**FOR IMMEDIATE RELEASE**

# Toyota Tsusho Corporation Reports Earnings for the Nine Months Ended December 31, 2015

Nagoya, Japan; February 3, 2016 — Toyota Tsusho Corporation (TSE: 8015) reported consolidated net sales of 6,260.859 billion yen and net income attributable to owners of the parent of 35.052 billion yen, or 99.64 yen per share, for the nine months ended December 31, 2015.

## Consolidated Results of Operations

In the first nine months of the fiscal year (April 1, 2015 – December 31, 2015), the U.S. and European economies were resurgent, spearheaded by domestic demand, but the global economy was destabilized by a slowdown in emerging market economies.

The U.S. economy benefited from growth in personal consumption fueled by improvement in the employment environment. Consequently, the Federal Reserve began raising its policy rate, reversing its previous policy of monetary accommodation. Europe experienced a mild economic recovery, the outlook for which has recently been clouded by several concerns, including a refugee crisis and the Paris terrorist attacks. Among emerging market economies, Chinese growth slowed in response to a real estate market correction and control on overinvestment amid a transition to a "new normal." The Indian economy grew, driven by domestic demand, chiefly public investment. Other emerging market economies, however, continued to slow in the wake of resource price declines and a falloff in exports to China.

Against such a backdrop, the Japanese economy hit a soft patch as personal consumption largely stagnated and exports' recovery slackened.

Amid such an environment, the Toyota Tsusho Group's consolidated net sales decreased 323.2 billion yen (4.9%) year on year to 6,260.8 billion yen in the nine months ended December 31, largely as result of lower crude oil prices. Consolidated operating income decreased 19.221 billion yen (15.5%) to 104.616 billion yen from 123.837 billion yen in the year-earlier period, largely due to increased selling, general and administrative expenses. Consolidated ordinary income decreased 21.628 billion yen (17.9%) to 99.120 billion yen from 120.748 billion yen in the year-earlier period. Consolidated net income attributable to owners of the parent consequently decreased 29.281 billion yen (45.5%) to 35.052 billion yen from 64.333 billion yen in the year-earlier period.

*Segment Information*

## Metals

Net sales decreased 89.5 billion yen (6.0%) year on year to 1,393.1 billion yen.

In the automotive steel business, the Group acquired an equity stake in Mirra & Mirra Industries Private Limited, making it a subsidiary. With this acquisition, the Group decisively entered the specialty steel secondary processing business in India, another market with promising growth prospects. In the nonferrous metals business, Sales de Jujuy S.A., an Argentine lithium miner in which the Group owns an equity stake, began supplying customers with lithium produced at Salar de Olaroz in Argentina's Jujuy Province. Additionally, to strengthen its management foundations, the Company decided to split off portions of its operations and consolidate them into Toyotsu Tekkou Hanbai Co., Ltd., and Toyotsu Material Inc.

**Global Parts & Logistics**

Net sales increased 51.5 billion yen (7.4%) year on year to 748.9 billion yen.

In Malaysia, the Group entered into an exclusive aftermarket sales agreement pertaining to automotive batteries manufactured by the Hitachi Chemical Group. In Cameroon, the group entered into a general distributorship agreement with Makita Africa s.a.r.l.a.u., a local Makita Corporation subsidiary that manufactures and sells electric power tools.

**Automotive**

Net sales declined 28.7 billion yen (2.9%) year on year to 956.1 billion yen.

In Indonesia, the Group entered the used-car auction business by acquiring an equity stake in PT.Balai Lelang Serasi, an Astra Group affiliate. Additionally, investee CFAO S.A. established a joint-venture with Yamaha Motor Co., Ltd., to manufacture and sell motorcycles in Nigeria. It also opened auto dealerships and state-of-the-art service centers in Côte d'Ivoire and the Democratic Republic of Congo to increase sales to consumers, a market segment with promising growth prospects.

**Machinery, Energy & Project**

Net sales decreased 316.2 billion yen (20.4%) year on year to 1,237.3 billion yen.

Having designated North America as a key market for the electric power business, the Group signed on as an equity investor to construct and operate a gas-fired power plant in St. Joseph County, Indiana. A consortium to which the Group belongs, together with Tokyu Corporation et al., established Sendai International Airport Co., Ltd., in the aim of privatizing Sendai Airport and entered into an agreement with the Ministry of Land, Infrastructure, Transport and Tourism to operate the airport. Additionally, subsidiary Ene-Vision Co., Ltd., completed construction of the Gotsu Biomass Power Plant in Gotsu-shi, Shimane Prefecture and commissioned it into operation.

**Chemicals & Electronics**

Net sales increased 15.0 billion yen (1.0%) year on year to 1,475.6 billion yen.

In the chemical and synthetic resin business, subsidiary SDP Global Co., Ltd., established SDP Global (Malaysia) SDN. BHD. in Malaysia to meet growing demand for superabsorbent polymers in the wake of rising living standards in ASEAN nations. The new company is slated to commence production in 2018. In the electronics business, subsidiaries Tomen Electronics Corporation and Toyota Tsusho Electronics Corporation have joined forces to expand their collective footprint in the automotive, medical and industrial (e.g., factory automation) equipment markets through Tokyo Electron Device Ltd. (TED) and TED's inrevium brand.

**Food & Agribusiness**

Net sales increased 42.7 billion yen (14.8%) year on year to 332.2 billion yen.

In the agriculture and aquaculture business, the Group signed a memorandum of understanding with Kinki University to collaborate more closely in the aquaculture business and established Tuna Dream Goto Fish Nursery Center in Goto-shi, Nagasaki Prefecture, in the aim of stably producing and supplying Bluefin tuna hatchlings. In the grain business, the Group acquired an equity stake in NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agrícola S.A., an operator of grain infrastructure in central and northeastern Brazil, making it a subsidiary.

**Consumer Products & Services**

Net sales increased 1.6 billion yen (1.5%) year on year to 115.1 billion yen.

In the living & healthcare business, the Group formed an alliance with Sharp Corporation and Hikari Sports Corporation and ramped up a hitherto pilot venture to provide health management services at fitness facilities. The venture is now pursuing new customers. Additionally, the Group reached an agreement with Prince Hotels, Inc., to open a hotel and conference center at Global Gate, a mixed-use development under construction in Nagoya's Sasashima Live 24 district.

**Consolidated Financial Condition**

At December 31, 2015, consolidated assets totaled 4,310.5 billion yen, a decrease of 223.1 billion yen from March 31, 2015. Factors behind the decrease included reductions in trade notes and accounts receivable, cash and cash equivalents, and inventories of 60.0 billion, 53.9 billion, and 52.3 billion yen, respectively. Consolidated net assets at December 31 totaled 1,223.6 billion yen, a decrease of 80.8 billion yen from March 31. Although retained earnings grew 13.4 billion yen, mainly as a result of net income attributable to owners of the parent, this addition to net assets was offset by a 6.7 billion yen decrease in net unrealized gains on available-for-sales securities and a 74.5 billion yen decrease in foreign currency translation adjustments.

**Outlook for Fiscal Year Ending March 31, 2016**

The consolidated earnings forecast disclosed in the Company's October 23, 2015, Notice of Revision to Consolidated Full-year Earnings Outlook remains unchanged.

## Other Information

(1) Changes affecting the status of material subsidiaries (scope of consolidation) during the period

During the first nine months of the fiscal year ending March 31, 2016, the Company newly acquired the stock of NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agrícola S.A. and included it in the scope of consolidation.

(2) Accounting procedures specific to preparation of quarterly consolidated financial statements

The Group calculates tax liabilities by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to income before income taxes for the fiscal year, which encompasses the nine months ended December 31, 2015, and then multiplying income before income taxes by this estimated effective tax rate.

(3) Changes in accounting principles, changes in accounting estimates and retrospective restatements

*Changes in accounting policies*

(Accounting standards for business combinations)

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

These accounting standards were adopted at the beginning of the first three months of the fiscal year ending March 31, 2016 (April 1, 2015), and are applied to the transactions took place on and after the adoption date with transitional treatments stipulated in paragraph 58-2 (4) of the ASBJ Statement No.21, paragraph 44-5, (4) of the ASBJ Statement No.22, and paragraph 57-4 (4) of the ASBJ Statement No.7.

Due to these changes, for the first nine months of the fiscal year ending March 31, 2016, operating income was 344 million yen lower, ordinary income and income before income taxes were each 331 million yen lower, while capital surplus as of December 31, 2015 was 1,374 million yen lower.

*Changes in accounting policy not easily distinguished from changes in accounting estimates*

(Changes in depreciation of property and equipment)
The Company and its consolidated subsidiaries in Japan previously depreciated property and equipment mainly with the declining-balance method. Effective the first three months of the fiscal year ending March 31, 2016, however, the depreciation method was switched to the straight-line method.

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

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

The effect of this change on operating income, ordinary income and income before income taxes for the first nine months of the fiscal year ending March 31, 2016, were each 480 million yen higher, compared with what would have been under the previous method.

(4) Additional information
The fiscal year-end date for some of the Company's consolidated subsidiaries including Elematec (Shanghai) Trading Co., Ltd. is December 31, which is different from the consolidated year-end date. With respect to those subsidiaries, financial statements as of their year-end date were previously used for preparation of consolidated financial statements after necessary adjustments for consolidation were performed on important transactions that took place between the last year-end date of those companies and the consolidated year-end date.

Effective the first three months of the fiscal year ending March 31, 2016, however, in order to further increase the quality of financial reporting, preparation method for consolidated financial statements were changed to a new method under which the financial statements of Elematec (Shanghai) Trading Co., Ltd. and other eight consolidated subsidiaries are provisionally closed at the consolidated fiscal year-end date for consolidation.

In line with this change, the consolidated financial statements for the first nine months of the fiscal year ending March 31, 2016 include financial statements of these companies for twelve months (January 1, 2015 through December 31, 2015) with adjustments made through consolidated income statements.

The effect of this change is minor.

## Financial Statements

### (1) Consolidated Balance Sheets

Millions of yen

| | As of March 31, 2015 | As of December31, 2015 |
|---|---|---|
| | Amount | Amount |
| **Assets** | | |
| **Current assets:** | | |
| Cash and cash equivalents | 499,190 | 445,219 |
| Trade notes and accounts receivable | 1,346,461 | 1,286,423 |
| Inventories | 683,392 | 631,003 |
| Other current assets | 269,333 | 260,981 |
| Less: allowance for doubtful receivables | (29,169) | (32,935) |
| Total current assets | 2,769,209 | 2,590,691 |
| **Fixed assets:** | | |
| Property and equipment | 583,819 | 612,204 |
| Intangible assets: | | |
| Goodwill | 170,647 | 148,681 |
| Other | 229,745 | 200,003 |
| Total intangible assets | 400,392 | 348,684 |
| Investments and other assets: | | |
| Investment securities | 572,927 | 533,786 |
| Other | 227,437 | 248,348 |
| Less: allowance for doubtful receivables | (20,091) | (23,203) |
| Total investments and other assets | 780,272 | 758,931 |
| Total fixed assets | 1,764,484 | 1,719,820 |
| Total assets | 4,533,693 | 4,310,512 |

Millions of yen

| | As of March 31, 2015 Amount | As of December31, 2015 Amount |
|---|---|---|
| **Liabilities** | | |
| **Current liabilities:** | | |
| Trade notes and accounts payable | 969,099 | 881,500 |
| Short-term debt | 608,661 | 566,949 |
| Income taxes payable | 26,806 | 22,481 |
| Allowances | 1,755 | 1,264 |
| Other current liabilities | 455,404 | 406,481 |
| Total current liabilities | 2,061,727 | 1,878,678 |
| **Long-term liabilities:** | | |
| Bonds payable, less current portion | 116,161 | 110,000 |
| Long-term debt | 854,927 | 913,401 |
| Allowances | 7,058 | 3,502 |
| Net defined benefit liability | 32,355 | 34,324 |
| Other long-term liabilities | 156,980 | 146,985 |
| Total long-term liabilities | 1,167,482 | 1,208,214 |
| Total liabilities | 3,229,210 | 3,086,892 |
| **Net assets** | | |
| **Shareholders' equity:** | | |
| Common stock | 64,936 | 64,936 |
| Capital surplus | 155,021 | 153,680 |
| Retained earnings | 628,399 | 641,786 |
| Treasury stock | (3,858) | (3,627) |
| Total shareholders' equity | 844,499 | 856,774 |
| **Accumulated other comprehensive income:** | | |
| Net unrealized gains on available-for-sales securities, net of taxes | 137,976 | 131,251 |
| Deferred gain (loss) on futures hedge | (15,797) | (17,469) |
| Foreign currency translation adjustments | 154,903 | 80,497 |
| Remeasurements of defined benefit plans | 3,930 | 3,447 |
| Total accumulated other comprehensive income | 281,012 | 197,726 |
| **Stock warrants** | 127 | 39 |
| **Non-controlling interests** | 178,844 | 169,078 |
| Total net assets | 1,304,483 | 1,223,619 |
| Total liabilities and net assets | 4,533,693 | 4,310,512 |

## (2) Consolidated Statements of Income and Comprehensive Income
### Consolidated Statements of Income

Millions of yen

| | Nine Months ended December31, 2014 | Nine Months ended December31, 2015 |
|---|---|---|
| | Amount | Amount |
| **Net sales** | 6,584,093 | 6,260,859 |
| Cost of sales | 6,116,672 | 5,799,196 |
| **Gross profit** | 467,421 | 461,663 |
| **Selling, general and administrative expenses** | 343,583 | 357,046 |
| **Operating income** | 123,837 | 104,616 |
| **Other income:** | | |
| Interest income | 4,271 | 5,183 |
| Dividend income | 15,899 | 18,739 |
| Equity in the earnings of unconsolidated subsidiaries and affiliates | 7,606 | - |
| Other income | 8,676 | 9,179 |
| Total other income | 36,454 | 33,102 |
| **Other expenses:** | | |
| Interest expense | 20,188 | 21,265 |
| Equity in loss of unconsolidated subsidiaries and affiliates | - | 1,555 |
| Foreign exchange loss | 15,852 | 10,485 |
| Other expenses | 3,501 | 5,291 |
| Total other expenses | 39,543 | 38,598 |
| **Ordinary income** | 120,748 | 99,120 |
| **Extraordinary income:** | | |
| Gain on sale of fixed assets | 2,225 | 3,732 |
| Gain on trading of securities and investments | 5,180 | 4,579 |
| Gain on liquidation of subsidiaries and affiliates | - | 184 |
| Gain on reversal of provision for loss on withdrawal from business | 30 | 710 |
| Gain on bargain purchase | 10,856 | 262 |
| Gain on reversal of stock warrants | 85 | 17 |
| Other extraordinary income | - | 10 |
| Total extraordinary income | 18,378 | 9,497 |
| **Extraordinary losses:** | | |
| Loss on disposal of fixed assets | 625 | 1,404 |
| Impairment of property and intangible assets | 3,266 | 3,526 |
| Loss on trading of securities and investments | 122 | 1,010 |
| Loss on valuation of securities and investments | 797 | 7,929 |
| Loss on liquidation of subsidiaries and affiliates | 69 | 0 |
| Provision for doubtful receivables | - | 3,754 |
| Loss on change in equity interest | 247 | - |
| Loss on cancellation of contract | 580 | 8,288 |
| Customs duties for prior periods | 1,635 | - |
| Special retirement expenses | - | 368 |
| Other extraordinary losses | 15 | 27 |
| Total extraordinary losses | 7,359 | 26,310 |
| **Income before income taxes** | 131,767 | 82,307 |
| **Income tax expenses** | 47,797 | 32,717 |
| **Net income** | 83,969 | 49,589 |
| **Net income attributable to non-controlling interests** | 19,635 | 14,536 |
| **Net income attributable to owners of the parent** | 64,333 | 35,052 |

## Consolidated Statements of Comprehensive Income

Millions of yen

| | Nine Months ended December31, 2014 | Nine Months ended December31, 2015 |
|---|---|---|
| | Amount | Amount |
| Net income | 83,969 | 49,589 |
| Other comprehensive income | | |
| Net unrealized gains on available-for-sales securities, net of taxes | 38,629 | (6,754) |
| Deferred gain (loss) on futures hedge | (8,924) | (2,707) |
| Foreign currency translation adjustments | 30,624 | (75,625) |
| Remeasurements of defined benefit plans | 128 | (482) |
| Share of other comprehensive income of unconsolidated subsidiaries and affiliates | 4,633 | (4,560) |
| Total other comprehensive income | 65,090 | (90,130) |
| Comprehensive income | 149,059 | (40,541) |
| Components: | | |
| Comprehensive income attributable to owners of the parent | 126,040 | (48,278) |
| Comprehensive income attributable to non-controlling interests | 23,019 | 7,737 |

### (3) Notes on Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

(Segment and Other Information)

Segment information

1. Sales and income/loss by reportable segment

Nine Months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

Millions of yen

| | Reportable segment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Metals | Global Parts & Logistics | Automotive | Machinery, Energy & Project | Chemicals & Electronics | Food & Agribusiness | Consumer Products & Services | Total |
| **Net sales** | | | | | | | | |
| Outside customers | 1,482,674 | 697,423 | 984,884 | 1,553,530 | 1,460,648 | 289,512 | 113,506 | 6,582,179 |
| Inter-segment revenue or transfers | 746 | 2,524 | 9 | 1,193 | 4,284 | 93 | 501 | 9,353 |
| Total | 1,483,421 | 699,947 | 984,893 | 1,554,724 | 1,464,932 | 289,606 | 114,007 | 6,591,533 |
| Segment income (loss) | 41,893 | 16,289 | 25,555 | 14,868 | 25,365 | 3,342 | 3,706 | 131,020 |

| | Other *1 | Total | Adjustments *2 | Amounts on the quarterly consolidated statements of income *3 |
|---|---|---|---|---|
| **Net sales** | | | | |
| Outside customers | 1,914 | 6,584,093 | - | 6,584,093 |
| Inter-segment revenue or transfers | 388 | 9,742 | (9,742) | - |
| Total | 2,303 | 6,593,836 | (9,742) | 6,584,093 |
| Segment income (loss) | (7,175) | 123,845 | (7) | 123,837 |

Nine Months ended December 31, 2015 (April 1, 2015 to December 31, 2015)

Millions of yen

| | Reportable segment | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Metals | Global Parts & Logistics | Automotive | Machinery, Energy & Project | Chemicals & Electronics | Food & Agribusiness | Consumer Products & Services | Total |
| **Net sales** | | | | | | | | |
| Outside customers | 1,393,126 | 748,930 | 956,127 | 1,237,304 | 1,475,658 | 332,218 | 115,192 | 6,258,557 |
| Inter-segment revenue or transfers | 658 | 2,283 | 25 | 317 | 4,492 | 154 | 586 | 8,517 |
| Total | 1,393,784 | 751,214 | 956,153 | 1,237,621 | 1,480,150 | 332,372 | 115,778 | 6,267,075 |
| Segment income (loss) | 29,637 | 14,936 | 26,160 | 16,397 | 18,885 | 2,998 | 3,808 | 112,825 |

| | Other *1 | Total | Adjustments *2 | Amounts on the quarterly consolidated statements of income *3 |
|---|---|---|---|---|
| **Net sales** | | | | |
| Outside customers | 2,301 | 6,260,859 | - | 6,260,859 |
| Inter-segment revenue or transfers | 409 | 8,927 | (8,927) | - |
| Total | 2,711 | 6,269,786 | (8,927) | 6,260,859 |
| Segment income (loss) | (8,222) | 104,603 | 13 | 104,616 |

Notes:
1. "Other" comprises businesses that are not included in reportable segments, such as functional services which provide operation support to the whole Group.
2. Figures in "Adjustments" for the "Segment income (loss)" row represent the amounts of inter-segment transactions.

3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.
4. Effective the first three months of the fiscal year ending March 31, 2016, the Company adopted ASBJ Statement of Accounting Standard for Business Combinations and other related standards. In line with this, accounting method for change in the Company's equity interests in a subsidiary was changed to a new method under which, when the Company still hold control over the subsidiary even after the change in equity interests, gains or losses resulting from the change in equity interests are recorded in capital surplus; and the acquisition costs is expensed in the fiscal year when it is incurred. In addition, for business combination implemented on or after the beginning of the first three months of the fiscal year ending March 31, 2016, the Company switched to a new method under which adjustments to provisional values of allocated acquisition costs are reflected in the quarterly financial statements for the period which encompasses the effective date of business combination. Due to this change, compared with what would have been under the previous accounting method, segment income for the first nine months of the fiscal year ending March 31, 2016, in the Chemicals & Electronics was 136 million yen higher; in the Food & Agribusiness, 480 million yen lower.

5. As stated in "Changes in accounting policy not easily distinguished from changes in accounting estimates," effective the first three months of the fiscal year ending March 31, 2016, the Company and its consolidated subsidiaries in Japan have switched their depreciation method from the declining-balance method to straight-line method. Due to this change, compared with what would have been under the previous method, segment income for the first nine months of the fiscal year ending March 31, 2015, was 127 million yen higher in Metals; 17 million yen higher in Global Parts & Logistics; 0 million yen higher in Automotive; 0 million yen higher in Machinery, Energy & Project;12 million yen higher in Chemicals & Electronics; 107 million yen higher in Food & Agribusiness; 59 million yen higher in Consumer Products & Services; and 154 million yen higher in other segments.

## Outline of Consolidated Results for the Nine Months Ended December 31, 2015
## (April 1, 2015 to December 31, 2015)

### 1. Operating Results

Billions of yen

| | Consolidated | | | |
|---|---|---|---|---|
| | Nine Months ended December 31, 2015 | Nine Months ended December 31, 2014 | Year-on-year change | |
| | | | Amount | % |
| Net sales | 6,260.8 | 6,584.0 | (323.2) | (4.9) |
| Gross profit | 461.6 | 467.4 | (5.8) | (1.2) |
| SG & A expenses | 357.0 | 343.5 | 13.5 | - |
| Operating income | 104.6 | 123.8 | (19.2) | (15.5) |
| Interest income and expense | (16.0) | (15.9) | (0.1) | - |
| Dividend income | 18.7 | 15.8 | 2.9 | - |
| Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates | (1.5) | 7.6 | (9.1) | - |
| Other income (expenses) | (6.5) | (10.6) | 4.1 | - |
| Ordinary income | 99.1 | 120.7 | (21.6) | (17.9) |
| Extraordinary income (losses) | (16.8) | 11.0 | (27.8) | - |
| Income before income taxes | 82.3 | 131.7 | (49.4) | (37.5) |
| Income tax expenses | 32.7 | 47.7 | (15.0) | - |
| *Net income | 49.5 | 83.9 | (34.4) | (40.9) |
| *Net income attributable to non-controlling interests | 14.5 | 19.6 | (5.1) | - |
| *Net income attributable to owners of the parent | 35.0 | 64.3 | (29.3) | (45.5) |

*Note: In accordance with revisions of accounting standards for consolidated financial statements, presentation methods have been changed.

**Main factors behind year-on-year changes**

- Net sales -323.2 billion yen:
  - Decrease mainly in the Machinery, Energy & Project division and the Metals division due to lower market value and effect of alignment of accounting period implemented in the previous fiscal year
- SG & A expenses + 13.5 billion yen:
  - Increase due to consolidation of new subsidiaries and other factors
- Dividend income +2.9 billion yen:
  - Increase mainly in Toyota Tsusho Corporation
- Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates -9.1 billion yen:
  - Decrease mainly in the Metals division and the Chemicals & Electronics division
- Other income/expenses +4.1 billion yen:
  - Increase due mainly to improvement in foreign exchange gains/losses
- Extraordinary income (losses) -27.8 billion yen:
  - Decrease due to loss on cancellation of contract, loss on valuation of securities and investments, and effect of gain on bargain purchase recorded in the previous fiscal year

**For reference:**

Billions of yen

| Quarterly changes | 1st quarter | 2nd quarter | 3rd quarter |
|---|---|---|---|
| Net sales | 2,138.4 | 2,145.6 | 1,976.7 |
| Operating income | 30.5 | 35.8 | 38.2 |
| Ordinary income | 35.4 | 31.0 | 32.6 |
| Net income | 12.9 | 10.8 | 11.2 |

## 2. Financial Position

Billions of yen

| | Consolidated | | | |
|---|---|---|---|---|
| | As of December 31, 2015 | As of March 31, 2015 | Change versus March 31, 2015 | |
| | | | Amount | % |
| Total assets | 4,310.5 | 4,533.6 | (223.1) | (4.9) |
| Current assets | 2,590.6 | 2,769.2 | (178.6) | (6.4) |
| Investment securities & other investments | 590.7 | 632.9 | (42.2) | (6.7) |
| Other fixed assets | 1,129.1 | 1,131.4 | (2.3) | (0.2) |
| Net assets | 1,223.6 | 1,304.4 | (80.8) | (6.2) |
| Net interest-bearing debt | 1,267.3 | 1,233.5 | 33.8 | 2.7 |
| Debt-equity ratio (times) | 1.2 | 1.1 | 0.1 | |

**Main factors behind year-on-year changes**

- Current assets -178.6 billion yen:
  - Trade notes and accounts receivable decreased 60.0 billion yen
  - Cash and cash equivalents decreased 53.9 billion yen
  - Inventories decreased 52.3 billion yen
- Investment securities & other investments -42.2 billion yen:
  - Decreased due mainly to consolidation of new subsidiaries and equity in earnings of unconsolidated subsidiaries and affiliates
- Net assets -80.8 billion yen:
  - Retained earnings increased 13.4 billion yen (net income attributable to owners of the parent of 35.0 billion yen less 20.7 billion yen dividends, etc.)
  - Net unrealized gains on available-for-sales securities, net of taxes decreased 6.7 billion yen
  - Foreign currency translation adjustments decreased 74.5 billion yen
  - Non-controlling interests decreased 9.8 billion yen

### 3. Consolidated Net Sales and Operating Income by Segment

*The top row for each segment indicates net sales; the bottom row indicates operating income.

Billions of yen

| | | Nine Months ended December 31, 2015 | Nine Months ended December 31, 2014 | Year-on-year change | Amounts affected by exchange rates | Year-on-year change excluding amount affected by exchange rates | |
|---|---|---|---|---|---|---|---|
| | | | | | | Amount | % |
| Metals | Net sales | 1,393.1 | 1,482.6 | (89.5) | 75.8 | (165.3) | (10.6) |
| | Operating income | 29.6 | 41.8 | (12.2) | 2.6 | (14.8) | (33.3) |
| Global Parts & Logistics | Net sales | 748.9 | 697.4 | 51.5 | 59.1 | (7.6) | (1.0) |
| | Operating income | 14.9 | 16.2 | (1.3) | 1.4 | (2.7) | (15.6) |
| Automotive | Net sales | 956.1 | 984.8 | (28.7) | (5.4) | (23.3) | (2.4) |
| | Operating income | 26.1 | 25.5 | 0.6 | 0.9 | (0.3) | (1.1) |
| Machinery, Energy & Project | Net sales | 1,237.3 | 1,553.5 | (316.2) | 67.2 | (383.4) | (23.7) |
| | Operating income | 16.3 | 14.8 | 1.5 | 0.5 | 1.0 | 7.0 |
| Chemicals & Electronics | Net sales | 1,475.6 | 1,460.6 | 15.0 | 57.5 | (42.5) | (2.8) |
| | Operating income | 18.8 | 25.3 | (6.5) | 0.8 | (7.3) | (27.9) |
| Food & Agribusiness | Net sales | 332.2 | 289.5 | 42.7 | 17.1 | 25.6 | 8.3 |
| | Operating income | 2.9 | 3.3 | (0.4) | (0.2) | (0.2) | (3.7) |
| Consumer Products & Services | Net sales | 115.1 | 113.5 | 1.6 | 1.8 | (0.2) | (0.1) |
| | Operating income | 3.8 | 3.7 | 0.1 | 0.0 | 0.1 | 2.0 |
| Total | Net sales | 6,260.8 | 6,584.0 | (323.2) | 273.3 | (596.5) | (8.7) |
| | Operating income | 104.6 | 123.8 | (19.2) | 5.7 | (24.9) | (19.2) |

**Main factors behind year-on-year changes**

- Metals
  - Net sales and operating income:
    - Both decreased due to lower market prices and effect of alignment of accounting period implemented in the previous fiscal year
- Global Parts & Logistics
  - Net sales:
    - Decreased due to effect of alignment of accounting period implemented in the previous fiscal year
  - Operating income:
    - Decreased due to decrease in automobile production in the Asian Pacific region
- Automotive
  - Net sales and operating income:
    - Both decreased due to effect of alignment of accounting period implemented in the previous fiscal year
- Machinery, Energy & Project
  - Net sales:
    - Decreased due to lower market value
  - Operating income:
    - Increased due to increase in trading volume of automotive equipment
- Chemicals & Electronics
  - Net sales:
    - Decreased due to effect of alignment of accounting period implemented in the previous fiscal year
  - Operating income:
    - Decreased due to loss on valuation of inventories
- Food & Agribusiness

Net sales:

Increased due to increase in trading volume of grain handled overseas

Operating income:

Decreased due to acquisition costs of newly consolidated subsidiaries

• Consumer Products & Services

Net sales and operating income:

Almost unchanged from the previous corresponding period

## 4. Consolidated Financial Results Forecasts for the Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

Billions of yen

| | Year ending March 31, 2016 (forecast released on October 23, 2015) | Year ended March 31, 2015 (result) | Year-on-year change | |
|---|---|---|---|---|
| | | | Amount | % |
| Net sales | 8,400.0 | 8,663.4 | (263.4) | (3.0) |
| Operating income | 154.0 | 169.4 | (15.4) | (9.1) |
| Ordinary income | 139.0 | 156.2 | (17.2) | (11.0) |
| Net income attributable to owners of the parent | 35.0 | 67.5 | (32.5) | (48.2) |

## 5. Changes in Major Indexes

| | | Nine Months ended December 31, 2015 | Nine Months ended December 31, 2014 (or as of March 31, 2015) |
|---|---|---|---|
| Exchange rate (yen / US dollar) | Average during the period | 122 | 107 |
| | End of period | 121 | (120) |
| Interest rate | Yen TIBOR 3M average | 0.17% | 0.20% |
| | US dollar LIBOR 3M average | 0.33% | 0.23% |
| Dubai oil (US dollars / bbl) | | 51 | 95 |
| Australian thermal coal (US dollars / ton) | | 57 | 68 |
| Corn futures (cents / bushel) | | 374 | 404 |