

FOR IMMEDIATE RELEASE

**Toyota Tsusho Corporation Reports Earnings for  
the Fiscal Year Ended March 31, 2014**

Nagoya, Japan; April 25, 2014 — Toyota Tsusho Corporation (TSE: 8015) reported consolidated net sales of 7,743.237 billion yen and net income of 73.034 billion yen, or 208.01 yen per share, for the fiscal year ended March 31, 2014.

**Consolidated Results of Operations**

In the fiscal year ended March 31, 2014, the global economy as a whole continued to gradually recover, with developed economies performing solidly while growth slowed in emerging market economies. The US economy held firm, bolstered mainly by personal consumption. The European economy has embarked on a recovery trend even as certain countries remain mired in debt crises. On the downside, emerging market economies that had hitherto been spearheading global economic growth saw their overall growth slow in the wake of continued deceleration in the Chinese economy and capital outflows triggered by expectations of tapering of US quantitative easing.

Against such a backdrop, the Japanese economy maintained an upward trajectory, buoyed by monetary and fiscal stimulus and recovery in economic sentiment in both the household and corporate sectors. Japan's trade deficit widened as a result of growth in imported energy costs coupled with sluggish exports.

Amid this environment, the Toyota Tsusho Group's consolidated net sales in the fiscal year increased 1,438.9 billion yen (22.8%) year on year to 7,743.2 billion yen as a result of contributions from newly consolidated subsidiaries and yen depreciation. Consolidated operating income grew to 161.321 billion yen from 115.875 billion yen in the previous fiscal year, a 45.446 billion yen (39.2%) increase attributable mainly to growth in gross profits. Consolidated ordinary income totaled 163.438 billion yen, up 38.624 billion yen (30.9%) from 124.814 billion yen in the previous fiscal year. Consolidated net income after taxes totaled 73.034 billion yen, a 5.602 billion yen (8.3%) increase from 67.432 billion yen in the previous fiscal year.

*Segment Information*

In response to changes in the peripheral environment, the Group reorganized certain divisions and changed the name of its Consumer Products, Services & Materials Division to the Consumer Products & Services Division effective April 1, 2013.

**Metals**

Net sales rose 134.1 billion yen (7.9%) year on year to 1,828.2 billion yen, lifted by yen depreciation.

In the steel business, the Group undertook expansion of operating companies' production capacity to accommodate growth in overseas auto production. In the nonferrous metals business, the Group continued to focus on production of rare earth metals. In the steel raw materials business, the Group acquired an equity stake in

Beijing Borui Liantong Auto Recycling Tech Co., Ltd., an automobile recycling company in China, where vehicle scrapping is expected to grow in prevalence. The Group is the first Japanese company to enter the auto recycling business in China.

### **Global Production Parts & Logistics**

Net sales grew 100.8 billion yen (12.7%) year on year to 891.6 billion yen by virtue of yen depreciation.

In addition to acquiring an equity stake in PT Astra Otoparts Tbk., Indonesia's largest auto-component manufacturer, the Group entered into agreements to acquire Borneo Technical (Malaysia) Bhd., a Malaysian aftermarket auto parts distributor, and Borneo Technical (Thailand) Co., Ltd. Additionally, the Group agreed to be the exclusive Japan distributor of Direct Methanol Fuel Cells (DMFCs) developed by Oorja Protonics, Inc., a US fuel cell startup, and began selling DMFCs.

### **Automotive**

Net sales increased 516.1 billion yen (66.0%) year on year to 1,298.0 billion yen as a result of growth in overseas auto sales and the contribution from a newly consolidated subsidiary.

In Cambodia, where used vehicles account for a majority share of the auto market, the Group partnered with DENSO Corporation and AISIN SEIKI Co., Ltd., to establish PIT & GO Automotive Service (Cambodia) Co., Ltd., a direct operator of total car service stores. Additionally, in the aim of further cultivating overseas markets and expanding sales, the Group expanded its sales and service network in Asia, Africa and other frontier markets expected to follow in the footsteps of emerging market economies in terms of economic growth.

### **Machinery, Energy & Projects**

Net sales increased 273.3 billion yen (21.8%) year on year to 1,526.7 billion yen, largely as a result of growth in petroleum product sales and yen depreciation.

In Kenya, where international trade is growing, the Group and Mitsui Engineering & Shipbuilding Co., Ltd., won a contract from the Kenyan government to supply port cranes to Mombasa Port, the largest trade port in East Africa. In the US, the Group partnered with Competitive Power Ventures Holdings, LLC, and ArcLight Capital Partners, LLC, to construct and operate a gas-fired power plant in New Jersey to contribute to stable power supplies in the northeastern US.

### **Chemicals & Electronics**

Net sales grew 381.7 billion yen (28.8%) year on year to 1,706.5 billion yen, mainly as a result of the contribution from a newly consolidated subsidiary.

In the chemical business, the Group acquired an equity stake in San-Dia Polymers, Ltd., a consolidated subsidiary of Sanyo Chemical Industries, Ltd. The company, which manufactures and sells superabsorbent polymers, was subsequently renamed SDP Global Co., Ltd. In the electronics business, the Group proceeded with preparations to acquire Tomen Electronics Corporation as a wholly owned subsidiary through a tender offer in the aim of stepping up expansion into new businesses and enhancing customer satisfaction.

## **Food & Agribusiness**

Net sales increased 29.6 billion yen (10.2%) year on year to 319.8 billion yen as a result of yen depreciation and the contribution from a newly consolidated subsidiary.

In the grain business, the Group endeavored to expand sales of Australian grains to Japan and Southeast Asian countries, utilizing the capabilities of an Australian grain accumulation and exporting affiliate. In the food business, the Group entered the food service business by acquiring an equity stake in Fuji Sangyo Co., Ltd., in addition to entering into a business alliance agreement with Kokubu & Co., Ltd., in the aim of domestic and overseas business expansion.

## **Consumer Products & Services**

Net sales increased 3.7 billion yen (2.2%) year on year to 169.5 billion yen in the wake of yen depreciation.

In the living & healthcare business, the Group partnered with Secom Medical System Co., Ltd., and India's Kirloskar Group expanded its healthcare operations by opening a jointly owned and operated general hospital in Bangalore, India. In the insurance business, the Group endeavored to expand and strengthen its domestic operations by merging Toyotsu Hoken Customer Center Corporation and Toyotsu Family Life Co., Ltd., to form Toyota Tsusho Insurance Partners Corporation, one of Japan's largest insurance agencies.

## **Outlook for Fiscal Year Ending March 31, 2015**

For the fiscal year ending March 31, 2015, the Company forecasts net sales of 8,600 billion yen, an increase of 856.8 billion yen (11.1%) from the year ended March 31, 2014. Operating income is forecast at 175.0 billion yen, a year-on-year increase of 13.7 billion yen (8.5%), ordinary income is forecast at 177.0 billion yen, a year-on-year increase of 13.6 billion yen (8.3%), and net income after taxes is forecast at 80.0 billion yen, a year-on-year increase of 7.0 billion yen (9.5%).

## **Consolidated Financial Condition**

### **(1) Assets, Liabilities, and Net Assets**

At March 31, 2014, consolidated assets totaled 4,072.7 billion yen, an increase of 480.4 billion yen from March 31, 2013. The increase was chiefly attributable to a 161.7 billion yen increase in trade notes and accounts receivable, 85.8 billion yen increase in investment securities, 64.8 billion yen increase in intangible assets, 58.8 billion yen increase in property and equipment, and 35.6 billion yen increase in inventories.

Consolidated liabilities at March 31, 2014, totaled 2,916.6 billion yen, an increase of 244.3 billion yen from March 31, 2013. The increase was mainly attributable to a 111.0 billion yen increase in interest-bearing debt and 74.3 billion yen increase in trade notes and accounts payable.

Consolidated net assets totaled 1,156.0 billion yen at March 31, 2014, an increase of 236.0 billion yen from March 31, 2013. The increase was mostly attributable to retained earnings accretion of 53.5 billion yen derived mainly from net income, a 33.9 billion yen increase in net unrealized gain on available-for-sales securities, and a 121.8 billion yen improvement in foreign currency translation adjustments.

## (2) Cash Flows

Cash and cash equivalents (“cash”) totaled 412.032 billion yen at March 31, 2014, an increase of 20.680 billion yen from March 31, 2013. The increase in cash was the net result of positive cash flow from operating and financing activities and negative cash flow from investing activities.

### Cash flows from operating activities

Operating activities provided net cash of 133.937 billion yen (9.781 billion yen more than in the previous fiscal year) in the fiscal year ended March 31, 2014. The net cash inflow was largely derived from net income.

### Cash flows from investing activities

Investing activities used net cash of 135.587 billion yen (187.802 billion yen less than in the previous fiscal year), mainly to purchase of property and equipment.

### Cash flows from financing activities

Financing activities provided net cash of 5.356 billion yen (218.018 billion yen less than in the previous fiscal year), largely as a result of an increase in debt.

## **Dividends**

The Company has adopted a flexible dividend policy whereby it aims to pay dividends equivalent to 20~25% of consolidated net income while adjusting dividend distributions to take into account changes in the economic environment, progress in capital investment plans, and other factors.

In accordance with this policy, the Company plans to pay a year-end dividend of 27 yen per share in addition to the previously paid interim dividend of 23 yen per share, bringing total dividends for the fiscal year ended March 31, 2014, to 50 yen per share (a 6 yen increase from the previous fiscal year).

For the fiscal year ending March 31, 2015, the Company currently forecasts consolidated net income of 80.0 billion yen. Based on this forecast, the Company currently plans to pay annual dividends of 56 yen per share, consisting of an interim dividend of 28 yen per share and a year-end dividend of 28 yen per share.

The Company intends to use internally retained earnings to further strengthen its operational foundation and invest in business expansion to ensure shareholder returns into the future.

To enable the Company to flexibly distribute earnings to shareholders in the future, its Articles of Incorporation authorize it to distribute retained earnings and/or additional paid-in capital to shareholders pursuant to a Board of Directors’ resolution in accordance with Article 459(1) of the Companies Act. For the time being, however, the Company plans to continue paying dividends twice a year as usual.

**Financial Statements**  
**(1) Consolidated Balance Sheets**

|   | As of<br>March 31, 2013 | Millions of yen<br>As of<br>March 31, 2014 |
|---|-------------------------|--|
| <b>Assets</b>                             |                         |  |
| <b>Current assets:</b>                    |                         |  |
| Cash and cash equivalents                 | 391,409                 | 412,089                                    |
| Trade notes and accounts receivable       | 1,106,604               | 1,268,331                                  |
| Inventories                               | 593,155                 | 628,758                                    |
| Deferred tax assets                       | 17,056                  | 15,311                                     |
| Other current assets                      | 203,846                 | 217,617                                    |
| Less: allowance for doubtful receivables  | (17,920)                | (21,222)                                   |
| <b>Total current assets</b>               | <b>2,294,151</b>        | <b>2,520,885</b>                           |
| <b>Fixed assets:</b>                      |                         |  |
| Property and equipment:                   |                         |  |
| Buildings and structures                  | 283,577                 | 315,629                                    |
| Less: accumulated depreciation            | (118,920)               | (135,263)                                  |
| Buildings and structures, net             | 164,657                 | 180,365                                    |
| Machinery, equipment and vehicles         | 325,449                 | 372,817                                    |
| Less: accumulated depreciation            | (174,736)               | (194,559)                                  |
| Machinery, equipment and vehicles, net    | 150,713                 | 178,257                                    |
| Land                                      | 81,537                  | 94,045                                     |
| Leased assets                             | 24,892                  | 24,388                                     |
| Less: accumulated depreciation            | (11,520)                | (13,097)                                   |
| Leased assets, net                        | 13,371                  | 11,290                                     |
| Construction in progress                  | 26,072                  | 28,966                                     |
| Other                                     | 29,747                  | 35,903                                     |
| Less: accumulated depreciation            | (20,729)                | (24,724)                                   |
| Other, net                                | 9,017                   | 11,178                                     |
| <b>Total property and equipment</b>       | <b>445,370</b>          | <b>504,104</b>                             |
| Intangible assets:                        |                         |  |
| Goodwill                                  | 256,957                 | 202,858                                    |
| Leased assets                             | 255                     | 107  |
| Other                                     | 107,516                 | 226,534                                    |
| <b>Total intangible assets</b>            | <b>364,729</b>          | <b>429,500</b>                             |
| Investments and other assets:             |                         |  |
| Investment securities                     | 386,026                 | 471,818                                    |
| Other investments                         | 42,951                  | 54,229                                     |
| Long-term loans receivables               | 11,224                  | 17,251                                     |
| Prepaid pension cost                      | 6,316                   | -  |
| Net defined benefit asset                 | -                       | 12,407                                     |
| Deferred tax assets                       | 14,374                  | 15,705                                     |
| Other                                     | 44,263                  | 62,695                                     |
| Less: allowance for doubtful receivables  | (17,040)                | (15,870)                                   |
| <b>Total investments and other assets</b> | <b>488,117</b>          | <b>618,238</b>                             |
| <b>Total fixed assets</b>                 | <b>1,298,216</b>        | <b>1,551,843</b>                           |
| <b>Total assets</b>                       | <b>3,592,368</b>        | <b>4,072,728</b>                           |

|  | As of<br>March 31, 2013 | Millions of yen<br>As of<br>March 31, 2014 |
|--|-------------------------|--|
| <b>Liabilities</b>   |                         |  |
| <b>Current liabilities:</b>  |                         |  |
| Trade notes and accounts payable                                     | 876,595                 | 950,852                                    |
| Short-term debt  | 420,602                 | 520,337                                    |
| Commercial paper   | 144,000                 | 155,000                                    |
| Current portion of bonds payable                                     | 20,000                  | -  |
| Lease obligations  | 4,715                   | 4,977                                      |
| Income taxes payable   | 30,153                  | 33,099                                     |
| Deferred tax liabilities-current                                     | 4,154                   | 5,675                                      |
| Reserve for directors' bonuses                                       | 771                     | 792  |
| Provision for loss on litigation                                     | 362                     | 745  |
| Other current liabilities  | 263,718                 | 263,850                                    |
| <b>Total current liabilities</b>                                     | <b>1,765,072</b>        | <b>1,935,332</b>                           |
| <b>Long-term liabilities:</b>  |                         |  |
| Bonds payable, less current portion                                  | 65,000                  | 95,000                                     |
| Long-term debt   | 727,244                 | 720,813                                    |
| Lease obligations  | 8,474                   | 4,935                                      |
| Deferred tax liabilities-non-current                                 | 33,815                  | 80,604                                     |
| Employees' retirement benefit liabilities                            | 21,037                  | -  |
| Directors' retirement benefit liabilities                            | 727                     | 625  |
| Provision for loss on guarantees                                     | 107                     | 826  |
| Provision for loss on withdrawal from business                       | 3,101                   | 2,285                                      |
| Provision for loss on contracts                                      | 2,907                   | 2,087                                      |
| Provision for loss on litigation                                     | 422                     | 742  |
| Net defined benefit liability  | -                       | 30,915                                     |
| Other long-term liabilities  | 44,415                  | 42,479                                     |
| <b>Total long-term liabilities</b>                                   | <b>907,251</b>          | <b>981,315</b>                             |
| <b>Total liabilities</b>   | <b>2,672,324</b>        | <b>2,916,648</b>                           |
| <b>Net assets</b>  |                         |  |
| <b>Shareholders' equity:</b>   |                         |  |
| Common stock   | 64,936                  | 64,936                                     |
| Capital surplus  | 154,539                 | 154,781                                    |
| Retained earnings  | 531,049                 | 584,591                                    |
| Treasury stock   | (5,345)                 | (4,508)                                    |
| <b>Total shareholders' equity</b>                                    | <b>745,179</b>          | <b>799,801</b>                             |
| <b>Accumulated other comprehensive income:</b>                       |                         |  |
| Net unrealized gains on available-for-sales securities, net of taxes | 44,637                  | 78,553                                     |
| Deferred gain (loss) on futures hedge                                | (9,710)                 | (6,515)                                    |
| Foreign currency translation adjustments                             | (19,931)                | 101,926                                    |
| Remeasurements of defined benefit plans                              | -                       | (1,025)                                    |
| <b>Total accumulated other comprehensive income</b>                  | <b>14,996</b>           | <b>172,938</b>                             |
| <b>Stock warrants</b>  | <b>951</b>              | <b>371</b>                                 |
| <b>Minority interests</b>  | <b>158,916</b>          | <b>182,968</b>                             |
| <b>Total net assets</b>  | <b>920,043</b>          | <b>1,156,080</b>                           |
| <b>Total liabilities and net assets</b>                              | <b>3,592,368</b>        | <b>4,072,728</b>                           |

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

|  | Year ended<br>March 31, 2013 | Millions of yen<br>Year ended<br>March 31, 2014 |
|--|------------------------------|---|
| <b>Net sales</b>   | 6,304,354                    | 7,743,237                                       |
| Cost of sales  | 5,900,465                    | 7,160,738                                       |
| <b>Gross profit</b>  | 403,888                      | 582,498   |
| <b>Selling, general and administrative expenses</b>                  |                              |   |
| Charges and fees   | 18,970                       | 32,077  |
| Traffic and traveling expenses                                       | 13,849                       | 18,425  |
| Communication expenses   | 3,449                        | 4,721   |
| Provision for doubtful receivables                                   | 213                          | 1,608   |
| Salaries and wages   | 121,521                      | 163,977   |
| Retirement benefit expenses  | 6,074                        | 5,650   |
| Welfare expenses   | 18,164                       | 28,477  |
| Rental expenses  | 18,232                       | 24,753  |
| Depreciation and amortization except goodwill                        | 16,170                       | 34,618  |
| Taxes other than income taxes  | 4,537                        | 6,261   |
| Amortization of goodwill   | 19,044                       | 35,179  |
| Other  | 47,784                       | 65,426  |
| Total selling, general and administrative expenses                   | 288,013                      | 421,177   |
| <b>Operating income</b>  | 115,875                      | 161,321   |
| <b>Other income:</b>   |                              |   |
| Interest income  | 3,687                        | 4,230   |
| Dividend income  | 12,069                       | 14,823  |
| Equity in the earnings of unconsolidated subsidiaries and affiliates | 17,646                       | 13,783  |
| Other income   | 12,594                       | 14,498  |
| Total other income   | 45,997                       | 47,336  |
| <b>Other expenses:</b>   |                              |   |
| Interest expense   | 18,685                       | 25,499  |
| Foreign exchange loss  | 10,354                       | 13,623  |
| Other expenses   | 8,017                        | 6,097   |
| Total other expenses   | 37,057                       | 45,220  |
| <b>Ordinary income</b>   | 124,814                      | 163,438   |
| <b>Extraordinary income:</b>   |                              |   |
| Gain on sale of fixed assets   | 1,342                        | 1,686   |
| Gain on trading of securities and investments                        | 5,865                        | 3,630   |
| Gain on sale of golf membership                                      | 3                            | -   |
| Gain on reversal of provision for loss on guarantees                 | 89                           | -   |
| Gain on reversal of provision for loss on withdrawal from business   | 467                          | 215   |
| Gain on reversal of provision for compensation losses                | 1,024                        | 394   |
| Gain on reversal of provision for loss on contracts                  | 289                          | 12  |
| Gain on phased acquisition   | 10,143                       | -   |
| Gain on reversal of stock warrants                                   | 172                          | 372   |
| Insurance income   | 154                          | -   |
| Total extraordinary income   | 19,553                       | 6,312   |

|   |                |                |
|---|----------------|----------------|
| <b>Extraordinary losses:</b>  |                |                |
| Loss on disposal of fixed assets  | 3,745          | 1,200          |
| Impairment of property and intangible assets                                      | 3,137          | 6,681          |
| Loss on trading of securities and investments                                     | 398            | 427            |
| Loss on valuation of securities and investments                                   | 2,778          | 3,491          |
| Loss on valuation of golf membership  | 61             | 18             |
| Loss on disposal of affiliates  | 8              | 773            |
| Provision for loss on guarantees  | -              | 718            |
| Provision for loss on withdrawal from business                                    | 1,992          | -              |
| Provision for loss on litigation  | -              | 210            |
| Loss on change in equity interest   | 29             | -              |
| Settlement money for contract amendment   | 4,943          | -              |
| Loss on revision of retirement benefit plan                                       | -              | 396            |
| Total extraordinary losses  | 17,095         | 13,918         |
| <b>Income before income taxes and minority interests</b>                          | <b>127,272</b> | <b>155,832</b> |
| <b>Income tax expenses:</b>   |                |                |
| Current   | 43,498         | 62,138         |
| Deferred  | (1,133)        | (5,044)        |
| Total income tax expenses   | 42,364         | 57,094         |
| <b>Income before minority interests</b>   | <b>84,908</b>  | <b>98,738</b>  |
| <b>Minority interests in earnings of consolidated subsidiaries and affiliates</b> | <b>17,475</b>  | <b>25,703</b>  |
| <b>Net income</b>   | <b>67,432</b>  | <b>73,034</b>  |



## Consolidated Statements of Comprehensive Income

|   | Year ended<br>March 31, 2013 | Millions of yen<br>Year ended<br>March 31, 2014 |
|---|------------------------------|---|
|   | Amount                       | Amount  |
| Income before minority interests  | 84,908                       | 98,738  |
| Other comprehensive income  |                              |   |
| Net unrealized gains on available-for-sales securities, net of taxes              | 27,279                       | 32,949  |
| Deferred gain (loss) on futures hedge   | (9,134)                      | 3,694   |
| Foreign currency translation adjustments  | 52,514                       | 116,273   |
| Share of other comprehensive income of unconsolidated subsidiaries and affiliates | 6,969                        | 14,730  |
| Total other comprehensive income  | 77,629                       | 167,649   |
| Comprehensive income  | 162,537                      | 266,387   |
| Components:   |                              |   |
| Comprehensive income attributable to owners of the parent                         | 137,863                      | 232,127   |
| Comprehensive income attributable to minority interests                           | 24,673                       | 34,260  |

**(3) Consolidated Statements of Changes in Net Assets**  
Year ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(Millions of yen)

|  | Shareholders' Equity |                 |                   |                |                            |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
|  | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of year   | 64,936               | 154,367         | 483,255           | (6,844)        | 695,714                    |
| Increase (decrease) during the term  |                      |                 |                   |                |                            |
| Cash dividends paid  |                      |                 | (16,809)          |                | (16,809)                   |
| Net income   |                      |                 | 67,432            |                | 67,432                     |
| Purchase of treasury stock   |                      |                 |                   | (20)           | (20)                       |
| Disposition of treasury stock  |                      | 171             |                   | 1,522          | 1,694                      |
| Effect from change in scope of consolidated subsidiaries                             |                      |                 | (1,762)           |                | (1,762)                    |
| Effect from change in scope of unconsolidated subsidiaries and affiliates            |                      |                 | (975)             |                | (975)                      |
| Other  |                      |                 | (91)              | (3)            | (94)                       |
| Net increase (decrease) during the term, except for items under shareholders' equity |                      |                 |                   |                |                            |
| Total increase (decrease)  | -                    | 171             | 47,794            | 1,498          | 49,464                     |
| Balance at end of year   | 64,936               | 154,539         | 531,049           | (5,345)        | 745,179                    |

|  | Accumulated other comprehensive income                               |                                       |  |  | Stock warrants | Minority interests | Total net assets |
|--|--|---------------------------------------|--|--|----------------|--------------------|------------------|
|  | Net unrealized gains on available-for-sales securities, net of taxes | Deferred gain (loss) on futures hedge | Foreign currency translation adjustments | Total accumulated other comprehensive income |                |                    |                  |
| Balance at beginning of year   | 16,924   | (577)                                 | (71,730)                                 | (55,383)                                     | 1,454          | 109,962            | 751,747          |
| Increase (decrease) during the term  |  |                                       |  |  |                |                    |                  |
| Cash dividends paid  |  |                                       |  |  |                |                    | (16,809)         |
| Net income   |  |                                       |  |  |                |                    | 67,432           |
| Purchase of treasury stock   |  |                                       |  |  |                |                    | (20)             |
| Disposition of treasury stock  |  |                                       |  |  |                |                    | 1,694            |
| Effect from change in scope of consolidated subsidiaries                             |  |                                       |  |  |                |                    | (1,762)          |
| Effect from change in scope of unconsolidated subsidiaries and affiliates            |  |                                       |  |  |                |                    | (975)            |
| Other  |  |                                       |  |  |                |                    | (94)             |
| Net increase (decrease) during the term, except for items under shareholders' equity | 27,713   | (9,132)                               | 51,799                                   | 70,380                                       | (502)          | 48,954             | 118,831          |
| Total increase (decrease)  | 27,713   | (9,132)                               | 51,799                                   | 70,380                                       | (502)          | 48,954             | 168,296          |
| Balance at end of year   | 44,637   | (9,710)                               | (19,931)                                 | 14,996                                       | 951            | 158,916            | 920,043          |

Year ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(Millions of yen)

|  | Shareholders' Equity |                 |                   |                |                            |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
|  | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of year   | 64,936               | 154,539         | 531,049           | (5,345)        | 745,179                    |
| Increase (decrease) during the term  |                      |                 |                   |                |                            |
| Cash dividends paid  |                      |                 | (15,804)          |                | (15,804)                   |
| Net income   |                      |                 | 73,034            |                | 73,034                     |
| Purchase of treasury stock   |                      |                 |                   | (45)           | (45)                       |
| Disposition of treasury stock  |                      | 242             |                   | 882            | 1,125                      |
| Effect from change in scope of consolidated subsidiaries                             |                      |                 | (778)             |                | (778)                      |
| Effect from change in scope of unconsolidated subsidiaries and affiliates            |                      |                 | (2,039)           |                | (2,039)                    |
| Other  |                      |                 | (870)             | (0)            | (870)                      |
| Net increase (decrease) during the term, except for items under shareholders' equity |                      |                 |                   |                |                            |
| Total increase (decrease)  | -                    | 242             | 53,542            | 837            | 54,622                     |
| Balance at end of year   | 64,936               | 154,781         | 584,591           | (4,508)        | 799,801                    |

|  | Accumulated other comprehensive income                               |                                       |  |   |  | Stock warrants | Minority interests | Total net assets |
|--|--|---------------------------------------|--|---|--|----------------|--------------------|------------------|
|  | Net unrealized gains on available-for-sales securities, net of taxes | Deferred gain (loss) on futures hedge | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                |                    |                  |
| Balance at beginning of year   | 44,637   | (9,710)                               | (19,931)                                 | -                                       | 14,996                                       | 951            | 158,916            | 920,043          |
| Increase (decrease) during the term  |  |                                       |  |   |  |                |                    |                  |
| Cash dividends paid  |  |                                       |  |   |  |                |                    | (15,804)         |
| Net income   |  |                                       |  |   |  |                |                    | 73,034           |
| Purchase of treasury stock   |  |                                       |  |   |  |                |                    | (45)             |
| Disposition of treasury stock  |  |                                       |  |   |  |                |                    | 1,125            |
| Effect from change in scope of consolidated subsidiaries                             |  |                                       |  |   |  |                |                    | (778)            |
| Effect from change in scope of unconsolidated subsidiaries and affiliates            |  |                                       |  |   |  |                |                    | (2,039)          |
| Other  |  |                                       |  |   |  |                |                    | (870)            |
| Net increase (decrease) during the term, except for items under shareholders' equity | 33,915   | 3,194                                 | 121,857                                  | (1,025)                                 | 157,942                                      | (579)          | 24,051             | 181,414          |
| Total increase (decrease)  | 33,915   | 3,194                                 | 121,857                                  | (1,025)                                 | 157,942                                      | (579)          | 24,051             | 236,036          |
| Balance at end of year   | 78,553   | (6,515)                               | 101,926                                  | (1,025)                                 | 172,938                                      | 371            | 182,968            | 1,156,080        |

#### (4) Consolidated Statements of Cash Flows

|   | Year ended<br>March 31, 2013 | Millions of yen<br>Year ended<br>March 31, 2014 |
|---|------------------------------|---|
| <b>Cash flows from operating activities:</b>  |                              |   |
| Income before income taxes and minority interests   | 127,272                      | 155,832   |
| Depreciation and amortization   | 41,354                       | 64,893  |
| Amortization of goodwill  | 19,044                       | 35,179  |
| Net increase (decrease) in allowance for doubtful receivables                                   | (297)                        | 569   |
| Interest and dividend income  | (15,756)                     | (19,054)  |
| Interest payables   | 18,685                       | 25,499  |
| Equity in (earnings) loss of unconsolidated subsidiaries and affiliates                         | (17,646)                     | (13,783)  |
| (Increase) decrease in accounts receivable  | 69,778                       | (99,248)  |
| (Increase) decrease in inventories  | (29,884)                     | 21,987  |
| Increase (decrease) in payables   | (51,643)                     | 24,094  |
| Other, net  | (7,725)                      | (16,993)  |
| <b>Sub total</b>  | <b>153,181</b>               | <b>178,975</b>                                  |
| Interest and dividends received   | 30,315                       | 40,961  |
| Interest paid   | (17,982)                     | (25,574)  |
| Income taxes paid   | (41,358)                     | (60,424)  |
| <b>Net cash provided by (used in) operating activities</b>                                      | <b>124,156</b>               | <b>133,937</b>                                  |
| <b>Cash flows from investing activities:</b>  |                              |   |
| Net (increase) decrease in time deposits  | (1)                          | (0)   |
| Proceeds from redemption of marketable securities   | 10,000                       | -   |
| Purchase of property and equipment  | (50,066)                     | (73,847)  |
| Proceeds from sale of property and equipment  | 6,975                        | 8,176   |
| Purchase of intangible assets   | (40,094)                     | (24,555)  |
| Proceeds from sale of intangible assets   | 551                          | 698   |
| Purchase of investment securities and investments   | (106,770)                    | (46,064)  |
| Proceeds from sale of investment securities and investments                                     | 7,214                        | 5,361   |
| Payments for investments in subsidiaries resulting in change in scope of consolidation          | (148,742)                    | -   |
| Payments for sales of investments in subsidiaries resulting in change in scope of consolidation | -                            | (86)  |
| Proceeds from sale of investments in subsidiaries resulting in change in scope of consolidation | -                            | 1,247   |
| Increase in loans   | (8,151)                      | (14,948)  |
| Collection of loans   | 6,840                        | 12,128  |
| Payment for purchase of shares of subsidiaries from minority shareholders                       | (53)                         | (1,850)   |
| Other, net  | (1,092)                      | (1,848)   |
| <b>Net cash provided by (used in) investing activities</b>                                      | <b>(323,389)</b>             | <b>(135,587)</b>                                |

|  |                |                |
|--|----------------|----------------|
| <b>Cash flows from financing activities:</b>   |                |                |
| Net increase (decrease) in short-term debt   | (14,435)       | 78,090         |
| Proceeds from long-term debt   | 365,180        | 72,573         |
| Repayment of long-term debt  | (90,404)       | (118,159)      |
| Proceeds from issuance of bonds  | -              | 30,000         |
| Redemption of bonds  | (10,000)       | (20,000)       |
| Purchase of treasury stock   | (195)          | (112)          |
| Dividends paid   | (16,809)       | (15,804)       |
| Dividends paid to minority shareholders  | (6,113)        | (15,193)       |
| Proceeds from stock issuance to minority shareholders of subsidiaries                    | 336            | 133            |
| Other, net   | (4,184)        | (6,171)        |
| <b>Net cash provided by (used in) financing activities</b>                               | <b>223,374</b> | <b>5,356</b>   |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                      | <b>10,356</b>  | <b>15,082</b>  |
| <b>Net increase (decrease) in cash and cash equivalents</b>                              | <b>34,496</b>  | <b>18,789</b>  |
| <b>Cash and cash equivalents at beginning of year</b>                                    | <b>354,755</b> | <b>391,352</b> |
| <b>Cash and cash equivalents of newly consolidated subsidiaries at beginning of year</b> | <b>2,100</b>   | <b>1,889</b>   |
| <b>Cash and cash equivalents at end of year</b>  | <b>391,352</b> | <b>412,032</b> |

## **(5) Notes on Consolidated Financial Statements**

(Notes on the Going-concern Assumption)

Not applicable

(Change in Accounting Principles)

(Accounting Standard for Retirement Benefits)

Effective from March 31, 2014, the Company adopted the *Accounting Standard for Retirement Benefits* (ASBJ Statement No. 26, May 17, 2012, hereinafter, “*Accounting Standard*”) and the *Guidance on Accounting Standard for Retirement Benefits* (ASBJ Guidance No. 25, May 17, 2012, hereinafter, “*Guidance on Retirement Benefits*”), except for the main clause of Article 35 of the *Accounting Standard* and the main clause of Article 67 of the *Guidance on Retirement Benefits*. In accordance with this adoption, accounting treatments for retirement benefits have been changed to record “net defined benefit liability,” which is calculated by subtracting the amount of plan assets from retirement benefit obligations and includes unrecognized actuarial gain/loss and unrecognized prior service cost.

The accounting standard and its guidance are applied with transitional treatments stipulated in Article 37 of the *Accounting Standard*. As of March 31, 2014, effect from this change was recorded in “remeasurements of defined benefit plans” under “accumulated other comprehensive income.”

The effect of this change was minor.

(Segment and other information)

a. Segment information

1. Overview of Reportable Segments

The Group's reportable segments are components of the Group about which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The main business of the Group is buying and selling of various goods in Japan and overseas. The Group is also engaged in a wide range of business including manufacturing, processing and selling products, investments, and providing services. The Group's operations are segmented based on product and service categories into seven segments, namely Metals, Global Production Parts & Logistics, Automotive, Machinery, Energy & Project, Chemicals & Electronics, Food & Agribusiness, and Consumer Products & Services. These segments correspond to the Group's seven business divisions. The business of each segment is conducted by the Company's business divisions and affiliates directly supervised by each business division.

The businesses of each division are listed below.

Metals Division

The Metals Division mainly handles ordinary and special steel products, steel construction materials, unwrought nonferrous and precious metals, rolled light-metal products, copper and copper alloy products, scrap iron and scrap nonferrous metals, ferroalloy products, wrought iron, end-of-life vehicle (ELV) recycling and disposable catalyst reclamation, rare earths, and new metals. The division manufactures, processes, sells, and disposes of the products listed above.

Global Production Parts & Logistics Division

The Global Production Parts & Logistics Division mainly manufactures, sells, and provides services for automotive parts, as well as running a logistics business and a tire assembly business.

Automotive Division

The Automotive Division mainly handles passenger vehicles, commercial vehicles, light vehicles, two-wheeled vehicles, trucks and buses, and automotive parts. The division sells and provides services for the products listed above.

Machinery, Energy & Project Division

The Machinery, Energy & Project Division mainly handles machine tools, industrial machinery, textile machinery, testing and measuring instruments, electronic machinery, environmental equipment, industrial vehicles, construction machinery, petroleum products, liquefied petroleum gas (LPG), coal, crude oil, petrochemical and natural gas products, and infrastructure projects. The division sells and provides services relevant to the products listed above, as well as running an energy and electric power supply business.

Chemicals & Electronics Division

The Chemicals & Electronics Division sells and provides services for communication devices, electronic devices and semiconductors, automotive embedded software development, electronic equipment, network integration and support, PCs, PC peripherals and software, component parts for automobile production, and ITS (Intelligent Transport Systems) equipment. The division also handles organic chemicals, fine and inorganic chemicals, functional chemicals, fat and oil products, synthetic resins, chemical additives, batteries and electronic materials, pharmaceuticals, and pharmaceutical ingredients. The division processes, manufactures, sells and provides services relevant to the products listed above.

Food & Agribusiness Division

The Food & Agribusiness Division mainly handles livestock feed, grains, processed foods, food ingredients, agricultural, marine and livestock products, and alcoholic beverages. The division manufactures, processes, sells, and provides services relevant to the products listed above.

Consumer Products & Services Division

The Consumer Products & Services Division mainly handles condominiums and commercial buildings, construction materials, housing materials and furniture, textile raw materials, apparel, interior goods, sleepwear products, textile products, textile materials, life and health insurance, property and casualty

insurance, photocatalysts, seniors-related business products, and securities brokerage services. The division sells and provides services relevant to the products listed above.

## 2. Sales, income/loss, assets, liability, and other amounts by reportable segment

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

Millions of yen

|  | Reportable segment |                                     |                |                             |                         |                     |                              |                  | Other *1     | Total            | Adjustments *2  | Amounts on the consolidated financial statements *3 |
|--|--------------------|-------------------------------------|----------------|-----------------------------|-------------------------|---------------------|------------------------------|------------------|--------------|------------------|-----------------|---|
|  | Metals             | Global Production Parts & Logistics | Automotive     | Machinery, Energy & Project | Chemicals & Electronics | Food & Agribusiness | Consumer Products & Services | Total            |              |                  |                 |   |
| Net sales  |                    |                                     |                |                             |                         |                     |                              |                  |              |                  |                 |   |
| Outside customers  | 1,694,116          | 790,824                             | 781,902        | 1,253,422                   | 1,324,842               | 290,225             | 165,807                      | 6,301,141        | 3,212        | 6,304,354        | -               | 6,304,354   |
| Inter-segment  | 143                | 5,901                               | 35             | 1,586                       | 5,810                   | 117                 | 2,918                        | 16,513           | 477          | 16,990           | (16,990)        | -   |
| <b>Total</b>   | <b>1,694,260</b>   | <b>796,725</b>                      | <b>781,938</b> | <b>1,255,008</b>            | <b>1,330,653</b>        | <b>290,342</b>      | <b>168,726</b>               | <b>6,317,655</b> | <b>3,689</b> | <b>6,321,345</b> | <b>(16,990)</b> | <b>6,304,354</b>                                    |
| Segment income (loss)                                    | 36,289             | 19,755                              | 31,215         | 10,459                      | 10,435                  | 2,546               | 8,907                        | 119,609          | (3,730)      | 115,879          | (4)             | 115,875   |
| Segment assets   | 719,954            | 274,345                             | 581,153        | 538,374                     | 650,962                 | 177,493             | 117,543                      | 3,059,826        | 653,658      | 3,713,485        | (121,117)       | 3,592,368   |
| Other items  |                    |                                     |                |                             |                         |                     |                              |                  |              |                  |                 |   |
| Depreciation   | 7,839              | 4,281                               | 4,679          | 12,693                      | 3,307                   | 1,460               | 1,652                        | 35,913           | 5,440        | 41,354           | -               | 41,354  |
| Amortization of goodwill                                 | 219                | 210                                 | 764            | 4,865                       | 8,139                   | 3,311               | 1,310                        | 18,820           | 224          | 19,044           | -               | 19,044  |
| Impairment losses  | 287                | -                                   | -              | 2,605                       | 16                      | -                   | -                            | 2,909            | 228          | 3,137            | -               | 3,137   |
| Unamortized goodwill                                     | 154                | 408                                 | 135,666        | 18,544                      | 62,913                  | 35,330              | 2,755                        | 255,773          | 1,183        | 256,957          | -               | 256,957   |
| Investment in unconsolidated subsidiaries and affiliates | 8,511              | 20,519                              | 15,375         | 49,691                      | 46,473                  | 6,610               | 4,272                        | 151,455          | 11,418       | 162,873          | -               | 162,873   |
| Increase in property and equipment and intangible assets | 16,357             | 4,816                               | 11,979         | 40,874                      | 2,747                   | 1,212               | 1,408                        | 79,395           | 11,448       | 90,844           | -               | 90,844  |

- 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)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
  3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.



Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

Millions of yen

|  | Reportable segment |                                     |            |                             |                         |                     |                              |           | Other *1 | Total     | Adjustments *2 | Amounts on the consolidated financial statements *3 |
|--|--------------------|-------------------------------------|------------|-----------------------------|-------------------------|---------------------|------------------------------|-----------|----------|-----------|----------------|---|
|  | Metals             | Global Production Parts & Logistics | Automotive | Machinery, Energy & Project | Chemicals & Electronics | Food & Agribusiness | Consumer Products & Services | Total     |          |           |                |   |
| Net sales  |                    |                                     |            |                             |                         |                     |                              |           |          |           |                |   |
| Outside customers  | 1,828,281          | 891,606                             | 1,298,042  | 1,526,737                   | 1,706,508               | 319,878             | 169,535                      | 7,740,590 | 2,647    | 7,743,237 | -              | 7,743,237   |
| Inter-segment  | 714                | 3,173                               | 51         | 401                         | 5,483                   | 106                 | 785                          | 10,715    | 462      | 11,178    | (11,178)       | -   |
| Total  | 1,828,995          | 894,780                             | 1,298,094  | 1,527,138                   | 1,711,992               | 319,985             | 170,320                      | 7,751,306 | 3,109    | 7,754,415 | (11,178)       | 7,743,237   |
| Segment income (loss)                                    | 43,668             | 22,991                              | 39,643     | 23,826                      | 27,363                  | 5,542               | 7,507                        | 170,544   | (9,307)  | 161,236   | 84             | 161,321   |
| Segment assets   | 765,858            | 317,104                             | 713,526    | 607,467                     | 777,040                 | 186,042             | 113,462                      | 3,480,501 | 730,900  | 4,211,402 | (138,673)      | 4,072,728   |
| Other items  |                    |                                     |            |                             |                         |                     |                              |           |          |           |                |   |
| Depreciation   | 9,388              | 5,703                               | 17,460     | 15,191                      | 6,244                   | 3,551               | 1,745                        | 59,286    | 5,607    | 64,893    | -              | 64,893  |
| Amortization of goodwill                                 | 92                 | 157                                 | 11,630     | 4,939                       | 11,332                  | 5,377               | 1,291                        | 34,821    | 357      | 35,179    | -              | 35,179  |
| Impairment losses  | -                  | -                                   | -          | 6,222                       | 158                     | -                   | -                            | 6,381     | 300      | 6,681     | -              | 6,681   |
| Unamortized goodwill                                     | 63                 | 274                                 | 110,852    | 13,716                      | 48,121                  | 27,429              | 1,482                        | 201,940   | 918      | 202,858   | -              | 202,858   |
| Investment in unconsolidated subsidiaries and affiliates | 14,033             | 18,521                              | 23,289     | 56,947                      | 58,075                  | 11,591              | 5,274                        | 187,734   | 13,340   | 201,074   | -              | 201,074   |
| Increase in property and equipment and intangible assets | 8,380              | 5,060                               | 22,348     | 40,594                      | 5,036                   | 6,629               | 1,447                        | 89,497    | 9,141    | 98,638    | -              | 98,638  |

- 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)" and the "Segment assets" rows represent the amounts of inter-segment transactions.
  3. Segment income (loss) is adjusted based on operating income on the consolidated financial statements.

### 3. Changes in Reportable Segment

Effective from the fiscal year ended March 31, 2014, the automotive interior parts and materials and other related business which had previously been included in the Consumer Products, Services & Materials segment was reclassified to the Global Production Parts & Logistics segment. At the same time, the Consumer Products, Services & Materials segment was renamed to the Consumer Products & Services segment. In line with these changes, segment amounts for the fiscal year ended March 31, 2013 have been adjusted to reflect the current period presentation.

b. Related information

Year ended March 31, 2013 (April 1, 2012 to March 31, 2013)

1. Information related to products and services  
Refer to “1. Overview of Reportable Segments.”

2. Geographic information

- 1) Net sales

| Millions of yen |         |           |           |
|-----------------|---------|-----------|-----------|
| Japan           | China   | Other     | Total     |
| 2,555,912       | 876,133 | 2,872,308 | 6,304,354 |

Note: Net sales are based on the location of customers and categorized by country or region.

- 2) Property and equipment

| Millions of yen |          |         |         |
|-----------------|----------|---------|---------|
| Japan           | The U.S. | Other   | Total   |
| 198,089         | 51,142   | 196,139 | 445,370 |

Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)

1. Information related to products and services  
Refer to “1. Overview of Reportable Segments.”

2. Geographic information

- 1) Net sales

| Millions of yen |           |           |           |
|-----------------|-----------|-----------|-----------|
| Japan           | China     | Other     | Total     |
| 2,662,475       | 1,116,173 | 3,964,589 | 7,743,237 |

Note: Net sales are based on the location of customers and categorized by country or region.

- 2) Property and equipment

| Millions of yen |          |         |         |
|-----------------|----------|---------|---------|
| Japan           | The U.S. | Other   | Total   |
| 207,013         | 58,548   | 238,541 | 504,104 |

**Outline of Consolidated Results for the Year Ended March 31, 2014**  
(April 1, 2013 to March 31, 2014)

**1. Operating Results**

Billions of yen

|   | Consolidated                 |                              |                     |      |
|---|------------------------------|------------------------------|---------------------|------|
|   | Year ended<br>March 31, 2014 | Year ended<br>March 31, 2013 | Year-on-year change |      |
|   |                              |                              | Amount              | %    |
| Net sales   | 7,743.2                      | 6,304.3                      | 1,438.9             | 22.8 |
| Gross profit  | 582.4                        | 403.8                        | 178.6               | 44.2 |
| SG & A expenses   | 421.1                        | 288.0                        | 133.1               | -    |
| Operating income  | 161.3                        | 115.8                        | 45.5                | 39.2 |
| Interest income and expense   | (21.2)                       | (14.9)                       | (6.3)               | -    |
| Dividend income   | 14.8                         | 12.0                         | 2.8                 | -    |
| Equity in the earnings (losses)<br>of unconsolidated subsidiaries<br>and affiliates | 13.7                         | 17.6                         | (3.9)               | -    |
| Other income (losses)   | (5.2)                        | (5.7)                        | 0.5                 | -    |
| Ordinary income   | 163.4                        | 124.8                        | 38.6                | 30.9 |
| Extraordinary income (losses)   | (7.6)                        | 2.4                          | (10.0)              | -    |
| Income before income taxes and<br>minority interests                                | 155.8                        | 127.2                        | 28.6                | 22.4 |
| Income tax expenses   | 57.0                         | 42.3                         | 14.7                | -    |
| Minority interests in earnings of<br>consolidated subsidiaries and<br>affiliates    | 25.7                         | 17.4                         | 8.3                 | -    |
| Net income  | 73.0                         | 67.4                         | 5.6                 | 8.3  |

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

- Net sales +1,438.9 billion yen:
  - Increase mainly in the Automotive division due to effect of newly consolidated subsidiaries as well as the yen depreciation
- Gross profit +178.6 billion yen:
  - Increase due to increase in net sales
- SG & A expenses +133.1 billion yen:
  - Increase due to effect of newly consolidated subsidiaries, etc.
- Interest income and expense -6.3 billion yen:
  - Decrease due to effect of newly consolidated subsidiaries, etc.
- Dividend income +2.8 billion yen:
  - Increase mainly in Toyota Tsusho Corporation
- Equity in the earnings (losses) of unconsolidated subsidiaries and affiliates -3.9 billion yen:
  - Decrease mainly in unconsolidated subsidiaries and affiliates in the Chemicals & Electronics division
- Extraordinary income (losses) -10.0 billion yen:
  - Decrease due mainly to non-recurrence of gain on phased acquisition booked in the previous fiscal year

**For reference:**

Billions of yen

| Quarterly changes | 1st quarter | 2nd quarter | 3rd quarter | 4th quarter |
|-------------------|-------------|-------------|-------------|-------------|
| Net sales         | 1,896.4     | 1,816.8     | 1,990.6     | 2,039.1     |
| Operating income  | 40.9        | 36.0        | 42.4        | 41.8        |
| Ordinary income   | 46.0        | 40.3        | 37.4        | 39.6        |
| Net income        | 21.7        | 20.0        | 15.7        | 15.4        |

## 2. Financial Position

Billions of yen

|  | Consolidated            |                         |                              |      |
|--|-------------------------|-------------------------|------------------------------|------|
|  | As of<br>March 31, 2014 | As of<br>March 31, 2013 | Change versus March 31, 2013 |      |
|  |                         |                         | Amount                       | %    |
| Total assets   | 4,072.7                 | 3,592.3                 | 480.4                        | 13.4 |
| Current assets                                       | 2,520.8                 | 2,294.1                 | 226.7                        | 9.9  |
| Investment securities &<br>other investments         | 526.0                   | 428.9                   | 97.1                         | 22.6 |
| Other fixed assets                                   | 1,025.7                 | 869.2                   | 156.5                        | 18.0 |
| Net assets   | 1,156.0                 | 920.0                   | 236.0                        | 25.7 |
| Net interest-bearing debt                            | 1,088.9                 | 998.6                   | 90.3                         | 9.0  |
| Debt-equity ratio (times)                            | 1.1                     | 1.3                     | (0.2)                        |      |
| Number of consolidated subsidiaries                  | 640                     | 615                     | 25                           |      |
| Number of unconsolidated subsidiaries and affiliates | 225                     | 193                     | 32                           |      |

### Main factors behind year-on-year changes

- Current assets +226.7 billion yen:
  - Trade notes and accounts receivable increased 161.7 billion yen
- Investment securities & other investments +97.1 billion yen:
  - Increase due mainly to higher market prices and acquisition of stocks
- Other fixed assets + 156.5 billion yen:
  - Property and equipment increased 58.8 billion yen
  - Intangible assets increased 64.8 billion yen
- Net assets +236.0 billion yen:
  - Retained earnings increased 53.5 billion yen (net income for the year ended March 31, 2014 of 73.0 billion yen less 15.8 billion yen dividends, etc.)
  - Net unrealized gains on available-for-sales securities, net of taxes increased 33.9 billion yen
  - Foreign currency translation adjustments increased 121.8 billion yen

## 3. Cash Flow Position

Billions of yen

|   | Year ended<br>March 31, 2014 | Year ended<br>March 31, 2013 | Major factors behind year-on-year changes |
|---|------------------------------|------------------------------|---|
| 1. Cash flows from operating activities | 133.9                        | 124.1                        | Increase in net income                    |
| 2. Cash flows from investing activities | (135.5)                      | (323.3)                      | Purchase of property and equipment        |
| 1-2: Free cash flow                     | (1.6)                        | (199.2)                      |   |
| Cash flows from financing activities    | 5.3                          | 223.3                        | Increase in debt                          |

#### 4. 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

|  | Year ended<br>March 31,<br>2014 | Year ended<br>March 31,<br>2013 | Year-on-<br>year<br>change | Amounts<br>affected by<br>exchange<br>rates | Year-on-year change excluding<br>amount affected by exchange<br>rates |        |
|--|---------------------------------|---------------------------------|----------------------------|---|---|--------|
|  |                                 |                                 |                            |   | Amount  | %      |
| Metals                                 | 1,828.2                         | 1,694.1                         | 134.1                      | 143.6                                       | (9.5)   | (0.5)  |
|  | 43.6                            | 36.2                            | 7.4                        | 4.3   | 3.1   | 7.6    |
| Global Production<br>Parts & Logistics | 891.6                           | 790.8                           | 100.8                      | 135.5                                       | (34.7)  | (3.7)  |
|  | 22.9                            | 19.7                            | 3.2                        | 2.8   | 0.4   | 1.7    |
| Automotive                             | 1,298.0                         | 781.9                           | 516.1                      | 101.8                                       | 414.3   | 46.9   |
|  | 39.6                            | 31.2                            | 8.4                        | 4.6   | 3.8   | 10.7   |
| Machinery, Energy &<br>Project         | 1,526.7                         | 1,253.4                         | 273.3                      | 74.7  | 198.6   | 15.0   |
|  | 23.8                            | 10.4                            | 13.4                       | 0.5   | 12.9  | 117.6  |
| Chemicals &<br>Electronics             | 1,706.5                         | 1,324.8                         | 381.7                      | 89.1  | 292.6   | 20.7   |
|  | 27.3                            | 10.4                            | 16.9                       | 1.6   | 15.3  | 128.1  |
| Food & Agribusiness                    | 319.8                           | 290.2                           | 29.6                       | 21.4  | 8.2   | 2.7    |
|  | 5.5                             | 2.5                             | 3.0                        | 0.3   | 2.7   | 97.7   |
| Consumer Products<br>& Services        | 169.5                           | 165.8                           | 3.7                        | 4.9   | (1.2)   | (0.7)  |
|  | 7.5                             | 8.9                             | (1.4)                      | 0.1   | (1.5)   | (16.2) |
| Total                                  | 7,743.2                         | 6,304.3                         | 1,438.9                    | 571.4                                       | 867.5   | 12.6   |
|  | 161.3                           | 115.8                           | 45.5                       | 13.5  | 32.0  | 24.7   |

#### Main factors behind year-on-year changes

- Metals
  - Net sales:
    - Decreased due to lower market prices
  - Operating income:
    - Increased due to increase in automobile production
- Global Production Parts & Logistics
  - Net sales:
    - Decreased due mainly to decrease in trading volume handled in China
  - Operating income:
    - Offsetting foreign exchange losses included in non-operating category
- Automotive
  - Net sales and operating income:
    - Both increased due to effect of newly consolidated subsidiaries and increase in overseas sales of automobiles
- Machinery, Energy & Project
  - Net sales and Operating income:
    - Both increased due to increase in trading volume of petroleum products, and machinery and equipment, etc. and increase in income of wind power generation subsidiaries
- Chemicals & Electronics
  - Net sales and operating income:
    - Both increased due to effect of newly consolidated subsidiaries and increase in trading volume of electronics parts
- Food & Agribusiness
  - Net sales and operating income:
    - Both increased due to effect of newly consolidated subsidiaries

- Consumer Products & Services

Net sales and operating income:

Both decreased due to decrease in trading volume of textile-related products

\* Effective April 1, 2013, some of the divisions were reorganized and the Consumer Products, Services & Materials division was renamed to the Consumer Products & Services division. In line with the changes, amounts for the year ended March 31, 2013 have been adjusted to reflect the current period presentation.

## 5. Consolidated Financial Results Forecasts for the Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

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

Billions of yen

|   | Year ending<br>March 31, 2015<br>(forecast) | Year ended<br>March 31, 2014<br>(results) | Year-on-year change |       |
|---|---|---|---------------------|-------|
|   |   |   | Amount              | %     |
| Metals                                  | 2,060.0                                     | 1,828.2                                   | 231.8               | 12.7  |
|   | 48.0  | 43.6                                      | 4.4                 | 9.9   |
| Global Production Parts<br>& Logistics* | 970.0                                       | 891.6                                     | 78.4                | 8.8   |
|   | 21.0  | 22.9                                      | (1.9)               | (8.7) |
| Automotive                              | 1,430.0                                     | 1,298.0                                   | 132.0               | 10.2  |
|   | 44.5  | 39.6                                      | 4.9                 | 12.3  |
| Machinery, Energy &<br>Project          | 1,455.0                                     | 1,526.7                                   | (71.7)              | (4.7) |
|   | 24.0  | 23.8                                      | 0.2                 | 0.7   |
| Chemicals & Electronics                 | 2,040.0                                     | 1,706.5                                   | 333.5               | 19.5  |
|   | 30.5  | 27.3                                      | 3.2                 | 11.5  |
| Food & Agribusiness                     | 460.0                                       | 319.8                                     | 140.2               | 43.8  |
|   | 8.0   | 5.5                                       | 2.5                 | 44.3  |
| Consumer Products &<br>Services         | 180.0                                       | 169.5                                     | 10.5                | 6.2   |
|   | 8.0   | 7.5                                       | 0.5                 | 6.6   |
| <b>Total</b>                            |   |   |                     |       |
| Net sales                               | 8,600.0                                     | 7,743.2                                   | 856.8               | 11.1  |
| Operating income                        | 175.0                                       | 161.3                                     | 13.7                | 8.5   |
| Ordinary income                         | 177.0                                       | 163.4                                     | 13.6                | 8.3   |
| Net income                              | 80.0  | 73.0                                      | 7.0                 | 9.5   |

\* Effective April 1, 2014, the division was renamed to the Global Parts & Logistics division.

## 6. Dividend per share

|                             | Year ending<br>March 31, 2015<br>(forecast) | Year ended<br>March 31, 2014 | Year ended<br>March 31, 2013 |
|-----------------------------|---|------------------------------|------------------------------|
| Interim                     | 28.0 yen                                    | 23.0 yen                     | 22.0 yen                     |
| Full year                   | 56.0 yen                                    | 50.0 yen<br>(projected)      | 44.0 yen                     |
| Payout ratio (consolidated) | 24.6%                                       | 24.0%                        | 22.8%                        |

## 7. Changes in major indexes

|  |                            | Year ended<br>March 31, 2014 (or as<br>of March 31, 2014) | Year ended<br>March 31, 2013 (or as<br>of March 31, 2013) |
|--|----------------------------|---|---|
| Exchange rate<br>(yen / US dollar)         | Average during the period  | 100   | 83  |
|  | End of period              | 103   | 94  |
| Interest rate                              | Yen TIBOR 3M average       | 0.23%   | 0.32%   |
|  | US dollar LIBOR 3M average | 0.25%   | 0.37%   |
| Dubai oil (US dollars / bbl)               |                            | 104   | 107   |
| Australian thermal coal (US dollars / ton) |                            | 81  | 92  |
| Corn futures (cents / bushel)              |                            | 514   | 712   |