities around the world.

Poland
- Education on the proper treatment of waste materials

Myanmar
- Scholarship grants to children of workers at bean sorting factories

China (Beijing)
- Homestay in Japan for Chinese students, support for company visits project (sponsored by The Japanese Chamber of Commerce and Industry in Beijing, China)

Malaysia
- Support of 2008 Japan Charity Festival & Bazaar (Japanese Association)

Belgium
- Reforestation efforts through NGO activities for wilderness protection

Thailand
- Educational support, school lunch donations, cleaning of temples
- Providing lunches; donation of education equipment and toys
- Reforestation

Mauritius
- Educational support for underprivileged children through Toyota Fund

South Africa
- Movement to eradicate HIV/AIDS (Employee volunteers/Employee education)

Singapore
- Contribution of proceeds of charity ice cream sale to hospital

[Education] Fostering a Nurturing Spirit

A Secure Learning Environment for Children —Support for Schools in Remote Areas

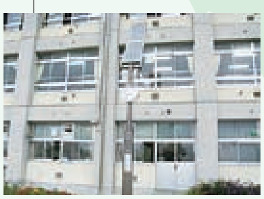
Toyota Tsusho Thailand chose CSR as the theme of its annual "POWER UP PROJECT" in 2007 and 2008, with company departments conducting their own social contribution activities.

The Machinery and Energy departments donated kerosene lamps and dry food to remote, underdeveloped schools without electricity and only accessible by boat. At schools with aging cafeteria facilities, cafeterias were remodeled and on-campus mushroom cultivation facilities were installed. Scholarships, books, kitchen equipment and other resources were also provided.

[Environment] Cleaning Up Everyone's Planet

Aiming for a Beautiful Forest —Underbrush Clearing at the Foot of Mount Fuji

In the run-up to the planned start of the "Toyota Tsusho Forest" reforestation project in 2009, a total of 47 employees and family members from bases in Tokyo, Nagoya, and Osaka volunteered in summer 2008 to clear underbrush with OISCA-International at the foot of Mount Fuji. After receiving guidance from local volunteers on how to hold the tools and clear the brush, all participants worked together to clear the tough, overgrown brush. In a questionnaire distributed afterwards, many enthusiastically reported that their "awareness of environmental protection increased" and they "wanted to participate again." This was a big first step toward the reforestation project.



Japan

- Donation of chocolate by Grand Place Corporation
- Donation of solar-powered lighting to elementary schools by Toyotsu Energy Corporation

Argentina

- Donation of stationery supplies and educational materials to welfare institutions

[Welfare] Building a Harmonious, Bountiful Society

Support for "Project for the End of Unelectrified Villages" (RENDEV project, PLANET FINANCE) —Indonesian "Project Supporting Independence From Poverty"

Toyota Tsusho was the first Japanese company to participate in the RENDEV project ("Project for the End of Unelectrified Villages") conducted by the "PLANET FINANCE" NPO. This project utilizes microfinancing to introduce solar power to regions without electricity in Indonesia and Bangladesh. Through new forms of energy, the project supports needy families and small businesses that enable financial independence. In 2008, Toyota Tsusho provided partial project funding for PLANET FINANCE. In December, staff from Japan and a local representative office were sent to observe solar panel installation and maintenance training in Indonesia.

Other Social Contribution Activities

1 Belgium	• Collecting PET bottle caps to donate wheelchairs to hospitals
2 Czech Republic	• Collecting PET bottle caps to donate to nursery schools • Contribution to Japanese Embassy Wives Circle Bazaar • Exhibit at Japanese Association "Autumn Festival"
3 Bangladesh	• Exhibit, prize donation at Japanese Association "Spring Festival" • Japan CUP Golf Tournament (Provided polo shirts and caps)
4 Thailand	• Construction of a new library • Donation of sporting goods, PCs, and books
5 Malaysia	• Trip to a resort in Malaysia with children and staff from orphanage
6 Singapore	• Community chest (From employee salaries, matching corporate contributions) • Fund-raising for Japanese Association, Japanese Chamber of Commerce • Fund-raising for Myanmar Cyclone Relief
7 Indonesia	• Activities celebrating 50th anniversary of establishment of diplomatic relations between Japan and Indonesia • Jakarta Japan Club Scholarship endowment activities
8 Vietnam	• Donation of stationery supplies to elementary schools in impoverished areas • Provision of goods for Society of Commerce and Industry Bazaar
9 Hong Kong	• Donation of relief money for victims of Great Sichuan Province Earthquake
[China]	
10 Guangzhou	• Donation of relief money for victims of Great Sichuan Province Earthquake
11 Tianjin	• Donation of relief money for victims of Great Sichuan Province Earthquake • Operational support for Japanese school
12 Dalian	• Soccer training for Japanese children • Operational support for supplementary study school for Japanese stationed in Shenyang
13 Philippines	• Contribution to school construction activities • Participation in activities for protection of global environment • Supporting independence for handi-capable persons
[USA]	
14 Princeton	• Contributions to County Chamber of Commerce
15 Lafayette	• Contributions to Japanese school
16 Los Angeles	• Support for abused and battered wives
17 Maryville	• Sponsorship for soccer and baseball teams
18 Chicago	• Child abuse care and prevention
19 Battle Creek	• Employee volunteer activities
20 Georgetown	• Purchase of Christmas presents for the needy families, and scholarships • Contributions to city, high schools, basketball team, YMCA, American Cancer Society, etc.
21 Memphis	• Donation of bicycles for Christmas
22 Arkansas	• Support for breast cancer treatment research
23 Miami & Dania Beach	• Japanese cultural activities
24 Brazil	• Coordination of contributions (contributions toward facilities for preservation of materials in Japanese Immigration Museum)
25 Chile	• Collection of contributions supporting fund for handi-capable persons • Contributions and gifts to low-income families

Please refer to our CSR website for further details.

http://www.toyota-tsusho.com/english/corporate/csr.cfm

Corporate Governance and Internal Control Systems

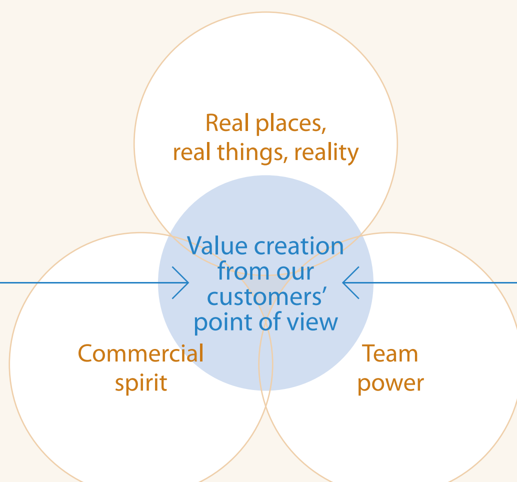
Corporate Governance

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." The Group has established "Behavioral Guidelines" as a fundamental code of conduct for realizing this philosophy in a legal and appropriate manner as a good corporate citizen. In line with its corporate philosophy, in May 2006, the Board of Directors approved the "Basic Policies on Establishing Internal Control Systems." By putting in place systems for ensuring proper operations throughout the Company, we seek to 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. The overriding goal is to fulfill the Group's mission by creating value from the customer's perspective. Guided by these Basic Policies, we are actively working to further raise management efficiency, enhance transparency, enforce rigorous compliance, and establish a sounder financial position. 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.

The Toyota Tsusho Group way

From "nothing" to "something"
With the mobilization of advanced expertise, ability to judge, information gathering ability, the ability to build human relationships, the strengths of the location and human resources at our disposal, and through the art of joining these abilities together, we can discover new types of business and create business from "Nothing."



From a one-dimensional point past a two-dimensional line to a three-dimensional plane
From upstream fields all the way to downstream, through the construction of a global and speedy value chain, we aim to combine our functions.

Commercial spirit

An indomitable spirit

By possessing a spirit strong enough to accomplish things, the toughness to absolutely never give up right to the very end, and by brimming over with passion, we will be able to achieve our goals.

A progressive spirit

Through our lofty ambitions and expressions of freedom, we will be the first to catch the current of the times.
We aim to create functions and business by honing our five senses and ensuring we are always one step ahead to help our customers.

Real places, real things, reality

Inquiring into the true needs of our customers

By visiting the actual places, seeing the actual things, and looking straight ahead at reality, and always following rules and guidelines, with our own eyes, we can make the right decisions.

Putting PDCA* into practice

By ascertaining the essence of reality, and without being bound by stereotypes or prejudices, we can always bring the problem to light, and carry out improvements, reforms, and innovations.

* PLAN, DO, CHECK, ACTION

Team power

Individual power

Setting ourselves tasks and then accomplishing them independently and autonomously: we strive for awareness that we are professionals, and improvement of our own abilities.

Teamwork

We will build relationships of mutual trust by stressing dialogue, pooling our wisdom, and acting in sympathy and cooperation.
We can implement everything from the viewpoint of total optimization by taking responsibility combined with flexibility, providing a positive impact to everyone around us.

Corporate Governance Structure

Toyota Tsusho conducts Group-wide management based on the divisional system. Currently, the Company has a total of eight divisions: six product divisions, the Administration Division and the Global Strategic Integration 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.

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 the latter serving as Deputy Chief Division Officers. Directors and executive officers report, exchange information, and hold meetings on matters related to their mutual business execution and provide mutual oversight and checks through participation in the Business Management Committee and Business Operating Committee (both held monthly), as well as the ERM (Enterprise Risk Management) Committee and the CSR Committee (both held twice a year) and the Corporate Management Committees (each held at least twice a year).

Toyota Tsusho has adopted the corporate auditor model of corporate governance to audit the duties of directors. Five corporate auditors, who are elected at the general meeting of shareholders, conduct audits of and provide checks over the duties of directors through attendance in meetings of the Board of Directors and the Board of Corporate Auditors, both of which are held at least once a month. The corporate auditors also gather information needed to audit the status of business execution at product divisions. Toyota Tsusho has introduced a stock option system to grant stock options to directors and certain employees of the Company, as well as to directors of Group companies and other personnel, with the aim of boosting motivation, raising group awareness, and promoting Group-wide management. The corporate auditors attend meetings of the Stock Option Committee, which monitors the implementation status of the stock option system and discusses planned stock-option issuances, in order to provide checks over initiatives related to providing additional incentive for directors. Three of the five corporate auditors are outside corporate auditors, each of whom either holds a concurrent directorship or has previous experience in such a position at companies that are major shareholders of Toyota Tsusho and are significant customers of the Company in terms of business. Toyota Tsusho therefore believes that the corporate auditors are appropriately and effectively conducting audits and providing checks of directors' duties based on their broad knowledge of the Company's industries and deep understanding of its businesses, as well as from the perspective of shareholders. The Company has also assigned dedicated staff to assist with the duties of corporate auditors, including outside corporate auditors. Toyota Tsusho's senior management and the outside corporate auditors hold meetings around twice a year to exchange opinions on various issues.

In addition, the ERM Department of Toyota Tsusho conducts Company-wide integrated risk management as an internal audit division. In accordance with internal audit rules, and audit policies and plans approved by the president, the ERM Department conducts audits of Toyota Tsusho and Group companies and meets with the corporate auditors of Toyota Tsusho every month to report on audit findings and exchange opinions, with the view to raising audit efficiency and quality. Additionally, Toyota Tsusho has established the Corporate Management Committees to enable directors and executive officers to discuss measures to resolve management issues from a Company-wide perspective, and consult the Board of Directors as necessary. Under this framework, the committees worked to address three Company-wide issues in fiscal 2009: improving human resources development, overseas regional strategies and IT strategies.

(Objectives of the Corporate Management Committees)

- Human Resources Enhancement Committee: Discuss recruitment of personnel; human resources development, including local overseas staff; promoting the use of female staff, and facilitating the employment of persons with disabilities.
- Overseas Regional Strategy Committee: Planning and promotion of strategies for key overseas markets (Asia/Oceania, China, Europe, North and Central America) as well as for emerging nations and resource-rich countries.
- IT Strategy Committee: Discuss Company-wide policies on IT strategies.

Internal Control System

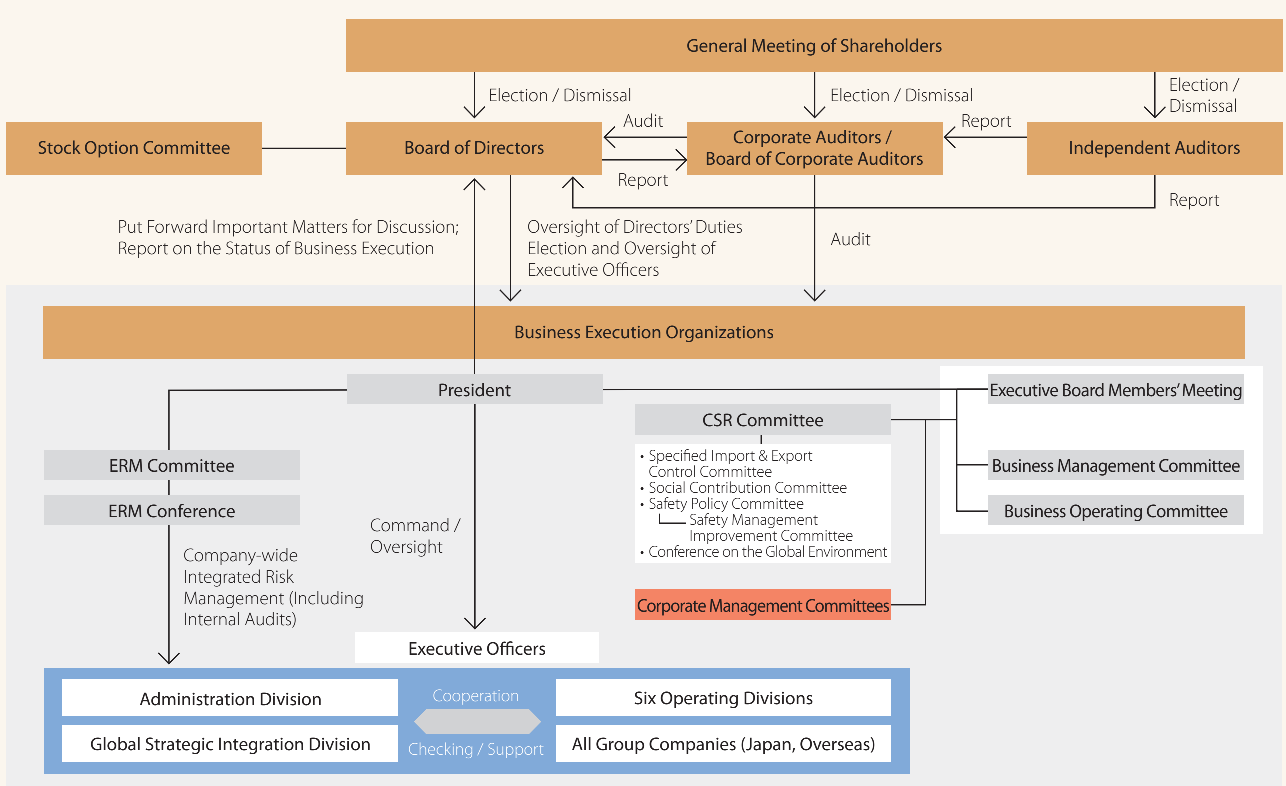
We believe that the purpose of establishing an internal control system is to put in place systems for ensuring proper operations throughout the Toyota Tsusho Group based on our corporate philosophy. The overriding goal is to fulfill the Group's mission as a good corporate citizen by creating value from 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. To establish such a system, in May 2006 the Board of Directors approved the "Basic Policies on Establishing Internal Control Systems." With this move, 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 also revise these basic policies in accordance with changes in the environment.

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 below), 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. Additionally, the ERM Department, which is responsible for Company-wide integrated risk management, carries out the evaluation, management, checking and monitoring of business execution in business processes. Other duties of the ERM Department include creating systems for ensuring the reliability of financial reporting, establishing internal reporting systems and conducting internal audits. Furthermore,

Corporate Governance Structure

(As of July 2009)



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

Having established rules and other systems concerning the management of 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 in Toyota Tsusho's business activities, 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 ERM Committee and ERM Conference seek to understand risks on a Company-wide basis and identify issues.

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 ERM 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.

* Japanese crime syndicates

Management

(As of July 1, 2009)

Board of Directors

Chairman
MASAAKI FURUKAWA

Vice Chairman
KATSUNORI TAKAHASHI

President
JUNZO SHIMIZU

Executive Vice President
KIYOSHI FURUBAYASHI

Executive Vice President
KOJI OSHIGE

Senior Managing Director
YOSHIMASA KONDO
Chief Division Officer of
Energy & Chemicals Division

Senior Managing Director
KENJI TAKANASHI
Chief Division Officer of
Global Strategic Integration Division

Senior Managing Director
MIKIO ASANO
Chief Division Officer of
Administration Division

Senior Managing Director
HISASHI YAMAMOTO
Chief Division Officer of
Machinery & Electronics Division

Senior Managing Director
YASUHIKO YOKOI
Deputy Chief Division Officer of
Global Strategic Integration Division and
Administration Division

Board of Directors & Corporate Auditors

Chairman	MASAAKI FURUKAWA	
Vice Chairman	KATSUNORI TAKAHASHI	
President	JUNZO SHIMIZU	
Executive Vice Presidents	KIYOSHI FURUBAYASHI	
	KOJI OSHIGE	
Senior Managing Directors	YOSHIMASA KONDO	Chief Division Officer of Energy & Chemicals Division
	KENJI TAKANASHI	Chief Division Officer of Global Strategic Integration Division
	MIKIO ASANO	Chief Division Officer of Administration Division
	HISASHI YAMAMOTO	Chief Division Officer of Machinery & Electronics Division
	YASUHIKO YOKOI	Deputy Chief Division Officer of Global Strategic Integration Division and Administration Division
Managing Directors	MAKOTO HYODO	Chief Division Officer of Produce & Foodstuffs Division
	SEIICHIRO ADACHI	Chief Division Officer of Automotive Division
	MINORU HAYATA	Chief Division Officer of Metals Division
	JUN NAKAYAMA	Chief Division Officer of Consumer Products, Services & Materials Division
Standing Corporate Auditors	SHOZO HAMANA	
	TATSUYA KUGO	
Corporate Auditors	TETSURO TOYODA	
	KYOJI SASAZU	
	YUKITOSHI FUNO	

Managing Director
MAKOTO HYODO
Chief Division Officer of
Produce & Foodstuffs Division

Managing Director
SEIICHIRO ADACHI
Chief Division Officer of
Automotive Division

Managing Director
MINORU HAYATA
Chief Division Officer of
Metals Division

Managing Director
JUN NAKAYAMA
Chief Division Officer of
Consumer Products,
Services & Materials Division

Corporate Auditors

Standing Corporate Auditor
SHOZO HAMANA

Standing Corporate Auditor
TATSUYA KUGO

Corporate Auditor
TETSURO TOYODA

Corporate Auditor
KYOJI SASAZU

Corporate Auditor
YUKITOSHI FUNO

Executive Officers

Managing Executive Officers

MASANORI YAMASE	President of Toyota Tsusho America, Inc.
MASAMI SHIMIZU	Deputy Chief Division Officer of Administration Division
TOSHINAO MIKAMI	Director for Domestic Strategy & Coordination
MAKOTO ITO	Deputy Chief Division Officer of Automotive Division
JUN KARUBE	Deputy Chief Division Officer of Machinery & Electronics Division
HIROSHI TAKANO	President of Toyota Tsusho (Thailand) Co., Ltd.
TAMIO SHINOZAKI	Deputy Chief Division Officer of Global Strategic Integration Division
HIROKI SAWAYAMA	President of Toyota Tsusho Europe S.A. and Toyota Tsusho U.K. Ltd.
AKIMASA YOKOI	Chief Representative for China

Executive Officers

TAKUMI SHIRAI	Deputy Chief Division Officer of Metals Division
KUNIAKI YAMAGIWA	Deputy Chief Division Officer of Administration Division
SOICHIRO MATSUDAIRA	Deputy Chief Division Officer of Machinery & Electronics Division
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
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 Consumer Products, Services & Materials Division
HIROFUMI SATO	Deputy Chief Division Officer of Administration 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
HIDEKI YANASE	Deputy Chief Division Officer of Energy & Chemicals Division
TAKAHIRO KONDO	Deputy Chief Division Officer of Machinery & Electronics Division

Note: Company names and titles indicated are as of July 1, 2009.

Network

(As of July 1, 2009)

Organization Chart

- General Meeting of Shareholders
  - Corporate Auditors
  - Board of Corporate Auditors
- Executive Board Members' Meeting
- President
  - ERM Committee
- Executive Vice Presidents' Meeting
- Business Management Committee
- Business Operating Committee
- CSR Committee
- Corporate Management Committees
- Safety Management Dept.
- Global Environment & Production Kaizen Dept.

Administration Division
- Secretarial Dept.
- Corporate Planning Dept.
- Marketing Research Dept.
- Human Resources Dept.
- General Administration Dept.
- Corporate Accounting Planning Dept.
- Business Accounting Dept.
- Financial Planning Dept.
- Enterprise Risk Management Dept.
- Credit & Trade Control Dept.
- Legal Dept.
- Affiliate Planning & Administration Dept.
- Global IT Dept.

Global Strategic Integration Division
- Global Strategic Integration Planning 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: 27

Metals Division
- Metal Planning Dept.
- Steel Sheet & Plate Sales Dept. 1
- Steel Sheet & Plate Sales Dept. 2
- Steel Bar, Wire Rod, Pipe & Construction Material Dept.
- Non Ferrous Metals Dept.
- Metal & Mineral Resources 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 Machinery Dept.
- Toyota Automotive Body Machinery Dept.
- Machinery Service & Parts Dept.
- Machinery Dept.
- Tokyo Machinery Dept.
- Osaka Machinery Dept.
- Hamamatsu Machinery Dept.
- Global Industrial Machinery Dept.
- Material Handling & Construction Machinery Dept.
- Electronics Dept.
- Information System Dept.
- Global Production Parts Dept. 1
- Global Production Parts Dept. 2
- Global Production Parts Strategic Integration Dept.

Automotive Division
- Automotive Planning Dept.
- S-Team Dept. (Sales Quality Enhancement)
- 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.
- Automotive Customer Service Dept.
- Automotive Business Development 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.
- Composite Plastics Business Dept.
- Energy Dept.
- Energy & Infrastructure Projects Dept.
- Energy Projects Development Dept.

Produce & Foodstuffs Division
- Produce & Foodstuffs Planning Dept.
- Produce & Foodstuffs Business Development Dept.
- Feed & Oilseeds Dept.
- Produce Dept.
- Foodstuffs Dept.
- Osaka Produce & Foodstuffs Dept.

Consumer Products, Services & Materials Division
- Consumer Products, Services & Materials Planning Dept.
- Life Style Business Dept.
- Insurance Dept. 1
- Insurance Dept. 2
- Textile Products Dept.
- Estate Development Dept.
- Living Materials & Products Dept.
- Automotive Parts & Materials Dept. 1
- Automotive Parts & Materials Dept. 2

Network

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Central & South America

TOYOTA TSUSHO CORPORATION

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TOYOTA TSUSHO AMERICA, INC.

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Derby

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Almaty, Moscow, Tashkent

Africa

TOYOTA TSUSHO CORPORATION

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5th Floor, 138 West St., Sandton, South Africa

Durban, Nairobi

Middle East

TOYOTA TSUSHO CORPORATION

Amman, Dubai, Jeddah, Sharjah

TOYOTA TSUSHO EUROPE S.A.

Gebze Kocaeli

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Harbin, Shengyang

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Beijin, Changchun

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Rm. No. 5503, Citic Plaza, 233 Tian He North Rd., Guangzhou, China

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607 Asoke-Dindaeng Rd., Kwaeng Dindaeng, Khet Dindaeng, Bangkok 10400, Thailand

KASHO INTERNATIONAL (THAILAND) CO., LTD.

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Bandung, Cibitung

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Bangalore, Mumbai, New Delhi, Chennai

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Ho Chi Minh

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Sydney, Perth

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, 2009)

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
Toyota Tsusho (TAIWAN) 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

Company Name	Country	Shareholding	Main Business
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
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 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
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
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 Management 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
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 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
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
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

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, sales, 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.

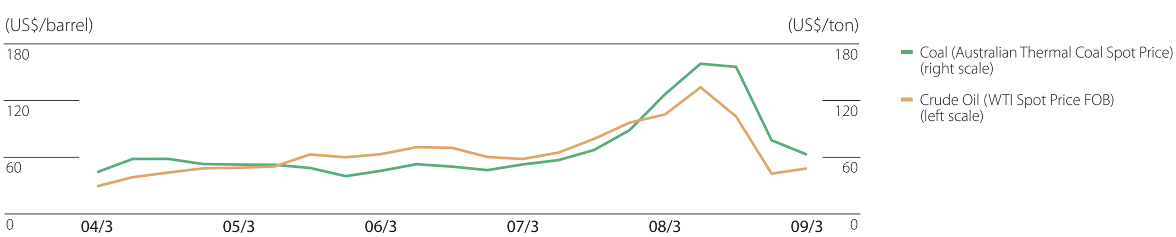
Each business is managed by head office divisions and the subsidiaries and affiliates overseen by each division. The Group has a diversified portfolio that covers products and services in an extensive range of industries and markets. The Group's operating results are therefore affected by economic trends 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.

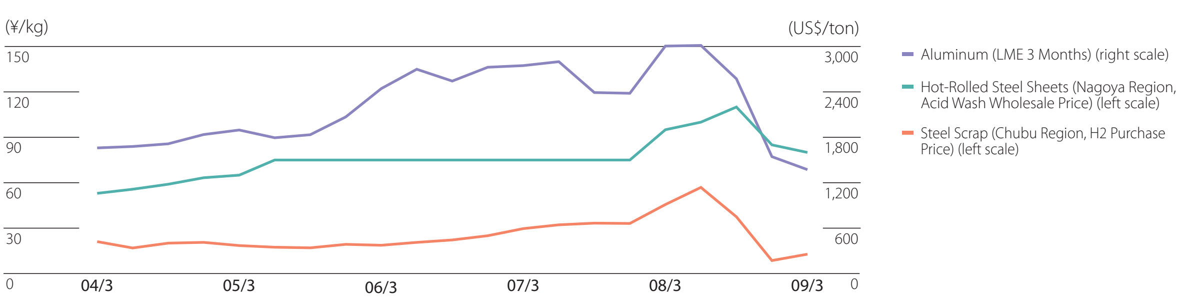
Economic Environment

In fiscal 2009, the year ended March 31, 2009, the global economy was impacted in the first half by soaring prices in certain commodity markets, notably resources and grain. In the second half, however, the economic picture changed markedly as a sharp economic slowdown in the U.S. triggered by the shock of the Lehman Brothers collapse led to the onset of a global financial crisis. Serious recessions followed in Western countries, newly emerging economies and elsewhere.

The U.S. economy slid deeper into recession mainly due to worsening corporate performances and rising unemployment in addition to financial market turmoil. European economies faced an increasingly uncertain outlook with a downturn in exports and capital expenditures in the second half, and upheaval in financial markets mainly precipitated by plummeting energy prices. Meanwhile, the Russian economy saw internal demand weaken drastically in line with the abrupt drop in resource prices. While affected by the global downturn to a certain extent, Asian economies remained relatively firm compared with their Western counterparts, with expansion driven mainly by high levels of growth in China and India. Meanwhile, the Japanese economy suffered unavoidable production cutbacks in the nation's core automobile and electronics industries, due to the impact of the global economic downturn.

Crude Oil, Steel and Coal Prices





Trends in the Automotive Industry and Toyota Group

The automobile industry, one of our primary sources of earnings, currently faces a period of profound change. In January-June 2008, global automobile sales continued to post high levels of growth, fueled by higher demand in the BRICS and the ASEAN and African regions together with advances in motorization in conjunction with economic growth. However, in July-December 2008, global automobile production and sales both dropped precipitously due to the negative impact of the global financial crisis triggered by the Lehman shock. Overall, global automobile production in 2008 (calendar year) decreased 3.7% year on year to 70,526 thousand units.

In this context, the Group's primary customers, namely Toyota Motor Corporation and other Japanese automobile manufacturers, were saddled with burgeoning inventories and idle assets due to the sudden changes in the operating environment. In response, Japanese automobile manufacturers worked to adjust inventory levels and downsize idle assets arising from drastic production cutbacks commensurate with falling sales volume. Consequently, in fiscal 2009, overseas production by the Toyota Group decreased 16% year on year to 3,710 thousand units. And from the beginning of fiscal 2010, automobile manufacturers have been taking some steps to reduce the extent of production cutbacks, due in part to progress with inventory adjustments.

Meanwhile, there has been growing consciousness of the need to reduce environmental impact year after year, particularly with regard to important themes for the automobile industry such as protecting the global environment, raising fuel economy to improve air quality, and reducing exhaust emissions. In industrialized countries and regions such as Japan, the U.S. and the EU, demand is rapidly increasing for hybrid and electric vehicles, in step with the introduction of preferential government policies for purchasing eco-friendly vehicles. For its part, Toyota Motor Corporation has seen steady expansion in sales of eco-friendly vehicles, with sales volume of the new Prius hybrid model, which was launched in May 2009, significantly outstripping targets.

In terms of the outlook for the global automobile market in 2009, global automobile sales are projected to decrease more than 10% year on year, after declining by around 10% in 2008, despite some signs of recovery in the market. It is generally expected that several years will be needed before the market will see a return to the level of global automobile sales in 2007. Going forward, we also anticipate structural changes in the automobile market. For example, in the U.S. and other industrialized nations, we foresee further expansion in green automobile markets focused on reducing environmental impact, along with contraction in markets for conventional large vehicles.

Business Performance of Toyota Tsusho Corporation

Operating Results

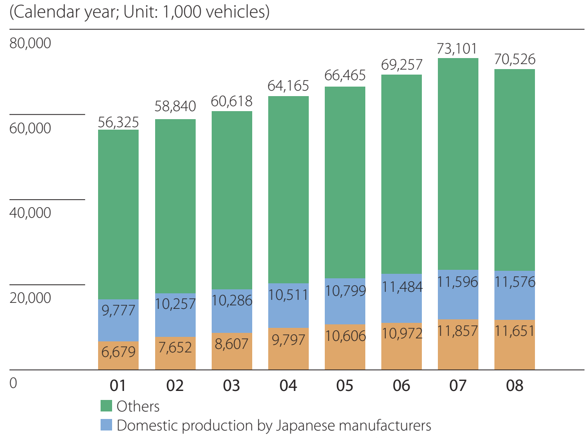
Looking at the global economic environment in fiscal 2009, in the first half of the fiscal year, economic growth in developed countries slowed due to the financial market turmoil triggered by the U.S. sub-prime loan crisis. Asian economies that were previously spearheading global economic growth began to lose momentum due to a decline in exports to the U.S. Furthermore, previously soaring resource prices plummeted as speculative funds fled the market and the global economy sputtered. In the second half, a credit crunch unfolded globally following the bankruptcy of a major U.S. investment bank, and combined with worsening corporate earnings and weak consumer spending, the global real economy contracted faster than generally expected.

Meanwhile, the Japanese economy showed strong signs of stagnation in the first half as corporate earnings were hurt by higher raw materials prices and exports slowed in response to the downturn in overseas economies. In the second half, the Japanese economy rapidly slid into recession due to the yen's sharp appreciation, production cutbacks to reduce inventories, waning capital expenditures and unease about job security.

In this context, the Toyota Tsusho Group posted consolidated net sales of ¥6,286.9 billion, a decrease of ¥713.4 billion, or 10.2%, year on year.

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

Consolidated operating income decreased ¥40.6 billion, or 30.9%, year on year to ¥91.0 billion.

Net income for fiscal 2009 declined ¥27.3 billion, or 40.4%, to ¥40.2 billion.

Segment Information

Results of Operations by Operating Segment

Metals Division
(Net Sales ¥1,942.2 Billion; Down 7.9%)

In the steel sheet, bars and tubes field, the Metals Division worked to improve the efficiency of its operations through such means as inventory reductions at domestic and overseas coil centers. In the steel raw materials field, the Division established new scrap steel processing companies in the U.K. and Hokkaido. In nonferrous metals, we established an aluminum melting and production company in Hokkaido. In addition, we entered the rare earth business on a full scale, arranging Indian and Vietnamese supply sources. Despite these efforts, net sales in the Metals Division decreased ¥166.8 billion, or 7.9%, year on year to ¥1,942.2 billion due to sharp production cutbacks by automakers and falling metals prices. Operating income in this segment fell ¥15.0 billion, or 42.1%, year on year to ¥20.4 billion, in line with lower net sales.

Machinery & Electronics Division
(Net Sales ¥1,355.0 Billion; Down 14.3%)

In the machinery business, the Machinery & Electronics Division posted lower order bookings as major customers in the automobile industry curtailed capital spending plans. In the industrial vehicle and construction machinery business, we established a new operating company in Thailand to strengthen operations. In the information and electronics fields, we strove to expand our automotive software business in Thailand, but handling volume decreased as a result of a decline in sales prices. In the field of automotive production parts, parts sales declined due to the impact of production cutbacks by automakers and inventory reductions.

As a result, net sales in the Machinery & Electronics Division decreased ¥226.9 billion, or 14.3%, from the previous fiscal year to ¥1,355.0 billion. Operating income fell ¥17.0 billion, or 47.7%, to ¥18.6 billion, in line with lower net sales.

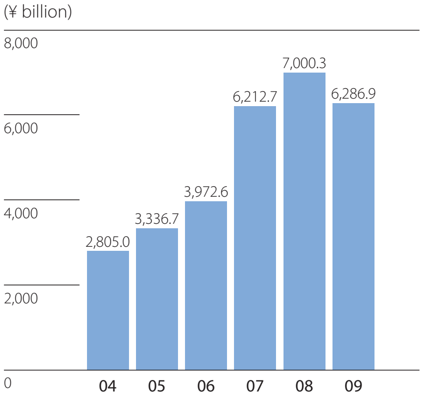
Automotive Division
(Net Sales ¥809.5 Billion; Down 13.7%)

The Automotive Division worked to expand its agency and dealership network in newly emerging economies such as China, Asia, and Africa. However, handling volume decreased due to a global downturn in auto sales. Consequently, net sales declined ¥128.8 billion, or 13.7%, year on year to ¥809.5 billion. Operating income fell ¥5.8 billion, or 13.5%, to ¥36.8 billion due to a drop in earnings accompanying lower net sales mainly at automobile sales subsidiaries in Europe.

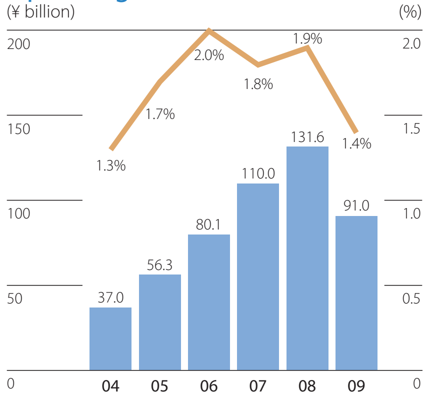
Energy & Chemicals Division
(Net Sales ¥1,399.4 Billion; Down 10.4%)

In the synthetic resin business, the Energy & Chemicals Division worked to expand sales of various chemical raw materials, packaging materials and other products. However, the Division handled decreased volume due to a drop in the prices of crude oil, naphtha and other commodities, and weaker demand for automotive and home electronics materials.

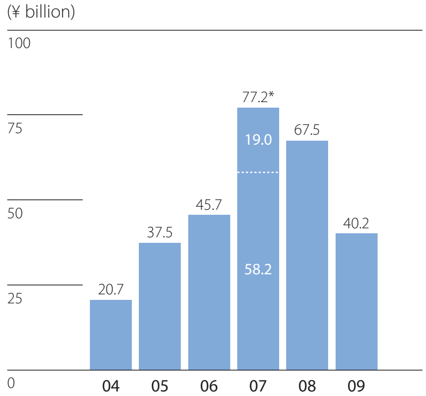
Net Sales



Operating Income and Operating Income Ratio



Net Income



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

Note: TOYOTA TSUSHO CORPORATION merged with TOMEN CORPORATION on April 1, 2006. The figures for fiscal 2006 and before were based on the former TOYOTA TSUSHO CORPORATION.

In the energy and plant business, we obtained multiple orders for power generation equipment from the Egyptian Electricity Authority. We also partnered with the Egyptian Natural Gas Holding Company to launch an offshore gasfield drilling services business. Proactive actions were also taken to pursue future growth opportunities, such as the signing of a memorandum of agreement with a Kazakhstani sovereign wealth fund to form a joint venture in fertilizer production and power generation, and the commencement of feasibility studies for business commercialization.

As a result, net sales decreased ¥162.9 billion, or 10.4%, year on year to ¥1,399.4 billion. Operating income rose ¥0.5 billion, or 11.9%, year on year to ¥4.5 billion due to improving earnings from an Australian coal project, despite a drop in earnings as a result of provisions to the allowance for doubtful accounts.

Produce & Foodstuffs Division
(Net Sales ¥366.0 Billion; Up 9.1%)

In the feed grain business, the Produce & Foodstuffs Division began importing barley from Kazakhstan for the first time, to ensure a stable supply of feed grain resources. We also strove to geographically diversify source regions and expand sales channels by primarily focusing on feed grain supplies from South America to Southeast Asia. In the foodstuffs business, amid a trend toward greater accountability for food safety, we bolstered our quality controls mainly by stepping up screening and oversight of overseas suppliers. We also began a vegetable growing business in Japan, with the aim of supplying reliable and safe food.

As a result, net sales rose ¥30.6 billion, or 9.1%, year on year to ¥366.0 billion. Operating income climbed ¥1.8 billion, or 42.1%, to ¥6.1 billion, mainly reflecting higher net sales in line with rising prices.

Consumer Products, Services & Materials Division
(Net Sales ¥311.5 Billion; Down 17.8%)

In the textiles field, we established an apparel retailing joint venture in Hong Kong and entered the Chinese retail apparel market for the first time. In the nursing care field, we made GUTT REHABILITATION LTD. a subsidiary with the aim of expanding sales and rentals of nursing care products, while enhancing the functionality of distribution facilities.

In housing materials, we made an investment to become the leading shareholder in Lilycolor Co., Ltd. in order to build and

Net Sales by Business Segment
(¥ billion)

	2007	2008	2009
Metals	1,845.5	2,109.0	1,942.2
Machinery & Electronics	1,535.1	1,581.9	1,355.0
Automotive	751.7	938.3	809.5
Energy & Chemicals	1,269.2	1,562.3	1,399.4
Produce & Foodstuffs	349.6	335.4	366.0
Consumer Products, Services & Materials	382.7	379.0	311.5
Others	78.6	94.1	103.0

Operating Income by Business Segment
(¥ billion)

	2007	2008	2009
Metals	34.4	35.4	20.4
Machinery & Electronics	30.6	35.6	18.6
Automotive	33.2	42.6	36.8
Energy & Chemicals	4.5	4.0	4.5
Produce & Foodstuffs	3.7	4.3	6.1
Consumer Products, Services & Materials	7.8	10.5	4.4
Others	(4.4)	(0.9)	(0.0)

functionally strengthen our value chain in the interior products industry. In the insurance field, we established insurance brokerages in India and Indonesia. The new brokerages have started to provide optimal insurance coverage, mainly for Japanese companies. However, in automotive interior materials, we received fewer orders due to the impact of production cutbacks by automakers. Combined with the impact of the real estate market downturn, net sales decreased ¥67.5 billion, or 17.8%, year on year to ¥311.5 billion. Operating income fell ¥6.1 billion, or 57.7%, to ¥4.4 billion, mainly due to reduced handling volume of automotive interior materials and lower condominium sales.

Results of Operations by Geographic Segment

Japan

In fiscal 2009, net sales in Japan declined ¥594.9 billion, or 12.3%, year on year to ¥4,245.9 billion mainly due to lower transaction volume in the Metals Division, Machinery & Electronics Division, and Energy & Chemicals Division. Operating income decreased ¥32.6 billion, or 60.0%, year on year to ¥21.7 billion.

Asia & Oceania

Net sales in Asia & Oceania decreased ¥20.2 billion, or 1.9%, year on year to ¥1,051.0 billion, mainly reflecting lower transaction volume at local subsidiaries in Asia. Despite the decrease in net sales, operating income grew ¥4.9 billion, or 17.8%, to ¥32.8 billion, mainly due to increased earnings from an Australian coal project.

North America

Net sales in North America decreased ¥18.1 billion, or 3.8%, year on year to ¥455.1 billion, mainly due to a decrease in transaction volume at U.S. subsidiaries. Operating income decreased ¥5.0 billion, or 40.9%, year on year to ¥7.2 billion, mainly due to a drop in earnings in line with lower net sales.

Europe

Net sales in Europe declined ¥97.6 billion, or 20.8%, year on year to ¥371.9 billion, mainly due to lower transaction volume at automobile sales subsidiaries and other local subsidiaries in Europe. Operating income decreased ¥9.2 billion, or 45.7%, year on year to ¥11.0 billion, mainly due to a drop in earnings in line with lower net sales.

Others

In fiscal 2009, net sales in other regions increased ¥17.4 billion, or 12.0% to ¥162.8 billion, owing mainly to higher transaction volume at automobile sales subsidiaries and other local subsidiaries in Africa. Operating income was ¥17.2 billion, mostly the same as the previous fiscal year.

Net Sales by Geographic Segment
(¥ billion)

	2007	2008	2009
Japan	4,253.4	4,840.8	4,245.9
Asia & Oceania	949.7	1,071.2	1,051.0
North America	537.3	473.2	455.1
Europe	340.9	469.5	371.9
Others	131.2	145.4	162.8

Operating Income by Geographic Segment
(¥ billion)

	2007	2008	2009
Japan	44.6	54.4	21.7
Asia & Oceania	22.9	27.8	32.8
North America	12.9	12.3	7.2
Europe	14.8	20.3	11.0
Others	15.7	17.3	17.2

Assets, Liabilities and Equity

As of March 31, 2009, total assets were ¥2,130.0 billion, down ¥473.1 billion from a year earlier. The main reasons were decreases in trade notes and accounts receivable in line with lower net sales and a decline in investment securities due to a drop in share prices.

Net assets declined ¥52.7 billion from a year earlier to ¥586.9 billion. The equity component of net assets decreased ¥54.9 billion, mainly owing to decreased net unrealized gains on available-for-sale securities, net of taxes, and a drop in foreign currency translation adjustments due to the yen's appreciation, despite an increase in retained earnings. Consequently, the shareholders' equity ratio increased 2.4 percentage points from a year earlier to 24.9% as of March 31, 2009.

Cash Flow

Cash and cash equivalents as of March 31, 2009 stood at ¥242.5 billion, an increase of ¥68.4 billion from a year earlier. The increase primarily reflected net cash provided by operating and financing activities, which outweighed net cash used by investing activities.

(Cash flows from operating activities)
In fiscal 2009, operating activities provided net cash of ¥123.7 billion, ¥19.0 billion more than in fiscal 2008, mainly due to net income.

(Cash flows from investing activities)
In fiscal 2009, investing activities used net cash of ¥54.8 billion, ¥18.1 billion more than in fiscal 2008. Cash was mainly used for payments for purchase of property and equipment, and investment securities.

(Cash flows from financing activities)
In fiscal 2009, financing activities provided net cash of ¥4.6 billion, ¥27.6 billion more than the net cash used in fiscal 2008, largely as a result of an increase in 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

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 operating 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.

* Six operating divisions: Metals, Machinery & Electronics, Automotive, Energy & Chemicals, Produce & Foodstuffs, and Consumer Products, Services & Materials.

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.

While conducting rigorous risk management, we will actively allocate management resources to projects deemed worthy of investment, as we work to develop businesses designed to unlock new growth potential.

The economic outlook remains challenging, even as the business environment is entering an unprecedented period of major transformation. In this context, to realize our corporate vision, we will move management onto both the offensive and defensive by seeing this transformative period as a business opportunity and moving forward aggressively, while at the same time fortifying our base in core businesses.

On the offensive front, we will work to develop new overseas markets based on our global regional strategy, create more new functions in existing core businesses, and allocate management resources to new businesses by rigorously prioritizing businesses.

On the defensive front, reaffirming the principle of "real places, real things, and reality," we will carry out general safety inspections of production sites, raise operating efficiency with an emphasis on eliminating unreasonable and unnecessary requirements in existing businesses, and systematically nurture human resources who can succeed globally, from a long-term perspective.

Outlook for the Current Fiscal Year

For the fiscal year ending March 31, 2010, Toyota Tsusho projects consolidated net sales of ¥5,000 billion, down ¥1,286.9 billion, or 20.5%, from fiscal 2009. We also forecast a ¥34.0 billion, or 37.4%, decrease in operating income to ¥57.0 billion. After deducting income taxes, we are targeting net income of ¥25.0 billion, down ¥15.2 billion, or 37.8%, from fiscal 2009.

Net Sales Forecasts by Business Segment

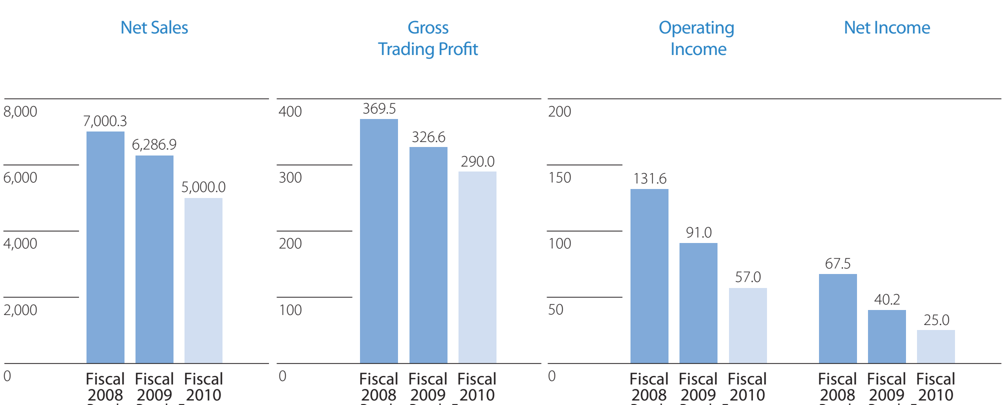
In fiscal 2010, the Metals Division is forecasting a decrease in net sales due to projected declines in prices and lower automobile output.

The Machinery & Electronics Division anticipates lower net sales based on projected lower automobile output and decreased handling volume of machinery equipment and electronic parts.

The Automotive Division is projecting lower net sales based on an anticipated decrease in handling volume mainly at overseas automobile sales subsidiaries.

Fiscal 2010 Forecasts

(¥ billion)



The Energy & Chemicals Division is forecasting lower net sales due to projected declines in crude oil prices and lower handling volume of mainly chemicals and synthetic resins.

The Produce & Foodstuffs Division is projecting lower net sales based on expectations of falling prices principally for animal feed.

The Consumer Products, Services & Materials Division is forecasting higher net sales based on anticipated sales of condominiums and commercial facilities.

Operating Income Forecasts by Business Segment

The Metals Division projects lower operating income in line with a projected decrease in net sales stemming mainly from an anticipated drop in automobile output.

The Machinery & Electronics Division anticipates lower operating income in line with a projected decline in net sales, chiefly reflecting projected decreases in overseas automobile output and handling volumes of machinery and equipment, as well as electronic components.

The Automotive Division is forecasting a decline in operating income in line with a projected decrease in net sales at overseas automobile sales subsidiaries.

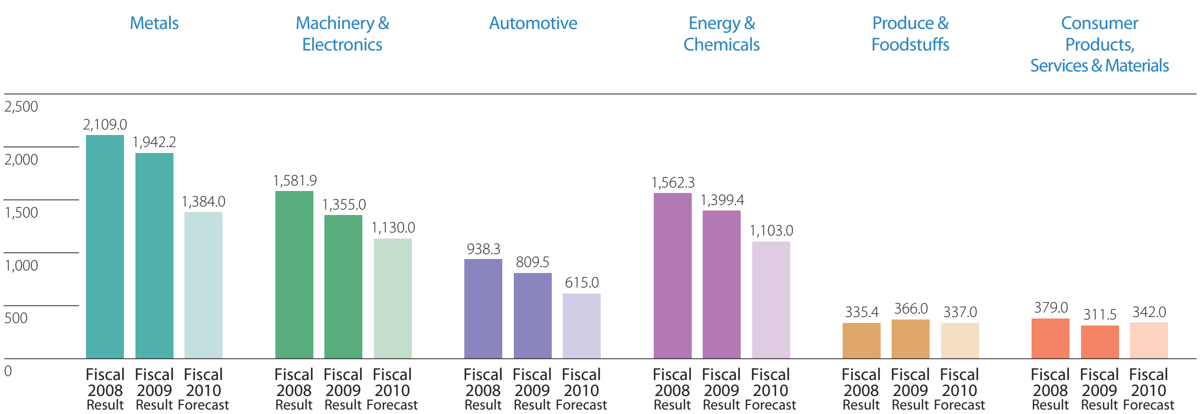
The Energy & Chemicals Division anticipates lower operating income in line with a projected decline in earnings from an Australian coal project.

The Produce & Foodstuffs Division expects operating income to remain mostly on a par with fiscal 2009, as projected declines in prices of animal feed and other commodities should be offset mainly by an increase in the handling volume for animal feed transactions.

The Consumer Products, Services & Materials Division foresees growth in operating income in line with a projected increase in net sales stemming from sales of condominiums and commercial facilities.

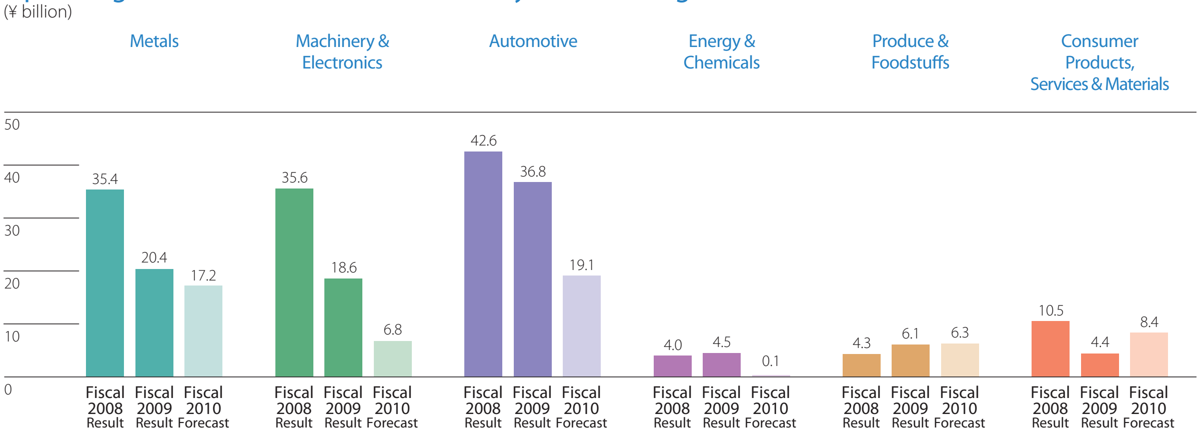
Net Sales Results and Forecasts by Business Segment

(¥ billion)



Operating Income Results and Forecasts by Business 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 357 subsidiaries, and 193 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 2009 the Company's sales to the Toyota Group* accounted for 15.3% of net sales, with sales to Toyota Motor Corporation representing 7.1% 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. Forward-looking statements contained in this report are based on the judgment of the Company and its consolidated subsidiaries (the "Group") as of March 31, 2009.

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.

Consolidated Balance Sheets

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
ASSETS	**2009**	2008	**2009**
Current Assets:			
Cash and deposits (Note 3)	**¥ 242,537**	¥ 174,916	**$ 2,469,072**
Trade notes and accounts receivable (Note 3)	**690,646**	1,108,792	**7,030,907**
Inventories (Notes 2 (22), 3 and 4)	**426,391**	444,155	**4,340,741**
Deferred tax assets—current (Note 8)	**21,458**	32,741	**218,446**
Other current assets (Note 3)	**88,235**	132,209	**898,249**
Less: allowance for doubtful accounts	**(9,141)**	(7,317)	**(93,057)**
Total current assets	**1,460,128**	1,885,496	**14,864,379**
Property and Equipment, at Cost:			
Land (Note 3)	**51,111**	51,304	**520,319**
Buildings and structures (Note 3)	**152,569**	143,679	**1,553,181**
Machinery, equipment and vehicles (Note 3)	**154,197**	148,787	**1,569,754**
Leased property (Note 2 (22))	**22,323**	–	**227,252**
Construction in progress	**5,330**	11,660	**54,260**
Other property and equipment (Note 3)	**15,012**	13,604	**152,825**
Less: accumulated depreciation (Note 2 (6))	**(175,812)**	(166,933)	**(1,789,799)**
Net property and equipment	**224,733**	202,101	**2,287,824**
Intangible Assets:			
Goodwill	**103,423**	118,358	**1,052,865**
Leased property (Note 2 (22))	**749**	–	**7,624**
Other intangible assets	**14,306**	13,321	**145,637**
Total intangible assets	**118,479**	131,679	**1,206,138**
Investments and Other Assets:			
Investment securities (Notes 3 and 14):			
Investment in unconsolidated subsidiaries and affiliates	**127,326**	140,208	**1,296,202**
Investment in third parties	**140,179**	208,341	**1,427,048**
Long-term loans (Note 3):			
Loans to unconsolidated subsidiaries and affiliates	**4,060**	1,562	**41,331**
Loans to third parties	**6,364**	9,738	**64,786**
Deferred tax assets—non-current (Note 8)	**26,923**	4,720	**274,081**
Others (Note 2 (11))	**41,869**	42,581	**426,234**
Less: allowance for doubtful accounts	**(19,975)**	(23,219)	**(203,349)**
Total investments and other assets	**326,747**	383,931	**3,326,346**
Total Assets	**¥2,130,089**	¥2,603,207	**$21,684,709**

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

LIABILITIES AND NET ASSETS	Millions of Yen 2009	2008	Thousands of U.S. Dollars (Note 1) 2009
Current Liabilities:			
Trade notes and accounts payable (Note 3)	¥ 492,678	¥ 906,982	$ 5,015,555
Short-term loans payable and current portion of long-term debt (Notes 3 and 6)	331,064	316,453	3,370,294
Commercial paper	20,000	12,000	203,603
Bonds due within one year (Note 6)	–	5,400	–
Lease obligations—current (Notes 2 (22) and 6)	4,034	–	41,066
Income taxes payable	12,943	16,449	131,762
Deferred tax liabilities—current (Note 8)	671	21	6,830
Other current liabilities (Note 2 (10))	183,696	222,189	1,870,060
Total current liabilities	1,045,088	1,479,494	10,639,193
Long-term Liabilities:			
Bonds (Note 6)	95,000	75,000	967,117
Long-term debt, less current portion (Notes 3 and 6)	350,008	366,314	3,563,147
Lease obligations—non current (Notes 2 (22) and 6)	16,351	–	166,456
Deferred tax liabilities—non-current (Note 8)	7,814	15,527	79,547
Employee retirement benefits liability (Note 16)	12,406	12,791	126,295
Provision for liquidation of affiliated companies (Note 2 (14))	4,342	5,556	44,202
Provision for loss on compensations (Note 2 (15))	2,333	–	23,750
Provision for contract loss (Note 2 (16))	430	–	4,377
Other long-term liabilities (Note 2 (12))	9,317	8,794	94,848
Total long-term liabilities	498,004	483,982	5,069,775
Total Liabilities	1,543,092	1,963,476	15,708,968
Net Assets (Note 19)**:**			
Shareholders' equity (Notes 7 and 22)			
Common stock, no par value :			
Authorized: 1,000,000,000 shares			
Issued: 354,056,516 shares (Note 21)	64,936	64,936	661,060
Capital surplus	154,367	154,367	1,571,485
Retained earnings	365,130	334,950	3,717,092
Less: treasury stock, at cost—3,762,239 shares in 2009 and 3,070,690 shares in 2008 (Note 21)	(6,749)	(5,274)	(68,706)
Total shareholders' equity	577,685	548,979	5,880,942
Difference of appreciation and conversion:			
Net unrealized gains on available-for-sale securities, net of taxes	2,147	40,362	21,856
Net deferred profits on hedges, net of taxes (Note 2 (22))	(2,300)	6,519	(23,414)
Foreign currency translation adjustments	(46,613)	(9,985)	(474,529)
Total difference of appreciation and conversion	(46,766)	36,896	(476,086)
Stock acquisition rights	1,089	582	11,086
Minority interests in consolidated subsidiaries	54,988	53,274	559,788
Total net assets	586,996	639,731	5,975,730
Total Liabilities and Net Assets	¥2,130,089	¥2,603,207	$21,684,709

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

Consolidated Statements of Income

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
Years ended March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Net Sales (Note 17)	¥6,286,996	¥7,000,353	$64,002,809
Cost of Sales (Notes 4 and 17)	5,960,317	6,630,829	60,677,155
Gross Trading Profit	326,679	369,524	3,325,654
Selling, General and Administrative Expenses (Notes 9 and 17)**:**			
Charges and fees	17,045	16,759	173,521
Traffic and traveling expenses	12,579	13,872	128,056
Communication expenses	3,086	3,142	31,416
Allowance for doubtful accounts	4,534	285	46,156
Salaries and wages	95,091	96,497	968,044
Retirement benefit expenses	4,682	3,943	47,663
Welfare expenses	12,290	12,206	125,114
Rental expenses	13,957	14,895	142,084
Depreciation and amortization except goodwill	13,402	11,620	136,434
Taxes other than income taxes	4,332	4,267	44,100
Amortization of goodwill	15,575	15,243	158,556
Others	39,083	45,124	397,872
	235,661	237,853	2,399,073
Operating Income (Note 17)	91,017	131,671	926,570
Other Income (Expenses):			
Interest income	4,068	6,205	41,413
Interest expenses	(17,312)	(19,232)	(176,239)
Dividend income	13,414	10,760	136,557
Share in net earnings in equity method	6,610	11,065	67,291
Other, net (Notes 10 and 12)	(9,099)	551	(92,629)
	(2,318)	9,349	(23,597)
Income before Income Taxes and Minority Interests	88,698	141,020	902,962
Income Tax Expenses:			
Current	27,358	32,745	278,509
Deferred	13,992	31,378	142,441
	41,351	64,123	420,961
Minority Interests in Earnings of Consolidated Subsidiaries	7,123	9,391	72,513
Net Income	¥ 40,224	¥ 67,506	$ 409,487

	Yen		U.S. Dollars (Note 1)
Amounts per Share (Notes 20 and 22)**:**			
Net income:			
Basic	¥114.73	¥192.44	$1.17
Diluted	114.72	192.08	1.17
Cash dividends	26.00	30.00	0.26

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, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Shareholders' Equity:			
Common Stock:			
Beginning Balance	¥ 64,936	¥ 64,936	$ 661,060
Ending Balance	¥ 64,936	¥ 64,936	$ 661,060
Capital Surplus:			
Beginning Balance	¥154,367	¥154,367	$1,571,485
Ending Balance	¥154,367	¥154,367	$1,571,485
Retained Earnings:			
Beginning Balance	¥334,950	¥275,466	$3,409,854
Cash dividends paid (Note 22)	(11,928)	(9,821)	(121,429)
Net income	40,224	67,506	409,487
Bonuses to directors and corporate auditors	–	(16)	–
Loss on the disposition of treasury stock	(130)	(391)	(1,323)
Net increase (decrease) of consolidated subsidiaries	2,110	660	21,480
Net increase (decrease) of companies accounted for by the equity method	619	1,719	6,301
Others, net	(714)	(173)	(7,268)
Ending Balance	¥365,130	¥334,950	$3,717,092
Treasury Stock, at Cost:			
Beginning Balance	¥ (5,274)	¥ (4,631)	$ (53,690)
Purchase of treasury stock	(1,912)	(2,778)	(19,464)
Disposal of treasury stock	455	2,150	4,631
Others, net	(16)	(15)	(162)
Ending Balance	¥ (6,749)	¥ (5,274)	$ (68,706)
Total Shareholders' Equity	¥577,685	¥548,979	$5,880,942
Difference of Appreciation and Conversion:			
Net Unrealized Gains on Available-for-Sale Securities, Net of Taxes:			
Beginning Balance	¥ 40,362	¥ 70,714	$ 410,892
Change in unrealized gains	(38,214)	(30,352)	(389,025)
Ending Balance	¥ 2,147	¥ 40,362	$ 21,856
Net Deferred Profits on Hedges, Net of Taxes (Note 2 (22))**:**			
Beginning Balance	¥ 6,519	¥ 12,758	$ 66,364
Change in deferred profits on hedges	(8,820)	(6,239)	(89,789)
Ending Balance	¥ (2,300)	¥ 6,519	$ (23,414)
Foreign Currency Translation Adjustments:			
Beginning Balance	¥ (9,985)	¥ 5,310	$ (101,649)
Change in foreign currency translation adjustments	(36,627)	(15,295)	(372,869)
Ending Balance	¥ (46,613)	¥ (9,985)	$ (474,529)
Total Difference of Appreciation and Conversion	¥ (46,766)	¥ 36,896	$ (476,086)
Stock Acquisition Rights:			
Beginning Balance	¥ 581	¥ 144	$ 5,914
Change in stock acquisition rights	508	438	5,171
Ending Balance	¥ 1,089	¥ 582	$ 11,086
Minority Interests in Consolidated Subsidiaries:			
Beginning Balance	¥ 53,273	¥ 47,475	$ 542,329
Change in minority interests	1,714	5,799	17,448
Ending Balance	¥ 54,988	¥ 53,274	$ 559,788
Total Net Assets	¥586,996	¥639,731	$5,975,730

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, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
Cash Flows from Operating Activities:			
Income before income taxes and minority interests	¥ 88,698	¥ 141,020	$ 902,962
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization except goodwill	28,634	22,154	291,499
Amortization of goodwill	15,575	15,243	158,556
Net change in allowance for doubtful accounts—net	2,290	(8,197)	23,312
Interest and dividend income	(17,483)	(16,965)	(177,980)
Interest expense	17,312	19,232	176,239
Share in net earnings in equity method	(6,610)	(11,065)	(67,291)
Net change in receivables	382,580	(120,860)	3,894,736
Net change in inventories	7,811	(75,860)	79,517
Net change in payables	(383,103)	147,956	(3,900,061)
Others, net	12,614	21,633	128,412
Subtotal	148,321	134,291	1,509,935
Interest and dividend received	23,275	21,234	236,943
Interest paid	(17,610)	(19,360)	(179,273)
Income taxes paid	(30,225)	(31,437)	(307,696)
Net cash provided by operating activities	123,760	104,728	1,259,900
Cash Flows from Investing Activities:			
Net decrease in time deposits	709	422	7,217
Payments for purchase of property and equipment	(38,806)	(35,540)	(395,052)
Proceeds from sale of property and equipment	8,462	3,456	86,144
Payments for purchase of intangible assets	(5,973)	(7,178)	(60,806)
Proceeds from sale of intangible assets	108	39	1,099
Payments for purchase of investment securities	(18,173)	(16,430)	(185,004)
Proceeds from sale of investment securities	5,508	8,130	56,072
Payments for sale of shares of subsidiaries excluded from the consolidation scope	(4)	(147)	(40)
Proceeds from sale of shares of subsidiaries excluded from the consolidation scope	–	8,978	–
Increase in loans	(15,245)	(12,632)	(155,196)
Collection of loans	12,308	14,038	125,297
Payment for purchase of shares of subsidiaries from minority shareholders	(2,235)	–	(22,752)
Others, net	(1,486)	147	(15,127)
Net cash used in investing activities	(54,827)	(36,717)	(558,149)
Cash Flows from Financing Activities:			
Change in short-term loans payable	5,780	29,444	58,841
Proceeds from long-term debt	49,579	18,090	504,723
Repayment of long-term debt	(44,393)	(36,346)	(451,929)
Proceeds from issuance of bonds	20,000	–	203,603
Payment for redemption of bonds	(5,400)	(20,000)	(54,973)
Payment for purchase of treasury stock	(1,912)	(2,778)	(19,464)
Dividends paid	(11,928)	(9,821)	(121,429)
Dividends paid to minority shareholders	(3,695)	(3,670)	(37,615)
Proceeds from stock issuance to minority shareholders of subsidiaries	454	264	4,621
Others, net	(3,869)	1,759	(39,387)
Net cash provided by (used in) financing activities	4,614	(23,058)	46,971
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(11,979)	(4,718)	(121,948)
Net Increase in Cash and Cash Equivalents	61,567	40,235	626,763
Cash and Cash Equivalents at Beginning of Year	174,197	125,603	1,773,358
Cash and Cash Equivalents of Newly Consolidated Subsidiaries	6,765	8,359	68,868
Cash and Cash Equivalents at End of Year	¥ 242,530	¥ 174,197	$ 2,469,001
Reconciliation Between Cash and Cash Equivalents and Cash and Deposits in the Consolidated Balance Sheets:			
Cash and deposits in the consolidated balance sheets	¥ 242,537	¥ 174,916	$ 2,469,072
Time deposits over 3 months	(7)	(719)	(71)
Cash and cash equivalents in the consolidated statements of cash flows	¥ 242,530	¥ 174,197	$ 2,469,001

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 were rounded up/down for fiscal 2008 (year ended March 31, 2008). Therefore, some accounts and notes were not consistent with those on the original consolidated financial statements in Japanese, on which amounts less than ¥1 million were rounded down. For fiscal 2009 (year ended March 31, 2009), however, amounts less than ¥1 million are rounded down, consistent with the original consolidated financial statements in Japanese. The translations of Japanese yen amounts into U.S. dollar amounts with respect to the year ended March 31, 2009 are included solely for the convenience of readers outside Japan and have been made at the rate of ¥98.23 = U.S.$1, the rate prevailing on March 31, 2009, which was the final business day of financial institutions in fiscal 2009. 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, 2009 and 2008 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."

	2009	2008
Consolidated subsidiaries	274	255
Unconsolidated subsidiaries and affiliates, accounted for by the equity method	135	123
Unconsolidated subsidiaries and affiliates, stated at cost	141	142

For the year ended March 31, 2009, 24 subsidiaries were newly added to the scope of consolidation and 5 subsidiaries were excluded from the scope of consolidation. In addition 21 unconsolidated subsidiaries and affiliates were newly added to the scope of consolidation under the equity method and 9 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 58 subsidiaries in 2009, and of 49 subsidiaries in 2008, 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, but the necessary 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

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

(6) Depreciation method for depreciable assets

Property and Equipment other than leased property 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
	2009	2008	**2009**
Buildings and structures	**¥ 62,596**	¥ 60,392	**$ 637,239**
Machinery, equipment and vehicles	**99,966**	97,950	**1,017,672**
Leased property	**3,876**	–	**39,458**
Other property and equipment	**9,373**	8,591	**95,418**
Total accumulated depreciation	**¥175,812**	¥166,933	**$1,789,799**

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 other than leased property are principally amortized by the straight-line method.

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

(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

(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, ¥696 million ($7,085 thousand) and ¥804 million were included in other current liabilities on the accompanying consolidated balance sheets as of March 31, 2009 and 2008, 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, 2009 and 2008, respectively. Accordingly, ¥4,351 million ($44,294 thousand) and ¥3,549 million were included in others of investments and other assets on the accompanying consolidated balance sheets as of March 31, 2009 and 2008, 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.

(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) Provision for loss on compensations

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

(16) Provision for contract loss

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

(17) Translation of foreign currency assets and liabilities

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

The assets, 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.

(18) 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 Administration Division.

4. Method of evaluating the effectiveness of hedges

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

5. Others

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

(19) Consumption 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.

(20) Income taxes

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

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

(21) Per share data

Basic 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.

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

1. For the year ended March 31, 2009

a. Accounting standard for measurement of inventories

Prior to the fiscal year ended March 31, 2008, inventories were accounted for in the following manner:

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.

Effective from the fiscal year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan ("ASBJ") Statement No. 9, announced on July 5, 2006).

As a result of the adoption of this accounting standard, operating income and income before income taxes and minority interests decreased by ¥4,523 million ($46,044 thousand).

b. Practical solution on unification of accounting policies applied to foreign subsidiaries for consolidated financial statements

Effective from the fiscal year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006). Accordingly, the Company made the necessary adjustments to the consolidated financial statements.

As a result of the adoption of this accounting standard, income before income taxes and minority interests increased by ¥379 million ($3,858 thousand).

c. Accounting standard for lease transactions

Prior to the fiscal year ended March 31, 2008, finance lease transactions without ownership transfer were accounted for in a manner similar to the accounting treatment for operating lease transactions.

Effective from the fiscal year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, originally issued by Business Accounting Council Committee No. 1, June 17, 1993; and revised March 30, 2007) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, originally issued by Japanese Institute of Certified Public Accountants, Accounting System Committee, January 18, 1994; and revised March 30, 2007). Accordingly, these lease transactions are now accounted for as ordinary sale and purchase transactions. The impact of this change on the Consolidated Statements of Income is immaterial.

2. 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. However, the effect on income before income taxes and minority interests was no impact.

3. Pledged Assets

Pledged assets as collateral as of March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Cash and deposits	**¥ 45**	¥ 103	**$ 458**
Trade notes and accounts receivable	**1,986**	3,140	**20,217**
Inventories	**3,913**	3,438	**39,835**
Other current assets	**146**	324	**1,486**
Buildings and structures	**3,268**	6,993	**33,268**
Machinery, equipment and vehicles	**2,972**	4,405	**30,255**
Land	**1,721**	4,323	**17,520**
Other property and equipment	**–**	601	**–**
Investment securities	**5,894**	7,116	**60,002**
Long-term loans	**–**	131	**–**
Total	**¥19,951**	¥30,574	**$203,104**

Collateral secured obligations as of March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Trade notes and accounts payable	**¥ 3**	¥ 8	**$ 30**
Short-term loans payable and current portion of long-term debt	**3,879**	4,433	**39,488**
Long-term debt, less current portion	**2,643**	3,737	**26,906**
Total	**¥6,526**	¥8,178	**$66,435**

4. Inventories

Inventories by major classification were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Finished goods and merchandise on hand	**¥406,575**	–	**$4,139,010**
Work in progress	**2,529**	–	**25,745**
Raw materials and supplies	**17,287**	–	**175,984**
Total	**¥426,391**	–	**$4,340,741**

The book value of Inventories as of March 31, 2009 is stated after the write-downs of inventories due to decrease in profitability of assets. The loss on write-downs of inventories of ¥6,372 million ($64,868 thousand) was included in cost of sales.

5. 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., Dusseldorf Branch (former 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, 2009 and 2008, the unused line of credit of the multi-currency revolving facilities was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Maximum line of credit of the multi-currency revolving facilities	**¥30,000**	¥30,000	**$305,405**
Less, outstanding drawdown on revolving facilities	**–**	–	**–**
Balance	**¥30,000**	¥30,000	**$305,405**

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, 2009 and 2008 were as follows:

	Millions of Currency		Thousands of U.S. Dollars
	2009	2008	**2009**
Maximum line of credit of the commitment line contracts	**¥18,000**	¥18,000	**$183,243**
	and U.S. Dollars 350		**350,000**
	and Baht 1,000	and Baht 1,000	**28,097**
Less, outstanding drawdown on commitment line contracts	**7,300**	15,800	**74,315**
	and U.S. Dollars 340		**340,000**
Balance	**¥10,700**	¥ 2,200	**$108,928**
	and U.S. Dollars 10		**10,000**
	and Baht 1,000	and Baht 1,000	**28,097**

6. Short-term Loans Payable, Long-term Debt and Lease Obligations

Short-term loans payable

The average annual interest rates applicable to short-term loans, principally from banks, outstanding at March 31, 2009 and 2008 were 2.09% and 2.93%, respectively.

Summary of long-term debt and lease obligations

Long-term debt as of March 31, 2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
0.59% straight bonds due 2008	**¥ –**	¥ 200	**$ –**
0.64% straight bonds due 2009	**–**	5,000	**–**
0.90% straight bonds due 2009	**–**	200	**–**
1.65% straight bonds due 2011	**30,000**	30,000	**305,405**
1.55% straight bonds due 2012	**10,000**	10,000	**101,801**
1.65% straight bonds due 2014	**20,000**	–	**203,603**
1.09% straight bonds due 2015	**10,000**	10,000	**101,801**
2.26% straight bonds due 2016	**15,000**	15,000	**152,702**
Floating rate straight bonds due 2016	**10,000**	10,000	**101,801**
Long-term debt, principally from commercial and trust banks and insurance companies, maturing serially through 2018	**411,323**	405,697	**4,187,346**
Lease obligations maturing serially through 2023	**20,385**		**207,523**
Total	**526,708**	486,097	**5,361,987**
Less, current portion	**(65,349)**	(44,783)	**(665,265)**
	¥461,359	¥441,314	**$4,696,721**

The average annual interest rates applicable to long-term debt outstanding at March 31, 2009 and 2008 were 1.98% and 2.04%, respectively.

The aggregate annual maturities of long-term debt and lease obligations at March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Year ending March 31	2009	2009
2009	¥ 65,349	$ 665,265
2010	55,921	569,286
2011	64,217	653,741
2012	65,858	670,446
2013	79,081	805,059
2014 and thereafter	196,279	1,998,157
Total	¥526,708	$5,361,987

7. 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.

8. Income Taxes

As of March 31, 2009 and 2008, 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
	2009	2008	2009
Deferred tax assets:			
Unrealized profit	¥ 2,040	¥ 1,922	$ 20,767
Allowance for doubtful accounts	1,059	1,011	10,780
Employee retirement benefits	2,601	2,613	26,478
Directors' and corporate auditors' retirement benefits	863	1,048	8,785
Provision for employees' bonuses	3,424	4,300	34,856
Write-down of investment securities	16,152	11,446	164,430
Write-down of investment in subsidiaries and affiliates	7,382	7,964	75,150
Deferred losses on hedges	3,687	4,921	37,534
Net operating loss carryforward	35,879	45,185	365,255
Valuation losses of inherited assets on the merger	16,164	18,665	164,552
Others	12,168	13,148	123,872
Subtotal	101,425	112,223	1,032,525
Valuation allowance	(45,623)	(46,220)	(464,450)
Total deferred tax assets	55,802	66,003	568,074
Deferred tax liabilities:			
Unrealized gains on available-for-sale securities	2,958	27,982	30,113
Valuation of assets and liabilities of consolidated subsidiaries on acquisition	887	890	9,029
Depreciation of property and equipment	2,252	2,071	22,925
Deferred profits on hedges	1,754	4,921	17,856
Valuation profits of inherited assets on the merger	7,289	7,440	74,203
Others	765	786	7,787
Total deferred tax liabilities	15,907	44,090	161,936
Net deferred tax assets (liabilities)	¥ 39,895	¥ 21,913	$ 406,138

Reconciliation items of differences between the Japanese statutory effective tax rate and actual effective income tax rate for the year ended March 31, 2009 and 2008 were as follows:

	Percentage of pretax income	
	2009	2008
Japanese statutory effective tax rate	**40.3%**	40.3%
Increase (decrease) due to:		
Permanently nondeductible expenses	**1.3**	1.1
Equity in earnings of unconsolidated subsidiaries and affiliates	**(2.9)**	(3.0)
Differences of tax rates for overseas consolidated subsidiaries	**(9.8)**	(7.0)
Valuation allowance	**10.9**	9.4
Amortization of goodwill	**7.4**	4.4
Others	**(0.6)**	0.3
Actual effective income tax rate	**46.6%**	45.5%

9. Research and Development Expenses

Research and development expenses included in selling, general and administrative expenses for the years ended March 31, 2009 and 2008 were ¥305 million ($3,104 thousand) and ¥432 million, respectively.

10. Other Income (Expenses)

Details of Others, net, included in Other Income (Expenses) for the years ended March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Gain on sales of fixed assets	**¥ 1,052**	¥ 393	**$ 10,709**
Loss on sales or disposal of fixed assets	**(1,691)**	(1,438)	**(17,214)**
Impairment loss	**(1,354)**	(88)	**(13,783)**
Gain on sales of investment securities	**1,346**	4,139	**13,702**
Loss on sales of investment securities	**(424)**	(453)	**(4,316)**
Write-down of investment securities	**(5,962)**	(8,380)	**(60,694)**
Gain on reversal of allowance for doubtful accounts	**2,252**	8,160	**22,925**
Loss on disposal of investments in and advances to subsidiaries and affiliates	**(2,963)** (Note 1)	(1,100)	**(30,163)**
Gain on reversal of allowance for liquidation of affiliated companies	**2,509**	–	**25,542**
Loss on provision for liquidation of affiliated companies	**(1,571)** (Note 2)	(3,396)	**(15,993)**
Settlements on litigation	**–**	132	**–**
Loss on provision for compensations	**(2,333)** (Note 3)	–	**(23,750)**
Loss on provision for contract	**(430)** (Note 4)	–	**(4,377)**
Others, net	**470**	2,582	**4,784**
Total	**¥(9,099)**	¥ 551	**$(92,629)**

Notes: 1. The Company recorded an estimated allowance in order to cover the possible losses for the sales of its domestic subsidiaries and others.
2. The Company recorded an estimated allowance in order to cover the possible losses for the liquidation of its consolidated subsidiaries in Asia.
3. The Company is facing a claim from a customer that we should compensate for the losses they incurred because they insist we are responsible for the losses in relation to the transactions involving us. Although we believe that we are not obliged to pay for the losses, the Company recorded an estimated allowance in order to cover the possible losses for the future performance of compensation for the losses.
4. The Company recorded an estimated allowance in order to cover the possible loss for the future performance of contract with a customer for a domestic consolidated subsidiary.

11. Contingent Liabilities

Contingent liabilities as of March 31, 2009 and 2008 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Discounted exports bills	¥20,473	¥30,122	$208,419
For guarantees of indebtedness to:			
Unconsolidated subsidiaries and affiliates	¥25,099 (Note 1)	¥24,644 (Note 2)	$255,512
Others	4,960	6,362	50,493
Subtotal	30,059	31,006	306,006
Provision for guarantees	–	–	–
Total	¥30,059	¥31,006	$306,006

Notes: 1. Toyota del Ecuador S.A., P.T. Astra Auto Finance, Toyota Tsusho Nordic Oy, P.T. Kaltim Pasifik Amoniak, Hangzhou Kobelco Construction Machinery Co., Ltd., etc.
2. P.T. Astra Auto Finance, Steel Center Europe s.r.o., P.T. Kaltim Pasifik Amoniak, Toyota del Ecuador S.A., Toyota Tsusho de Venezuela, C.A., etc.

12. Impairment Loss

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

During the year ended March 31, 2009, the Company and its consolidated subsidiaries recognized the impairment loss amounting to ¥1,354 million ($13,783 thousand) as other expense in the consolidated statements of income by devaluating the book value of the idle assets whose market value declined significantly, the business-use assets whose profitability deteriorated significantly and the goodwill whose expected future revenue at the time of initial acquisition was considered to be unrealizable to their recoverable amounts.

In measuring the loss on impairment, the Company and its consolidated subsidiaries used the net selling value for the recoverable amounts of the idle assets and the business-use assets mainly based on the expected selling price. On the other hand, the recoverable amount of the goodwill was measured at its value in use and the discount rate used for computation of the present value of future cash flows was 9.2%–9.5%.

The details of Impairment Loss for the year ended March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2009	2009
Domestic		
Idle assets: Land and Buildings	¥ 557	$ 5,670
Overseas		
Idle assets: Land and Buildings	140	1,425
Business-use assets: Land, Buildings and Machinery & equipment	66	671
Goodwill	589	5,996
Total	¥1,354	$13,783

Note: The details of Impairment Loss for the year ended March 31, 2008 are omitted due to immaterial.

13. Lease Transactions

Year ended March 31, 2009

Noncancelable Operating Leases

Lease payments for noncancelable operating lease transactions as of March 31, 2009 were as follows:

Lessee

Future minimum lease payments	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥ 3,556	$ 36,200
More than one year	10,062	102,433
Total	¥13,619	$138,643

Lessor

Future minimum lease payments to be received	Millions of Yen	Thousands of U.S. Dollars
Within one year	¥252	$2,565
More than one year	677	6,891
Total	¥929	$9,457

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		
	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥16,429	¥ 5,309	¥11,120
Others	11,205	5,843	5,362
Total	¥27,634	¥11,152	¥16,482

Future minimum lease payments	Millions of Yen
Within one year	¥ 3,766
More than one year	12,800
Total	¥16,566

	Millions of Yen
Annual lease payments	¥3,891
Depreciation	3,891

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	¥46
More than one year	38
Total	¥84

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
Within one year	**¥ 3,481**
More than one year	**13,987**
Total	**¥17,468**

Lessor

Future minimum lease payments to be received	Millions of Yen
Within one year	**¥ 286**
More than one year	**988**
Total	**¥1,274**

14. 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, 2009 and 2008 were as follows:

	Millions of Yen						Thousands of U.S. Dollars		
	2009			2008			**2009**		
	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	**¥32,425**	**¥52,043**	**¥19,617**	¥61,072	¥136,430	¥75,358	**$330,092**	**$529,807**	**$199,704**
Market value less than original cost amount:									
Equity securities	**50,070**	**40,694**	**(9,376)**	26,282	21,778	(4,504)	**509,722**	**414,272**	**(95,449)**
Total	**¥82,496**	**¥92,737**	**¥10,240**	¥87,354	¥158,208	¥70,854	**$839,824**	**$944,080**	**$104,245**

Note: Impairment losses of ¥4,811 million ($48,976 thousand) and ¥7,773 million were recognized in the consolidated statements of income, for available-for-sale securities with market price for the years ended March 31, 2009 and 2008, respectively.

(b) Securities without market price

Book value of securities not measured at market value at March 31, 2009 and 2008 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Available-for sale securities:			
Unlisted securities	**¥35,946**	¥36,680	**$365,937**

(c) Sale of available-for-sale securities

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Total amount of sold	**¥2,561**	¥4,103	**$26,071**
Realized gains	**1,308**	1,689	**13,315**
Realized losses	**(18)**	(41)	**(183)**

15. 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 Administration Division which is responsible for managing risks.

The contract or notional amounts of derivatives which are shown in the following tables do not represent the amounts exchanged by the parties and do not measure the Group's exposure to credit or market risks.

Estimated fair value and valuation gain (loss) on the contract or notional amount of derivative instruments at March 31, 2009 and 2008 were as follows:

	Millions of Yen						Thousands of U.S. Dollars		
	2009			2008			2009		
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)	¥57,862	¥51,645	¥ 6,217	¥61,265	¥ 65,903	¥ (4,638)	$589,046	$525,755	$ 63,290
(Buy)	38,160	31,339	(6,820)	43,518	49,619	6,101	388,476	319,036	(69,428)
Produce & Foodstuffs									
(Sell)	80	76	4	571	511	60	814	773	40
(Buy)	155	166	11	397	353	(44)	1,577	1,689	111
Natural Rubber									
(Sell)	400	402	(2)	1,598	1,494	104	4,072	4,092	(20)
(Buy)	186	210	24	68	72	4	1,893	2,137	244
Over-the-counter									
Forward contracts:									
Nonferrous Metal									
(Sell)	54,913	57,397	(2,483)	69,171	77,153	(7,982)	559,024	584,312	(25,277)
(Buy)	80,676	76,987	(3,688)	95,482	106,865	11,383	821,296	783,742	(37,544)
Over-the-counter									
Commodity swap contracts:									
Petroleum Products									
Receipt-variable/ Payment-fixed	1,919	1,880	38	3,678	3,832	(154)	19,535	19,138	386
Receipt-fixed/ Payment-variable	2,972	2,939	(32)	3,512	3,580	68	30,255	29,919	(325)
Total			¥(6,733)			¥ 4,902			$(68,543)

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.

	Millions of Yen						Thousands of U.S. Dollars		
	2009			2008			2009		
Currency 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)
Over-the-counter									
Forward exchange:									
contracts									
Selling:									
U.S. Dollars	**¥39,613**	**¥41,107**	**¥(1,494)**	¥38,838	¥36,941	¥ 1,897	**$403,267**	**$418,477**	**$(15,209)**
Other currencies	**4,450**	**4,575**	**(124)**	9,943	9,348	595	**45,301**	**46,574**	**(1,262)**
Buying:									
U.S. Dollars	**28,697**	**29,364**	**667**	66,923	63,039	(3,884)	**292,140**	**298,931**	**6,790**
Other currencies	**20,411**	**19,545**	**(865)**	12,114	12,552	438	**207,787**	**198,971**	**(8,805)**
Over-the-counter									
Currency option									
contracts:									
Selling:									
Put	**3,241**	**3,272**	**(30)**	4,809	4,805	4	**32,993**	**33,309**	**(305)**
Call	**2,151**	**2,154**	**(3)**	421	379	42	**21,897**	**21,928**	**(30)**
Buying:									
Put	**2,151**	**2,169**	**18**	421	397	(24)	**21,897**	**22,080**	**183**
Call	**3,241**	**3,269**	**27**	4,809	4,808	(1)	**32,993**	**33,279**	**274**
Total			**¥(1,804)**			¥ (933)			**$(18,365)**

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.

	Millions of Yen						Thousands of U.S. Dollars		
	2009			2008			2009		
Interest Rate 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)
Over-the-counter									
Interest rate swap									
contracts:									
Receipt-variable/									
Payment-fixed	**¥595**	**¥(5)**	**¥(5)**	¥840	¥(11)	¥(11)	**$6,057**	**$(50)**	**$(50)**
Total			**¥(5)**			¥(11)			**$(50)**

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.

16. 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	2009	2008	2009
Employee retirement benefits obligation	¥(59,093)	¥(59,402)	$(601,577)
Fair value of pension plan assets	35,647	44,652	362,893
Unfunded benefits obligation	(23,445)	(14,750)	(238,674)
Unrecognized actuarial difference	15,390	5,508	156,673
Unrecognized past service costs	–	–	–
Net amount recognized	(8,055)	(9,242)	(82,001)
Prepaid pension	(4,351)	(3,549)	(44,294)
Employee retirement benefit liability	¥(12,406)	¥(12,791)	$(126,295)

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	2009	2008	2009
Service expenses	¥2,989	¥3,211	$30,428
Interest expenses	1,009	1,114	10,271
Expected return on pension plan assets	(815)	(958)	(8,296)
Amortization of actuarial difference	1,124	239	11,442
Retirement benefit expenses	4,307	3,606	43,846
Others	590	527	6,006
Total	¥4,897	¥4,133	$49,852

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

Basis of Calculation of Benefit Obligations	2009		2008	
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

17. Segment Information

Industry Segments

Millions of Yen

Year ended March 31, 2009	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Others	Total	Elimination	Consolidation
Net Sales:										
External customers	¥1,942,207	¥1,355,075	¥809,533	¥1,399,443	¥366,054	¥311,591	¥103,090	¥6,286,996	¥ –	¥6,286,996
Inter-segment	409	12,963	110	1,877	110	1,821	8,224	25,516	(25,516)	–
Total	1,942,616	1,368,038	809,643	1,401,320	366,165	313,413	111,314	6,312,512	(25,516)	6,286,996
Cost of sales and selling, general and administrative expenses	1,922,117	1,349,417	772,790	1,396,790	359,978	308,952	111,353	6,221,400	(25,421)	6,195,978
Operating income (loss)	¥ 20,499	¥ 18,621	¥ 36,853	¥ 4,530	¥ 6,186	¥ 4,460	¥ (39)	¥ 91,112	¥ (94)	¥ 91,017
Total assets	¥ 496,425	¥ 390,989	¥186,995	¥ 294,562	¥127,805	¥165,371	¥564,000	¥2,226,150	¥(96,061)	¥2,130,089
Depreciation	6,365	7,831	3,768	9,229	4,970	2,805	9,239	44,210	–	44,210
Impairment loss	1	607	140	13	–	16	575	1,354	–	1,354
Capital expenditure for long-lived assets	9,181	3,993	9,651	6,143	1,644	1,646	12,234	44,495	–	44,495

Thousands of U.S. Dollars

Year ended March 31, 2009	Metals	Machinery & Electronics	Automotive	Energy & Chemicals	Produce & Foodstuffs	Consumer Products, Services & Materials	Others	Total	Elimination	Consolidation
Net Sales:										
External customers	$19,772,035	$13,794,920	$8,241,199	$14,246,594	$3,726,499	$3,172,055	$1,049,475	$64,002,809	$ –	$64,002,809
Inter-segment	4,163	131,965	1,119	19,108	1,119	18,538	83,721	259,757	(259,757)	–
Total	19,776,198	13,926,885	8,242,319	14,265,702	3,727,629	3,190,603	1,133,197	64,262,567	(259,757)	64,002,809
Cost of sales and selling, general and administrative expenses	19,567,515	13,737,320	7,867,148	14,219,586	3,664,644	3,145,189	1,133,594	63,335,030	(258,790)	63,076,229
Operating income (loss)	$ 208,683	$ 189,565	$ 375,170	$ 46,116	$ 62,974	$ 45,403	$ (397)	$ 927,537	$ (956)	$ 926,570
Total assets	$ 5,053,700	$ 3,980,342	$1,903,644	$ 2,998,696	$1,301,079	$1,683,508	$5,741,626	$22,662,628	$(977,919)	$21,684,709
Depreciation	64,796	79,721	38,358	93,952	50,595	28,555	94,054	450,066	–	450,066
Impairment loss	10	6,179	1,425	132	–	162	5,853	13,783	–	13,783
Capital expenditure for long-lived assets	93,464	40,649	98,249	62,536	16,736	16,756	124,544	452,967	–	452,967

Notes: 1. Industry segments are determined in accordance with the types and characteristics of their products and services.
2. Main products and services of each segment are shown at Business Highlights.
3. Effective from the fiscal year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, announced on July 5, 2006). As a result of the adoption of this accounting standard, operating income decreased by ¥1,240 million ($12,623 thousand) in Metals segment, by ¥1,121 million ($11,411 thousand) in Machinery & Electronics segment, by ¥394 million ($4,010 thousand) in Energy & Chemicals segment, by ¥259 million ($2,636 thousand) in Produce & Foodstuffs segment, by ¥1,507 million ($15,341 thousand) in Consumer Products, Service & Materials segment, respectively, as compared with the previous accounting method.

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

Notes: 1. Industry segments are determined in accordance with the types and characteristics of their products and services.
2. Main products and services of each segment are shown at Business Highlights.
3. Prior to the fiscal year ended March 31, 2007, the Company applied replacement equivalent methods to forward foreign exchange contracts entered into 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. As a result of the change of this accounting method, operating income decreased by ¥25 million in Metals segment, by ¥350 million in Produce & Foodstuffs segment, by ¥1 million in Others segment respectively, and increased by ¥226 million in Machinery & Electronics segment, by ¥336 million in Automotive segment, by ¥532 million in Energy & Chemicals segment, by ¥102 million in Consumer Products, Service & Materials segment respectively, as compared with the previous accounting method.

Geographic Segments

Year ended March 31, 2009	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Millions of Yen Consolidation
Net Sales:								
External customers	¥4,245,957	¥1,051,066	¥455,154	¥371,979	¥162,838	¥6,286,996	¥ –	¥6,286,996
Inter-segment	557,367	114,708	134,121	7,312	4,080	817,590	(817,590)	–
Total	4,803,324	1,165,775	589,276	379,291	166,918	7,104,586	(817,590)	6,286,996
Cost of sales and selling, general and administrative expenses	4,781,542	1,132,967	581,986	368,262	149,649	7,014,408	(818,429)	6,195,978
Operating income	¥ 21,781	¥ 32,807	¥ 7,289	¥ 11,029	¥ 17,269	¥ 90,177	¥ 839	¥ 91,017
Total assets	¥1,650,221	¥ 278,852	¥160,429	¥140,633	¥ 93,986	¥2,324,122	¥(194,033)	¥2,130,089

Year ended March 31, 2009	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Thousands of U.S. Dollars Consolidation
Net Sales:								
External customers	$43,224,646	$10,700,050	$4,633,553	$3,786,816	$1,657,721	$64,002,809	$ –	$64,002,809
Inter-segment	5,674,101	1,167,749	1,365,377	74,437	41,535	8,323,221	(8,323,221)	–
Total	48,898,747	11,867,810	5,998,941	3,861,254	1,699,256	72,326,030	(8,323,221)	64,002,809
Cost of sales and selling, general and administrative expenses	48,677,002	11,533,818	5,924,727	3,748,976	1,523,455	71,408,001	(8,331,762)	63,076,229
Operating income	$ 221,734	$ 333,981	$ 74,203	$ 112,277	$ 175,801	$ 918,018	$ 8,541	$ 926,570
Total assets	$16,799,562	$ 2,838,766	$1,633,197	$1,431,670	$ 956,795	$23,660,002	$(1,975,292)	$21,684,709

Notes: 1. Geographic segments are divided into categories based on their geographic proximity.
2. Major countries or areas which belong to each segment except for Japan are as follows:
Asia & Oceania.....China, Taiwan, Singapore, Thailand
North America.....U.S.A.
Europe.....U.K., Belgium, Russia
Others.....Africa, Central & South America
3. Effective from the fiscal year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, announced on July 5, 2006). As a result of the adoption of this accounting standard, operating income decreased by ¥4,523 million ($46,044 thousand) in Japan, as compared with the previous accounting method.

Year ended March 31, 2008	Japan	Asia & Oceania	North America	Europe	Others	Total	Elimination	Millions of Yen 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

Notes: 1. Geographic segments are divided into categories based on their geographic proximity.
2. Major countries or areas which belong to each segment except for Japan are as follows:
Asia & Oceania.....China, Taiwan, Singapore, Thailand
North America.....U.S.A.
Europe.....U.K., Belgium, Russia
Others.....Africa, Central & South America
3. Prior to the fiscal year ended March 31, 2007, the Company applied replacement equivalent methods to forward foreign exchange contracts entered into 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. As a result of the change of this accounting method, operating income increased by ¥819 million in Japan, as compared with the previous accounting method.

Overseas Trading Transactions

Year ended March 31, 2009	Asia & Oceania	North America	Europe	Others	Total
					Millions of Yen
Overseas trading transactions	**¥1,793,019**	**¥417,132**	**¥440,016**	**¥422,863**	**¥3,073,031**
Consolidation					**6,286,996**
Share of consolidated net sales	**28.5%**	**6.7%**	**7.0%**	**6.7%**	**48.9%**

Year ended March 31, 2009	Asia & Oceania	North America	Europe	Others	Total
					Thousands of U.S. Dollars
Overseas trading transactions	**$18,253,272**	**$4,246,482**	**$4,479,446**	**$4,304,825**	**$31,284,037**
Consolidation					**64,002,809**

Year ended March 31, 2008	Asia & Oceania	North America	Europe	Others	Total
					Millions of Yen
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%

18. Related Party Transactions

During the years ended March 31, 2009 and 2008, the Company had operational transactions with Toyota Motor Corporation ("TMC"), a 22.2% shareholder of the Company as of March 31, 2009. A summary of the significant transactions with TMC for the years ended or as at March 31, 2009 and 2008, is as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
For the year:			
Sales of raw materials	**¥300,151**	¥359,731	**$3,055,594**
Purchase of automobiles	**222,780**	278,058	**2,267,942**
At year-end:			
Trade accounts receivable	**¥ 28,171**	¥ 56,995	**$ 286,786**
Trade accounts payable	**4,389**	19,215	**44,680**

19. Stock-based Compensation

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

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	**2009**
Selling, general and administrative expenses	**¥509**	¥438	**$5,181**

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

(a) Stock option details

	2009	2008
Position and number of grantees	Directors and Executive officers of the Company: 43 Certain eligible employees of the Company: 249 Directors of affiliated companies of the Company: 34	Directors and Executive officers of the Company: 42 Certain eligible employees of the Company: 248 Directors of affiliated companies of the Company: 31
Class and number of shares (Note)	1,014,000 shares of common stock	998,000 shares of common stock
Date of issue	August 7, 2008	August 9, 2007
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 7, 2008 to July 31, 2010	From August 9, 2007 to July 31, 2009
Exercise period	From August 1, 2010 to July 31, 2014	From August 1, 2009 to July 31, 2013

	2007	2006
Position and number of grantees	Directors and Executive officers of the Company: 43 Certain eligible employees of the Company: 244 Directors of affiliated companies of the Company: 31	Directors of the Company: 33 Certain eligible employees of the Company: 164 Directors of affiliated companies of the Company: 16
Class and number of shares (Note)	764,000 shares of common stock	970,000 shares of common stock
Date of issue	August 3, 2006	August 3, 2005
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, 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, 2006 to July 31, 2008	From August 3, 2005 to July 31, 2007
Exercise period	From August 1, 2008 to July 31, 2010	From August 1, 2007 to July 31, 2009

	2005
Position and number of grantees	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)	1,750,000 shares of common stock
Date of issue	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.
Service period	From August 4, 2004 to July 31, 2006
Exercise period	From August 1, 2006 to July 31, 2008

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

	2009	2008	2007	2006	2005
Non-exercisable stock options					
Stock options outstanding at the end of the previous fiscal year	–	998,000	754,000	–	–
Stock options granted	1,014,000	–	–	–	–
Forfeitures	2,000	8,000	8,000	–	–
Conversion to exercisable stock options	–	–	746,000	–	–
Stock options outstanding at the end of the fiscal year	1,012,000	990,000	–	–	–
Exercisable stock options					
Stock options outstanding at the end of the previous fiscal year	–	–	–	613,000	223,000
Conversion from non-exercisable stock options	–	–	746,000	–	–
Stock options exercised	–	–	2,000	24,000	212,000
Forfeitures	–	–	90,000	47,000	11,000
Stock options outstanding at the end of the fiscal year	–	–	654,000	542,000	–

(ii) Price of options

					Exact Yen Amounts
	2009	2008	2007	2006	2005
Exercise price	¥2,417	¥3,148	¥2,805	¥1,915	¥1,170
Average market price of the stock at the time of exercise	–	–	1,106	1,518	2,343
Fair value of options on grant date	308	667	564	–	–

(3) Method for estimating fair value of stock options

The method for estimating fair value of stock options granted for fiscal 2009 is as follows:

a) Valuation method used: Black-Scholes model

b) Principal basic values and estimation methods

	2009
Share price fluctuations (Note 1)	30.69%
Projected remaining period (Note 2)	4 years
Projected dividend (Note 3)	¥30 per share
Non-risk interest rate (Note 4)	0.93%

Notes: 1. Computed based on actual share prices during a four-year period (from June 2004 to July 2008).
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, 2008.
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.

20. 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
	2009	2008	**2009**
Net income per share basic:			
Net income	**¥ 40,224**	¥ 67,506	**$409,487**
Net income not attributable to common shareholders	**–**	–	**–**
Net income attributable to common shareholders	**40,224**	67,506	**409,487**
Weighted average shares (thousand)	**350,586**	350,796	
Net income per share basic (exact yen amounts)	**¥ 114.73**	¥ 192.44	**$ 1.17**
Net income per share diluted:			
Increase in weighted average shares for diluted computation (thousand)	**32**	660	
Net income per share diluted (exact yen amounts)	**¥ 114.72**	¥ 192.08	**$ 1.17**

Note: As for the dilutive securities that have not been included in the calculation of net income per share diluted because they do not have any dilutive effect, the Company has the following stock options outstanding.

Fiscal 2009:
1) Stock options outstanding for 542,000 shares of common stock under the stock option program approved by the annual general shareholders meeting on June 24, 2005
2) Stock options outstanding for 654,000 shares of common stock under the stock option program approved by the annual general shareholders meeting on June 27, 2006
3) Stock options outstanding for 990,000 shares of common stock under the stock option program approved by the annual general shareholders meeting on June 26, 2007
4) Stock options outstanding for 1,012,000 shares of common stock under the stock option program approved by the annual general shareholders meeting on June 25, 2008

Fiscal 2008:
Stock options outstanding for 998,000 shares of common stock under the stock option program approved by the annual general shareholders meeting on June 26, 2007

21. 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, 2009 were as follows:

Balance at March 31, 2007	354,056,516 shares
Increase	– shares
Decrease	– shares
Balance at March 31, 2008	354,056,516 shares
Increase	– shares
Decrease	– shares
Balance at March 31, 2009	354,056,516 shares

2. Number of Treasury Stock

The changes in total number of treasury stock for the year ended March 31, 2009 were as follows:

Balance at March 31, 2007	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
Balance at March 31, 2008	3,070,690 shares
Increase due to purchases for stock options	900,000 shares
Increase due to purchases of less-than-one-unit shares from shareholders	37,208 shares
Decrease due to execution of rights of stock options	(238,000) shares
Decrease due to sales of less-than-one-unit shares to shareholders	(18,956) shares
Net increase (decrease) of the quota of the Company's stocks owned by affiliates accounted by the equity method	11,297 shares
Balance at March 31, 2009	3,762,239 shares

22. 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
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
2)	Dividends per share:	¥14.00
3)	Record date:	September 30, 2007
4)	Effective date:	November 26, 2007

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 ($57,202 thousand)
2)	Dividends per share:	¥16.00
3)	Record date:	March 31, 2008
4)	Effective date:	June 26, 2008

Approvals by the Board of Directors meeting on October 30, 2008 are as follows:

Dividend on Common Stock

1)	Total amount of dividends:	¥6,309 million ($64,226 thousand)
2)	Dividends per share:	¥18.00
3)	Record date:	September 30, 2008
4)	Effective date:	November 26, 2008

(b) Dividends whose record date is attributable to the accounting period ended March 31, 2009 but to be effective after the said accounting period.

Approvals by an annual general shareholders' meeting held on June 24, 2009 are as follows:

Dividend on Common Stock

1)	Total amount of dividends:	¥2,804 million ($28,545 thousand)
2)	Funds for dividends:	Retained earnings
3)	Dividends per share:	¥8.00
4)	Record date:	March 31, 2009
5)	Effective date:	June 25, 2009

Report of Independent Auditors

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers Aarata
JR Central Towers 33rd Floor
1-1-4 Meieki, Nakamura-ku
Nagoya-shi, Aichi 450-6033
Japan
Telephone : +81 (52) 588 3951
Facsimile : +81 (52) 588 3952
www.pwc.com/jp/aarata

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 consolidated subsidiaries as of March 31, 2009, 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 consolidated subsidiaries as of March 31, 2009, and the results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

As described in Note 2(22) to the consolidated financial statements, effective from the fiscal year ended March 31, 2009, the Company and its domestic consolidated subsidiaries adopted "Accounting Standard for Measurement of Inventories"(Accounting Standards Board of Japan ("ASBJ") Statement No.9, announced on July 5, 2006).

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2009 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

PricewaterhouseCoopers Aarata

August 18, 2009

History

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 Corporation) under the name Nisshin Tsusho Kaisha, Ltd.
1956	Company name changed to Toyoda Tsusho Kaisha, Ltd.
1957	Established its first overseas joint venture, 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.

Corporate Information

(As of March 31, 2009)

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 2,530
Consolidated 27,909

Paid-in Capital: ¥64,936,432,888

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

Number of Shareholders: 76,062

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.	32,279	9.12
The Master Trust Bank of Japan, Ltd.	15,579	4.40
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	11,698	3.30
Mitsui Sumitomo Insurance Co., Ltd.	10,000	2.82
Trust & Custody Services Bank, Ltd.	8,585	2.42
Aioi Insurance Co., Ltd.	6,813	1.92
Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,746	1.91
Nippon Life Insurance Company	4,691	1.33

Stock Listings: Tokyo, Nagoya (Ticker code 8015)

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

Transfer Agent for Shares Special Management of Accounts: Mitsubishi UFJ Trust and Banking Corporation

Address of Office: Stock Transfer Agency Department
Mitsubishi UFJ Trust and Banking Corporation
1-4-5, Marunouchi, Chiyoda-ku, Tokyo 100-8212

Mailing Address: Stock Transfer Agency Department
Mitsubishi UFJ Trust and Banking Corporation
7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081
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: Corporate Communications Office,
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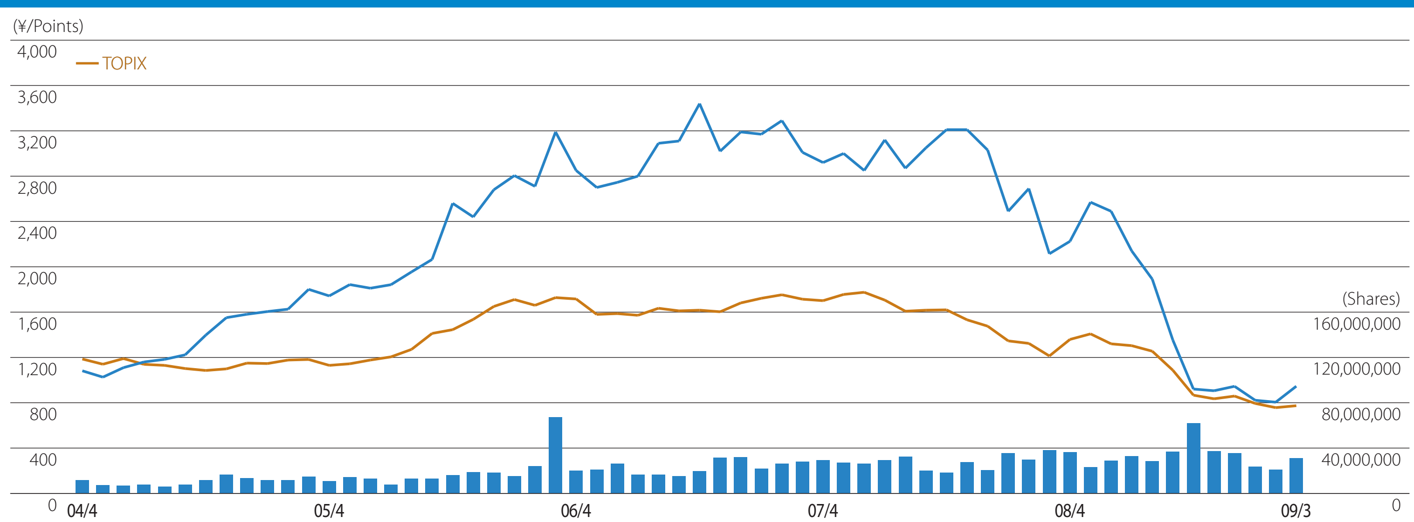
Phone: +81-52-584-5011
Facsimile: +81-52-584-5659
URL: http://www.toyota-tsusho.com/english/

Stock Price Range and Trading Volume:



Additional copies of this annual report and other information may be obtained by contacting:
Corporate Communications Office, Toyota Tsusho Corporation 8-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo 100-8320, Japan
Phone: +81-3-5288-2081 Facsimile: +81-3-5288-9063 E-mail: ttc_ir@pp.toyota-tsusho.com URL: http://www.toyota-tsusho.com/english/ir/

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