****

9B18M002

TOYOTA TSUSHO CORPORATION: ACQUIRING THE FRENCH CFAO TO PENETRATE AFRICAN MARKETS[[1]](#endnote-1)

Wiboon Kittilaksanawong and Mayeni Gueye wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

*This publication may not be transmitted, photocopied, digitized, or otherwise reproduced in any form or by any means without the permission of the copyright holder. Reproduction of this material is not covered under authorization by any reproduction rights organization. To order copies or request permission to reproduce materials, contact Ivey Publishing, Ivey Business School, Western University, London, Ontario, Canada, N6G 0N1; (t) 519.661.3208; (e)* [*cases@ivey.ca*](mailto:cases@ivey.ca)*;* [*www.iveycases.com*](http://www.iveycases.com)*.*

*Copyright © 2018, Richard Ivey School of Business Foundation* *Version: 2018-01-08*

In December 2016, the Japanese trading company Toyota Tsusho Corporation (TTC) held a public buyout offer for the remaining shares of Compagnie Française de l’Afrique Occidentale (CFAO), the giant French trading company operating in Africa. By doing so, TTC internalized CFAO, making it a wholly owned subsidiary.[[2]](#endnote-2) Earlier in 2016, TTC had registered its first financial loss in 16 years.[[3]](#endnote-3) TTC had become a majority shareholder of CFAO in 2012, following CFAO’s announcement that it would transfer parts of its capital.[[4]](#endnote-4) As a member of the Toyota Group, TTC was among the seven top Japanese general trading houses.[[5]](#endnote-5) These strategic moves were a part of its corporate campaign Vision 2015—Lead the Next, launched in fiscal year (FY) 2006/07.[[6]](#endnote-6) Vision 2015 was formulated in conjunction with the inception of the new, more diversified TTC, which resulted from a merger between the former TTC and another Japanese general trading house, Tomen Corporation (Tomen).[[7]](#endnote-7) This corporate vision aimed particularly to reduce its dependence on the Toyota Group by diversifying to increase earnings from non-automotive businesses and to define a long-term plan for sustainability, with Africa as a target region.[[8]](#endnote-8) However, many questions still remained.

Why did CFAO, a well-performing trading company,[[9]](#endnote-9) transfer its majority equity to TTC? What were TTC’s motivations in acquiring CFAO and its complementarities? Given the increased sales and earnings that TTC reported following its largest-ever investment in CFAO in 2012,[[10]](#endnote-10) was such positive performance a result of synergies or just a simple sum of the consolidation and a trend in the vehicle industry?

In the early equity participation in 2012, TTC had preserved CFAO’s operational autonomy and its public listing status.[[11]](#endnote-11) Why then did TTC delist and fully internalize the company in 2016? Was there a link between poor performance in 2016 and the acquisition of CFAO? After the acquisition, how should CFAO have solved the conflicts of interest between its existing automotive customers and the Toyota Group—its major rival?[[12]](#endnote-12) As the early mover in the African market, how could CFAO defend its leader position from the entry of major competitors from South Korea, India, and China in particular?[[13]](#endnote-13)

Vision 2015 reflected an improved balance between automotive and non-automotive earnings[[14]](#endnote-14) and the company’s expansion in Africa through CFAO. However, would TTC need to revise its global vision and 10-year plan following poor results in 2016?

**TOYOTA TSUSHO CORPORATION**

**History and Development**

TTC, a member of the Toyota Group, was known as a general trading company, or *sōgō shōsha* in Japanese. Its predecessor, Toyoda Kinyu Kaisha, was established in 1936 to provide sales financing for Toyota vehicles.[[15]](#endnote-15) After World War II, holding companies became prohibited so Toyoda Kinyu Kaisha was dissolved. However, its trading division was transferred to Nisshin Tsusho Kaisha Ltd., which was established in 1948 and later evolved to become TTC. The company continued to grow as a general trading company within the Toyota Group, largely by exporting finished automobiles. In 1961, TTC was listed on the Nagoya Stock Exchange, and in 1977 it was listed on the Tokyo Stock Exchange. In the 1980s, in response to Toyota Group’s globalization with production activities in various countries, TTC accelerated its overseas expansion, establishing a series of overseas dealers and operational bases.

In 2000, to reduce its dependence on Toyota’s automobile-related products and diversify its interests, TTC purchased shares of Tomen, a Japanese general trading company, and became its largest shareholder.[[16]](#endnote-16) Tomen had been struggling with nonperforming assets from its failed real-estate investments during the bubble economy of the late 1980s. In 2006, the two companies finally merged with a known complementarity. TTC had achieved steady growth, primarily in the automotive field, while Tomen had a broad customer base in a diverse array of non-automotive operations. This strategic move allowed TTC to pursue a full-fledged business, beyond the automotive sector, that included different business fields such as infrastructure, chemicals, and foods. TTC was thereby able to enhance its value chain and extend the scope of its operations worldwide.

The merger was a clear success. From 2005 to 2006, TTC’s net sales climbed 19 per cent to ¥3,945.3 billion[[17]](#endnote-17) as net income rose 21.9 per cent to ¥45.7 billion. Meanwhile, Tomen reported total trading transactions of ¥1,810.8 billion in 2006, which was an improvement of 14.8 per cent from 2005 (see Exhibit 1). According to the company’s president and chief executive officer Junzo Shimizu, “Too much dependency in one industry is not ideal because of the many changes taking place in the world today. To achieve sustainable growth in the future, we need to diversify our business areas.”[[18]](#endnote-18)

In line with this diversification plan, TTC launched the corporate campaign Vision 2015—Lead the Next in 2007.[[19]](#endnote-19) Vision 2015 was a far-reaching agenda aimed at making TTC a value-generating corporation that addressed social and environmental issues. It was also intended to establish a 50:50 balance between TTC’s automotive and non-automotive businesses within the next six years. Therefore, this was the right time for TTC to seek and invest in promising overseas business fields and markets.

**Presence in Africa**

TTC began its history in Africa very early in 1922, when it first purchased cotton wool from Eastern Africa.[[20]](#endnote-20) It started an automotive export business in 1964. In 1991, it invested in local distributors in Angola and started automobile sales operations. Since then, it had accelerated investments in Africa by establishing a regional headquarters in South Africa in 2000 and by purchasing a British trading company’s automotive business in six Southeast African countries in 2001. TTC continued to broaden and strengthen its automotive value chain in Africa. The company added automobile manufacturing support in South Africa as well as sales finance and sales of used vehicles in Kenya. In response to a rapid surge in electric power demand in the early 2000s, TTC increased its investment in the infrastructure business, including equipment for power plant construction in Egypt and Kenya (see Exhibit 2).

**CFAO GROUP**

Etablissements Verminck, the predecessor of CFAO Group, was founded in the French city of Marseille in 1852 and was renamed Compagnie Française de l’Afrique Occidentale (French Company of Western Africa) in 1887.[[21]](#endnote-21) From the beginning, the group was involved in the basic trading of consumer products and foods as well as fostering a modern vision for the African continent through the distribution of manufactured products. After becoming Western Africa’s leading supplier and contributing to the region’s development, CFAO gradually expanded into Equatorial Africa and then into the French overseas territories. From 1913, CFAO turned toward automobile distribution in Africa and expanded into industrial production. Between 1950 and 1980, CFAO significantly grew its automobile distribution business and expanded into other areas, such as the distribution of plastic products and supermarkets in Africa and France.

In 1990, CFAO was acquired by the Pinault Group, another French company, which later became known as PPR in 1994 and as Kering in 2013. CFAO thus became the branch of Pinault that focused on the African business. In 1994, CFAO reinforced its positions in key business lines and regions in response to the crisis of devaluing the CFA franc against the French franc. In 1996, CFAO purchased its main competitor, another French company called the Société Commerciale de l’Ouest Africain, thus successfully integrating its pharmaceutical distribution business. From 2000, CFAO’s geographic expansion gathered pace, with activities set up in 15 new countries, including the Maghreb,[[22]](#endnote-22) a region with high growth potential. CFAO was listed on the Paris Stock Exchange in December 2009, after an absence of almost 20 years from financial markets.

**ACQUISITION OF CFAO GROUP**

**Motivations**

Three years after PPR listed CFAO on the stock exchange in 2012, the giant French corporation began to separate it from the group.[[23]](#endnote-23) PPR had acquired CFAO to realize its automobile and pharmaceutical distribution potential in Africa. Eventually, François-Henri Pinault (the PPR founder’s son) took over as leader, and the subsidiary CFAO was no longer considered strategically relevant to the group. Indeed, his concern had been to give to the Pinault Group a brand new dimension, refocusing on the luxury fashion industry, leather goods, and accessories.[[24]](#endnote-24) In July 2012, PPR announced that it would surrender 29.8 per cent of CFAO’s capital to the Japanese company TTC for €687 million.[[25]](#endnote-25) The announcement was made despite the fact that CFAO had issued positive financials for the second quarter of 2012, which demonstrated an increase in sales of 19.3 per cent to €908 million and a growth in net income of 28.8 per cent to €63.5 million (see Exhibit 3). This implied that PPR’s motivation for transferring its capital in CFAO was not solely financial.

The transfer of capital was pursued in a “friendly” manner and viewed as an attractive offer for the company, its subsidiaries, its employees, and its shareholders.[[26]](#endnote-26) Particularly, stakeholders did not perceive the acquisition by TTC as a threat because the African continent was not an unknown territory for TTC[[27]](#endnote-27) and the two companies had worked together before, when CFAO Automotive was the exclusive supplier of Toyota cars in Africa.[[28]](#endnote-28) Shortly after the capital participation, in September 2012, TTC launched a tender offer for the remaining 12.2 per cent of CFAO shares held by PPR and other shareholders.[[29]](#endnote-29) At the close of the tender, TTC received a total of 97.8 per cent of CFAO shares, becoming the company’s majority shareholder.

**Post-Acquisition Adjustments**

As a majority shareholder of CFAO with dominant voting rights, TTC was therefore able to exercise de facto sole control over the group and to influence its strategy and business development.[[30]](#endnote-30) Some adjustments to operations and processes were required for the two entities to work together to realize potential synergies.[[31]](#endnote-31) According to the French supervisory board, from an industrial perspective, TTC considered the acquisition a “friendly” transaction. TTC intended to support CFAO’s development activities in Africa, French overseas territories, and Vietnam. TTC notably expressed its intention to help CFAO manage businesses while preserving CFAO’s autonomy and entrepreneurial spirit. From an organizational and human resources perspective, TTC ensured that the individual and collective status of CFAO’s employees would not suffer from the bringing together of the two firms. TTC affirmed its intention to improve the company’s talents and intellectual capital. According to CFAO’s chairperson Richard Bielle, “With the support of our reference shareholder, I am convinced that we will be able to strengthen CFAO leadership and its strategy around equipment, health, and consumer goods; emphasizing our positioning of preferred partner of international brands in Africa.”[[32]](#endnote-32)

As a diversified conglomerate, TTC also understood CFAO’s need to diversify to maintain its growth. TTC expressed its intention to give CFAO a level of autonomy to operate its different businesses independently. Bielle said, “There are eight Japanese employees in our French headquarters, among which are the group’s vice-president and deputy chief financial officer. They constitute a very helpful interface that lets our group operate exactly as before, in a perfect relationship of trust.”[[33]](#endnote-33) CFAO owned a dozen different manufacturers in Africa (for example, breweries, packagers, automakers, and pharmaceutical companies) and TTC, which was present all over the world, helped the group in terms of management and logistics. Therefore, the Japanese influence was felt more in the process and the French more in the field. Finally, the approaches of both were complementary and allowed for the creation of business synergies.

**Complementary Businesses**

Geographically, TTC was mainly present in the English-speaking areas of eastern and southern Africa. CFAO, however, was not an ordinary enterprise; it was a leader of international business in Africa, with a presence in 34 countries. Through the CFAO acquisition, TTC gained presence in 53 of 54 African countries, thus strengthening its position and automobile distribution capability in the African market. Importantly, the two companies had diversified portfolios and operations in almost identical fields.

TTC was among Japan’s top seven general trading houses.[[34]](#endnote-34) It provided information services, logistics, financing, risk management, and other functions for import and export, as well as providing various domestic trading businesses. It had business in the seven different divisions.[[35]](#endnote-35) The metals division provided unique steel and nonferrous metal products, as well as logistics, and also operated a recycling business. The global parts and logistics division built up a global supply chain by linking automakers and parts manufacturers and offering manufacturing functions. The automotive division exported vehicles and parts manufactured by the Toyota Group and other companies. The machinery, energy, and project division provided supports for the automotive production and energy business. The chemicals and electronics division operated integrated automotive materials, chemicals, electronic devices, and information and communications technology solutions. The food and agribusiness division provided a variety of products and services, helping people live healthier lives. The Africa division drew on the networks and know-how developed in African nations to pursue business in a wide range of industries.

The CFAO Group catered to a demand for services, equipment, and health care and consumer goods in Africa and the French overseas territories.[[36]](#endnote-36) It also had a similar business in the seven divisions.[[37]](#endnote-37) The automotive equipment and services division sold and serviced a complete range of light and heavy vehicles with 53 globally renowned brands through a lasting relationship with leading automakers and an extensive market network in Africa. CFAO was present in 34 countries in Africa, three French overseas territories (French Guiana, New Caledonia, and Reunion), Vietnam, and Cambodia.[[38]](#endnote-38) This division also responded to the expansion of infrastructure, increasing urbanization, and growing mining and farming industries through its equipment business in eight African countries.

For non-automotive businesses, the Eurapharma division had over 60 years of experience in pharmaceutical distribution and was among the largest pharmaceutical distributors in Africa and French overseas territories, offering a unique range of services to both upstream clients such as laboratories and downstream customers such as pharmacists.[[39]](#endnote-39) The fast-moving consumer goods and agricultural division distributed and produced consumer goods, including beverages, writing instruments, shaving products, and cosmetics, throughout Africa.[[40]](#endnote-40) The retail division responded to the emerging African consumer market through a network of localized shopping centres and plans to construct shopping centres in partnership with Carrefour.[[41]](#endnote-41) The technologies division supplied integrated information technology products and services, including telecommunications systems, workstation and automated teller machine services, and radio communication operator services.[[42]](#endnote-42) The energy section was involved in renewable energies such as geothermal power plants in Kenya.[[43]](#endnote-43) The production support division provided specialized and tailored supply chain solutions for a wide range of products and services in South Africa.[[44]](#endnote-44)

**THE COMPETITION**

The African countries in which CFAO operated were experiencing growth, while some economies had entered a mature phase.[[45]](#endnote-45) This mixed economic situation attracted a wide variety of manufacturers of all sorts of goods to the continent. New distributors were constantly trying to penetrate the market. In certain cases, manufacturers began to distribute their own products directly or through wholly owned subsidiaries. These phenomena all served to intensify competition in the African market in general.

In the automotive sector, 2013 saw various major Asian automotive manufacturers gain a dominant presence in the eastern, southern, and western parts of Africa; these included the Korean automakers Hyundai, Kia, and Daewoo; the Indian automaker Tata Motors; and some Chinese manufacturers.[[46]](#endnote-46) However, their annual sales remained below those of CFAO, which had been an early entrant in the African market, when very few competitors existed.

However, TTC’s acquisition of a stake in CFAO made it difficult for CFAO to negotiate with automakers other than Toyota, which reduced its bargaining power in certain areas. This conflict of interest following TTC’s equity participation in CFAO allowed certain European, South Korean, and Chinese companies to enter the African automotive market, thereby reducing CFAO’s opportunities for business development with certain automakers. Nevertheless, despite new entries and high competition in certain areas, CFAO retained its position as a leader in automobile distribution in Africa.

**THE TRANSACTION’S EFFECTS**

At the close of the tender offer on CFAO shares, TTC decided to waive its right to implement a squeeze-out (or freeze-out) procedure to pressure minority shareholders to sell their CFAO stock. It also decided to maintain the group’s listing status on the Paris Stock Exchange. According to Jun Karube, the chairman of TTC, “Through continuing to be listed on public, we look forward to ensuring the company’s management credibility and transparency. And we are sure that our determination will maintain CFAO’s autonomy and entrepreneurship spirit and support sustainable growth for CFAO.”[[47]](#endnote-47) Meanwhile, Alain Viry, the chairman of CFAO’s management board, commented,

I applaud TTC’s decision to maintain the Group’s listing on the Paris stock market, in line with the intentions announced at the time of the tender offer. This decision allows those shareholders who have stood by us to continue to accompany CFAO’s growth. It also provides clarity in terms of corporate governance, thereby guaranteeing for our partners autonomous management at the operational level, as well as the continuation of the multi-brand strategy in our markets.[[48]](#endnote-48)

In 2013, CFAO announced that it would develop a network of shopping malls, adapted to African consumers’ needs, together with Carrefour, the third-largest French retailer (see Exhibit 4).[[49]](#endnote-49) The two companies had signed a memorandum of understanding to establish a joint venture with 55 per cent ownership by CFAO and 45 per cent by Carrefour. The joint venture initially aimed to develop retail operations in eight sub-Saharan nations. Karube said,

I heartily welcome the collaboration between our strategic partner CFAO and the iconic retailer, Carrefour. Consumer purchasing power is mounting steadily in Africa, and serving consumer demand in several product categories has been a strategic priority for CFAO. This business initiative will buttress the comprehensive African presence that we and CFAO are building through our strategic partnership.[[50]](#endnote-50)

Following this initiative, Carrefour opened its first hypermarket in 2015 in Abidjan, Ivory Coast.[[51]](#endnote-51)

Although “CFAO was TTC’s largest-ever investment,” the investment did not have a negative effect on TTC’s performance, according to Karube.[[52]](#endnote-52) On the contrary, TTC increased its year-on-year net income by 2 per cent to ¥67.4 billion, operating income by 25 per cent to ¥115.9 billion, and net sales by 7 per cent to ¥6,304.4 billion in FY 2012/13 (see Exhibit 5). However, TTC’s overall increase in sales and earnings was consistent with the global growth in vehicle production and sales by its automaker customers and with the inclusion of performance from additional subsidiaries in the consolidated accounts.

CFAO Automotive recorded a great year in 2012 with 95,063 new cars sold, an increase of 16 per cent from the previous year; this included 52,808 cars sold from markets in Maghreb. However, it suffered from a hard first quarter in 2013 with a decrease of 28 per cent on sales, due to the decline of some major automotive markets, notably in Algeria, Morocco, and Ghana.[[53]](#endnote-53) CFAO confirmed the negative expectations as follows: “Due to an activity lower than expected during the first nine months of the year, and the current evolution of leading markets, mainly Algeria, it is doubtful that the division will register a positive growth this year.”[[54]](#endnote-54) Sales in Algeria alone were down 21.6 per cent, which affected the whole automotive division’s performance. The impact was especially strong due to the market being associated with Congo, Réunion Island, Cameroon, Antilles, and the Ivory Coast, which had contributed significantly to the performance of CFAO’s automotive sector. The fall of automotive sales in the Maghreb region and the economic slowdown in oil-producing countries continued to affect CFAO’s revenue until 2015 (see Exhibit 6).

However, the slow performance in the automotive sector, particularly affected by the collapse of the Algerian market and the breach of a contract with Nissan, did not prevent CFAO from exploiting its strength and pertinence in Africa. At the end of 2014, CFAO announced a joint venture with Porsche Holding Salzburg to import and distribute Volkswagen’s passenger cars and light commercial vehicles in East Africa.[[55]](#endnote-55) In February 2015, CFAO enhanced its partnership with Yamaha Motor Company Limited by jointly creating a company in Nigeria to make “Africa’s first market with more than 1 million new motorcycles sold every year.” Before that, CFAO had been already distributing Yamaha motorcycles in 15 African countries.[[56]](#endnote-56) In June 2015, CFAO established two new car dealerships in Abidjan, the Ivory Coast capital, and in Kinshasa, the Democratic Republic of Congo capital. Abidjan’s dealership exclusively distributed the Toyota brand; in Kinshasa, customers had various choices, including Toyota, Peugeot, and Suzuki.[[57]](#endnote-57) Meanwhile, TTC registered record highs for net sales and operating income in FY 2014/15.[[58]](#endnote-58) Operating income increased 5.0 per cent to ¥169.5 billion, and net sales increased 11.9 per cent to ¥8,663.5 billion (see Exhibit 5).

**INTERNALIZING CFAO AS A WHOLLY OWNED SUBSIDIARY**

Exactly four years after the acquisition of over 95 per cent of CFAO’s shares, TTC held a public buyout offer in December 2016 for the remaining shares of CFAO[[59]](#endnote-59) for the following reasons: CFAO’s shareholding structure was dispersed; there were no structural, economic, or family links between shareholders; and most of the shareholders had a purely financial interest in CFAO. Being a majority shareholder was not sufficient for TTC to run CFAO to meet its objectives. Following the full acquisition, TTC also delisted CFAO from the Euronext Paris stock exchange. According to a management team member, “being listed no longer made sense.”[[60]](#endnote-60) France’s securities regulator, the Autorité des Marchés Financiers, approved the squeeze-out of CFAO shares. As a result, CFAO became a wholly owned subsidiary of TTC on December 31, 2016.

However, before the equity participation by TTC, CFAO was concurrently a customer and supplier of many Japanese companies. Although CFAO intended to pursue a multi-brand strategy in its automotive distribution after its transaction with TTC, some of its automaker customers, such as Isuzu and Nissan, were not comfortable with the new shareholding structure of CFAO.[[61]](#endnote-61) Knowing that TTC was directly affiliated with the Toyota Group, its major competitor, Nissan decided not to renew all but one (Morocco) of its distribution contracts with CFAO Automotive. The large proportion of CFAO’s shares held by TTC had also reduced the liquidity of the CFAO stocks. Therefore, the share price could not accurately reflect the firm’s value.[[62]](#endnote-62)

**VISION 2015 VALIDATED BUT, GIVEN A COMPLICATED YEAR 2016, WHAT’S NEXT?**

TTC launched the Vision 2015 campaign in 2007 and went on to achieve positive results in 2015. The company made great strides toward its goal of balancing a business portfolio between automotive and non-automotive business.[[63]](#endnote-63) Although TTC did not reach the expected 50:50 balance in its business portfolio for the two sectors, it did reduce the gap to a 60:40 ratio (see Exhibit 7). To extend the company’s vision, TTC created a new global vision in 2016. However, the company did not fare as well in 2016 as in 2015. TTC recorded its first financial loss in 16 years.[[64]](#endnote-64) Specifically, TTC posted a loss attributable to the parent’s shareholders of ¥43.7 billion in 2016, compared with net income of ¥67.5 billion in 2015. Net sales and operating income were also down 5.7 per cent and 17.2 per cent, to ¥8,170.2 billion and ¥140.2 billion respectively (see Exhibit 8). What had led to such a negative change for the company?

The downturn in profitability resulted from impairment losses incurred on natural gas development projects relating to the slump in natural resources prices and from losses recorded on investments in other sectors. In particular, the main losses were the impairment losses on Australian and Canadian gas businesses and the write-down of deferred tax assets[[65]](#endnote-65) (see Exhibit 9). TTC booked an extraordinary loss (impairment loss) of approximately ¥37.0 billion against its Australian gas business, including a coalbed methane gas development and supply project in Queensland. As result of impairment testing, TTC also booked an extraordinary loss of approximately ¥8 billion against Canadian gas development and production. Despite this disappointing performance, TTC intended to assert its innate strengths on achieving renewed growth.

**THE GLOBAL VISION AND 10-YEAR PLAN FROM MAY 2016**

In FY 2015/16, Karube stated, “Under our Global Vision, we have reinforced our foundation for pursuing renewed growth for the group for the next 10 years.” This global vision would start in May 2016 to reaffirm the group’s mission to achieve sustainable growth on a global scale in a rapidly changing business environment. Going beyond balancing the portfolio between automotive and non-automotive businesses, TTC aimed to achieve balance among its three business domains: (1) mobility—to deliver valuable businesses to earn customer trust by deepening and stabilizing supply chains; (2) life and community—to improve living conditions; and (3) resources and environment—to provide solutions for a sustainable society. The main corporate image—for the company to “Be the Right One”—was broken down into three subcategories: “The Right One for You,” “The Right One for Us,” and “The Right One for the Future.” These corporate images showed the company as assuring three types of services: (1) safety, quality, and reliability, based on people’s needs; (2) the maximization of individual capabilities, global networks, and diversity to create synergetic strengths; and (3) the unique insights and capabilities to explore new opportunities for the future and a sustainable society.[[66]](#endnote-66)

In May 2016, TTC decided to chart its progress toward fulfilling its corporate vision. A long-term plan outlined management’s strategy and policy over a five-year horizon, with a longer-term plan to be revised annually, based on changes in the economic environment and corporate circumstances.[[67]](#endnote-67) In terms of management strategy, the corporate group would strengthen its earnings foundation and pursue opportunities in the three key business domains. With respect to investment policy, the group would increase return on investment by employing quantitative benchmarks. Regarding financial policy, the group would strengthen cash flow management (see Exhibit 10).

Building a strong and extensive presence in Africa would be a continued focus for the company. Increasing the African contribution to corporate earnings could be achieved by fostering synergies between the established operations of TTC and CFAO, to achieve ¥10 billion growth in earnings.[[68]](#endnote-68) This could be done in four steps. The first step would be to increase the number of automobile distributors and the volume of sales in all regions of Africa. The next step would be to deploy TTC’s strengths in CFAO and in the French-speaking regions of Africa. The third step would be to create new businesses that correspond to Africa’s rapidly growing middle class. The last step would be to establish new alliances with outstanding French companies. Such potential synergies would come from expanding mutual automotive business and building on CFAO’s strengths in pharmaceuticals and medical supplies, consumer goods, and beverages.[[69]](#endnote-69) Essentially, CFAO would be the gateway for TTC to enter African French-speaking countries and to contribute to the creation of a healthier, more prosperous Africa.

Exhibit 1: FINANCIAL HIGHLIGHTS (CONSOLIDATED) OF TOYOTA TSUSHO Corporation AND TOMEN Corporation BEFORE THE MERGER in 2005–2006 (IN ¥ MILLION)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Financial Performance** | **Toyota Tsusho Corporation** | | **Tomen Corporation** | | **Simple Sum** |
| 2006 | 2005 | 2006 | 2005 | 2006 |
| For the Year: |  |  |  |  |  |
| Net Sales | 3,945,319 | 3,315,831 | 1,810,844 | 1,577,303 | 5,756,163 |
| Gross Trading Profit | 221,593 | 175,683 | 77,135 | 82,915 | 298,728 |
| Operating Income | 80,057 | 56,315 | 21,066 | 26,568 | 101,123 |
| Net Income (Loss) | 45,733 | 37,522 | −48,317 | 9,627 | −2,584 |
| Free Cash Flow | −86,290 | −11,574 | 48,303 | 42,646 | −37,987 |
| At Year End: |  |  |  |  |  |
| Total Assets | 1,602,702 | 1,198,394 | 698,322 | 733,794 | 2,301,024 |
| Total Shareholders’ Equity | 314,319 | 237,132 | 13,986 | 41,350 | 328,305 |
| Interest-Bearing Liabilities | 508,895 | 389,332 | 393,365 | 438,766 | 902,260 |

Note: ¥ = Japanese yen; US$1.00 = ¥114.37 on December 1, 2016.

Source: Created by the case authors based on Toyota Tsusho Corporation, *Where New Value Takes Shape: Annual Report 2006*, 6, accessed September 19, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/detailobj-465-datafile.pdf.

Exhibit 2: TOYOTA TSUSHO Corporation’S AFRICAN OPERATIONS

|  |  |  |
| --- | --- | --- |
| **Northern Africa** | **Eastern Africa** | **Southern Africa** |
| Automotive Business: | Automotive Business: | Automotive Business: |
| * CKD business | * Automobile sales | * Automobile sales * Sales financing services * Integrated support automobile production functions * Blanking, scrap business, tire and wheel assembly, parts manufacturing |
| Non-automotive Business: | Non-automotive Business: | Non-automotive Business: |
| * Power plants * Offshore gas field drilling * Rig chartering business | * Energy / power plant-related projects (Geothermal power generation / harbour restoration) * Agriculture and construction machinery sales * Chemicals | * Logistics business * Agricultural business (Zambia and Mozambique) |
|  |  |

Source: Created by the case authors based on Toyota Tsusho Corporation, *Where New Value Takes Shape: Annual Report 2006*, 19, accessed September 19, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/ANNUAL2013EgALL.pdf.

Exhibit 3: FINANCIAL HIGHLIGHTS OF CFAO before THE acquisition in 2011–2012

(IN € MILLION)

|  |  |  |  |
| --- | --- | --- | --- |
| **Financial Performance** | **2011** | **2012** | **Change** |
| Revenue | 3,123.70 | 3,585.20 | +14.8% |
| Cost of sales | −2,418.20 | −2,792.40 | +15.5% |
| Gross profit | 705.50 | 792.80 | +12.4% |
| Gross profit as a percentage of revenue | 22.6% | 22.1% | −0.5 pts |
| Operating income | 266.10 | 280.80 | +5.5% |
| EBITDA\* | 304.90 | 345.20 | 13.20% |
| EBITDA as a percentage of revenue | 9.80% | 9.60% | −0.2 pts |
| Net income of consolidated companies | 170.60 | 171.20 | 0.40% |
| Earnings per share | 1.97 | 1.85 | −5.80% |

Note: ¥ = Japanese yen; US$1.00 = ¥114.37 on December 1, 2016; EBITDA = earnings before interest, taxes, depreciation, and amortization.

Source: Created by the case authors based on CFAO, “2012 Fourth-Quarter Revenue: 2012 Annual Results,” press release, 3, February 21, 2013, accessed September 19, 2017, http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTcyNzA1fENoaWxkSUQ9LTF8VHlwZT0z&t=1.

Exhibit 4: WORLD LARGEST MASS RETAIL COMPANIES IN 2013

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Top 10 Ranking** | **Name of Company** | **Country of Origin** | **Retail Revenue (US$ million)** | **Retail Revenue Growth (%)** | **Number of Countries in Operations** | **Retail Revenue from Foreign Operations (%)** |
| 1 | Wal-Mart Stores, Inc. | U.S. | 476,294 | 1.5 | 28 | 28.9 |
| 2 | Costco Wholesale Corporation | U.S. | 105,156 | 6.1 | 9 | 28.2 |
| 3 | Carrefour S.A. | France | 98,688 | −2.4 | 33 | 52.7 |
| 4 | Schwarz Unternehmens Treuhand KG | Germany | 98,662 | 9.5 | 26 | 58.2 |
| 5 | Tesco PLC | U.K. | 98,631 | −2.0 | 13 | 32.3 |
| 6 | The Kroger Co. | U.S. | 98,375 | 1.7 | 1 | 0.0 |
| 7 | Metro Ag | Germany | 86,393 | −2.5 | 32 | 62.3 |
| 8 | ALDI Einkauf GmbH & Co. oHG | Germany | 81,090 | 4.7 | 17 | 59.2 |
| 9 | The Home Depot, Inc. | U.S. | 78,812 | 5.4 | 4 | 10.8 |
| 10 | Target Corporation | U.S. | 72,596 | 0.9 | 2 | 1.8 |
| Top Ten Companies Totals | | | 1,294,697 | 2.0 | 16.5 | 32.5 |

Source: Created by the case authors based on “2015 TOP 250 Global Powers of Retailing,” National Retail Federation, January 11, 2015, accessed September 19, 2017, https://nrf.com/news/2015-top-250-global-powers-of-retailing.

Exhibit 5: FINANCIAL HIGHLIGHTS (CONSOLIDATED) OF TOYOTA TSUSHO Corporation for 2009–2013 (IN ¥ MILLION)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Results of Operations** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| Net Sales | 6,286,996 | 5,102,261 | 5,743,649 | 5,916,759 | 6,304,354 | 7,743,237 | 8,663,460 |
| Gross Trading Profit | 326,679 | 280,790 | 330,730 | 343,999 | 403,888 | 582,498 | 634,572 |
| SG&A Expenses | 235,661 | 225,199 | 245,432 | 251,596 | 288,013 | 421,177 | 465,115 |
| Operating Income | 91,017 | 55,591 | 85,297 | 92,403 | 115,875 | 161,321 | 169,456 |
| Net Income | 40,224 | 27,339 | 47,169 | 66,205 | 67,432 | 73,034 | 67,571 |

Note: ¥ = Japanese yen; US$1.00 = ¥114.37 on December 1, 2016; SG&A = selling, general, and administrative expenses.

Source: Created by the case authors based on Toyota Tsusho Corporation, *Annual Report 2013: Accelerating Growth in Three Core Fields*, 8, accessed September 19, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/ANNUAL2013EgALL.pdf.

Exhibit 6: CFAO NEW VeHICLES SALES, 2005–2013

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **2005** | **2006** | **2007** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** |
| Units | 42,526 | 47,963 | 69,857 | 88,108 | 66,728 | 64,902 | 82,099 | 95,006 | 78,237 |
| Revenue  (in € million) | 1,047 | 1,186 | 1,508 | 1,779 | 1,451 | 1,527 | 1,892 | 2,188 | 2,049 |

|  |  |  |  |
| --- | --- | --- | --- |
| **New Vehicles Sales (Units)** | **2012** | **2013** | **Change (%)** |
| French-Speaking Sub-Saharan Africa | 17,660 | 17,853 | +1.1 |
| English-Speaking and Portuguese-Speaking Sub-Saharan Africa | 14,156 | 12,090 | −14.6 |
| Algeria and Morocco | 52,808 | 38,172 | −27.7 |
| FOTs | 10,439 | 10,122 | −3.0 |
| **Total** | **95,063** | **78,237** | **−17.7** |

Note: € = European euro; US$1.00 = €0.70 on December 1, 2016; FOTs = French overseas territories.

Source: Created by the case authors based on CFAO Group, *Annual Results 2013*, 9–10, February 20, 2014, accessed November 22, 2017, www.cfaogroup.com/static/2014/02/20/Annuels\_2013\_v6\_ENG.pdf?Y0tmyRRx1ndM5kc7Kz9gvg:Y0tmyRRx1ndM5kc7Kz9gvg:BFBGrIAc\_I0VKmFp0iY8-g.

Exhibit 7: TOYOTA TSUSHO Corporation’S RESULTS OF IMPLEMENTING VISION 2015   
(in ¥ BILLION)

|  |  |  |  |
| --- | --- | --- | --- |
| **Business Sectors** | **2010** | **2015** | **Change (%)** |
| Metals | 37.9 | 37.4 | −1.3 |
| Global Parts & Logistics | 10.3 | 21.6 | 109.7 |
| Automotive | 23.4 | 37.9 | 62.0 |
| **Subtotal (Automotive Business)** | **71.6** | **96.9** | **35.3** |
| Machinery, Energy & Project | 3.2 | 21.3 | 565.6 |
| Chemicals & Electronics | 12.0 | 24.9 | 107.5 |
| Food & Agribusiness | 0.8 | 3.6 | 350.0 |
| Consumer Products & Services | 1.7 | 5.0 | 194.1 |
| **Subtotal (Non-Automotive Business)** | **17.7** | **54.8** | **209.6** |
| Corporate | −4.1 | −11.5 | 180.5 |
| **Total** | **85.2** | **140.2** | **64.6** |
| **Ratio between Automotive and Non-Automotive Business** | **80:20** | **64:36** | **−20.0** |
|  |  |  |  |
| **Financial Position at Year End** | **2010** | **2015** | **Change (%)** |
| Total assets | 2,436.2 | 3,952.1 | 62.2 |
| Capital employed | 1,248.9 | 2,158.5 | 72.8 |
| Net interest-bearing debt | 581.3 | 1,102.7 | 89.7 |
| Shareholders’ equity | 642.9 | 777.4 | 20.9 |

Note: ¥ = Japanese yen; US$1.00 = ¥114.37 on December 1, 2016.

Source: Created by the case authors based on Toyota Tsusho Corporation, *New Global Vision and Long-Term Business Plan*, 6, May 6, 2016, accessed September 19, 2017, www.toyota-tsusho.com/english/ir/pdf/management/plan\_20160513\_01.pdf.

**Exhibit 8: TOYOTA TSUSHO Corporation’S CONSOLIDATED LOSSES, 2015–2016  
(in ¥ BILLION)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Financial Highlights (Consolidated)** | **2016** | **2015** | **Change** | **Change (%)** |
| Net Sales | 8,170.2 | 8,663.4 | −493.2 | −5.7 |
| Operating Income | 140.2 | 169.3 | −29.1 | −17.2 |
| Profit (Loss) Attributable to Owners of the Parent | −43.7 | 67.5 | −111.2 | −164.7 |

Note: ¥ = Japanese yen; US$1.00 = ¥114.37 on December 1, 2016.

Source: Created by the case authors based on Toyota Tsusho Corporation, *Integrated Report 2016*, 18, May 6, 2016, accessed September 19, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/ar2016e\_all.pdf.

**Exhibit 9: FACTORS CONTRIBUTING TOYOTA TSUSHO Corporation Losses IN 2016**

|  |  |  |
| --- | --- | --- |
| **Category** | **Description** | **Impact on net income attributable to owners of the parent (in ¥ billion)** |
| Resource businesses | Revaluation of Australian and Canadian gas businesses and other changes | −45 |
| Non-resource businesses | Losses on liquidation of subsidiaries and affiliates, asset impairment losses, and other losses | −11 |
| Write-down of deferred tax assets | | −23 |
| **Total** | | **−79** |

Note: ¥ = Japanese yen; US$1.00 = ¥114.37 on December 1, 2016.

Source: Created by the case authors based on Toyota Tsusho Corporation, “Notice of Impairment Losses and Revision of Consolidated Full-year Earnings Forecast,” April 21, 2016, accessed September 19, 2017, www.toyota-tsusho.com/english/press/detail/160421\_003756.html.

Exhibit 10: TOYOTA TSUSHO Corporation’S GLOBAL VISION AND LONG-TERM PLAN FOR 2017–2021 (IN ¥ BILLION)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Key Indicators** | **2015 (Results)** | **2016 (Results)** | **2017 (Plan)** | **2021 (Targets)** |
| **Revenue and Earnings:** |  |  |  |  |
| Net sales | 8,663.4 | 8,170.2 | 7,300.0 | 9,400.0 |
| Operating income | 169.4 | 140.2 | 144.0 | 220.0 |
| Profit (loss) attributable to owners of the parent | 67.5 | −43.7 | 70.0 | 120.0 |
| **Financial Position:** |  |  |  |  |
| Total assets | 4,533.6 | 3,952.1 | 4,375.0 | 5,400.0 |
| Shareholders’ equity | 844.4 | 777.4 | 825.6 | 1,150.0 |
| Net assets | 1,304.4 | 1,055.7 | 1,199.0 | 1,450.0 |
| **Management Indicators:** |  |  |  |  |
| Net interest-bearing debt | 1,233.5 | 1,102.7 | 1,050.0 | 1,200.0 |
| Risk assets/risk buffer | 1/1 | 1.1/1 | — | No more than 1.0 |
| Net return on equity (%) | 6.4 | −4.3 | 6.9 | 1.0–13.0 |
| Net debt-equity ratio | 1.1 | 1.2 | 1.1 | No more than 1.5 |

Note: ¥ = Japanese yen; US$1.00 = ¥114.37 on December 1, 2016.

Source: Created by the case authors based on Toyota Tsusho Corporation, *Integrated Report 2016*, 12, May 6, 2016, accessed September 19, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/ar2016e\_all.pdf.

endnotes

1. This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of Toyota Tsusho Corporation or any of its employees. [↑](#endnote-ref-1)
2. “Notice on Public Buy-Out Offer for the Remaining Shares of CFAO,” Toyota Tsusho Corporation, November 22, 2016, accessed September 11, 2017, www.toyota-tsusho.com/english/press/detail/161122\_003877.html; European Commission, *Case No COMP/M.6718—Toyota Tsusho Corporation/CFAO*, November 13, 2012, accessed September 11, 2017, http://ec.europa.eu/competition/mergers/cases/decisions/m6718\_135\_2.pdf; “PPR a annoncé jeudi 26 juillet 2012 l’acquisition par Toyota Tsusho Corporation de 29,8% du capital de CFAO avec la possibilité de lancer une offre publique sur la totalité du capital,” CFAO, press release, July 26, 2012, accessed September 11, 2017, www.cfaogroup.com/fr/actualites/ppr-a-annonce-jeudi-26-juillet-2012-l-acquisition-par-toyota-tsusho-corporation-de-29-8-du-capital-de-cfao-avec-la-possibilite-de-lancer-une-offre-publique-sur-la-totalite-du-capital/year/2012/page/3; “Notice on Results of Public Buy-out Offer for the Remaining Shares of CFAO,” [op](http://op). cit. [↑](#endnote-ref-2)
3. Toyota Tsusho Corporation, *Integrated Report 2016*, 14, accessed September 11, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/ar2016e\_all.pdf. [↑](#endnote-ref-3)
4. “Toyota Tsusho Corporation Completes Public Tender Offer for Shares of CFAO S.A.,” Toyota Tsusho Corporation, December 24, 2012, accessed September 11, 2017, www.toyota-tsusho.com/english/press/detail/121224\_001825.html. [↑](#endnote-ref-4)
5. Jiji, “All Seven Top Japanese Trading Firms Enjoy Strong Earnings,” *Japan Times*, May 10, 2017, accessed August 23, 2017, https://www.japantimes.co.jp/news/2017/05/10/business/corporate-business/seven-top-japanese-trading-firms-enjoy-strong-earnings/#.WZ0oFek5vdk; A Japanese trading house was an extremely diversified company (called *sōgō shōsha* in Japanese) that acted not only as an intermediary that traded a wide range of products and materials, but also engaged in logistics, plant development, other services, investments, and international resource exploration. [↑](#endnote-ref-5)
6. Toyota Tsusho Corporation, *Annual Report 2008*, 4–18, accessed August 21, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/detailobj-762-datafile.pdf. [↑](#endnote-ref-6)
7. Toyota Tsusho Corporation, *Annual Report 2007*, 00–01, accessed September 11, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/detailobj-619-datafile.pdf. [↑](#endnote-ref-7)
8. Toyota Tsusho Corporation, *Annual Report 2013*, 17, accessed September 11, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/ANNUAL2013EgALL.pdf. [↑](#endnote-ref-8)
9. “2012 Fourth Quarter Results: 2012 Annual Results*,*” CFAO, press release, 1–8, February 21, 2013, accessed September 11, 2017, http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9MTcyNzA1fENoaWxkSUQ9LTF8VHlwZT0z&t=1. [↑](#endnote-ref-9)
10. Toyota Tsusho Corporation, *Annual Report 2013*, op. cit., 8. [↑](#endnote-ref-10)
11. “Toyota Tsusho Corporation Completes Public Tender Offer for Shares of CFAO S.A.,” [op](http://op). cit. [↑](#endnote-ref-11)
12. Alexandra Frutos, “Renault-Nissan met fin à la plupart de ses contrats avec CFAO,” CCFA, July 30, 2013, accessed August 25, 2017, www.ccfa.fr/Renault-Nissan-met-fin-a-la,125037. [↑](#endnote-ref-12)
13. Lawrence Ngorand, “The Car Industry in Developing Countries: West Africa,” LinkedIn, March 4, 2015, accessed August 18, 2017, www.linkedin.com/pulse/car-industry-developing-countries-west-africa-lawrence-ngorand-msc-. [↑](#endnote-ref-13)
14. Toyota Tsusho Corporation, *New Global Vision and Long-Term Business Plan,* 3, May 6, 2016, accessed September 11, 2017, https://www.toyota-tsusho.com/english/ir/pdf/management/plan\_20160513\_01.pdf. [↑](#endnote-ref-14)
15. “Toyota Tsusho History,” Toyota Tsusho Corporation, accessed August 20, 2017, www.toyota-tsusho.com/english/company/history.html. [↑](#endnote-ref-15)
16. “Toyota Tsusho to Take on 10% of Tomen,” *Japan Times*, March 25, 2000, accessed August 21, 2017, https://www.japantimes.co.jp/news/2000/03/25/business/toyota-tsusho-to-take-on-10-of-tomen/#.WZqw3Ok5vdk. [↑](#endnote-ref-16)
17. ¥ = Japanese yen; all currency amounts are in ¥ unless otherwise specified; US$1.00 = ¥114.37 on December 1, 2016. [↑](#endnote-ref-17)
18. “Toyota Tsusho Targets Cultural Understanding for Growth in China,” *China Daily*, March 23, 2009, accessed August 21, 2017, www.chinadaily.com.cn/cndy/2009-03/23/content\_7604127.htm. [↑](#endnote-ref-18)
19. Toyota Tsusho Corporation, *Annual Report 2008*, op. cit. [↑](#endnote-ref-19)
20. “Stories of Our Projects,” Toyota Tsusho Corporation, accessed August 22, 2017, www.toyota-tsusho.com/english/about/project/11/. [↑](#endnote-ref-20)
21. “CFAO Group History,” Toyota Tsusho Corporation, accessed August 21, 2017, www.cfaogroup.com/en/history. [↑](#endnote-ref-21)
22. The term “Maghreb” referred to Algeria, Morocco, and Tunisia, but the CFAO Group only operated in Algeria and Morocco. [↑](#endnote-ref-22)
23. “Toyota en passe de mettre la main sur CFAO Pinault se débarrasse de la vieille dame de l’Afrique francophone!,” lefaso.net, August 20, 2012, accessed August 22, 2017, http://lefaso.net/spip.php?article49688. [↑](#endnote-ref-23)
24. “PPR Chairman During an Interview in 2010,” accessed August 22, 2017, Bourse Reflex, www.boursereflex.com/actu/2010/12/21. [↑](#endnote-ref-24)
25. € = euro; US$1.00 = €0.81 as of July 31, 2012; “PPR lâche CFAO à Toyota,” *La Tribune*, July 26, 2012, accessed August 22, 2017, www.latribune.fr/entreprises-finance/services/distribution/20120726trib000711046/ppr-lache-cfao-a-toyota.html. [↑](#endnote-ref-25)
26. Ibid. [↑](#endnote-ref-26)
27. “Stories of Our Projects,” Toyota Tsusho Corporation, accessed August 22, 2017, www.toyota-tsusho.com/english/about /project/11/. [↑](#endnote-ref-27)
28. “Toyota by CFAO: Le partenaire historique en Afrique,” CPS Africa, accessed August 22, 2017, www.cpsafrica.com/fr /vehicules/toyota/. [↑](#endnote-ref-28)
29. European Commission, op. cit., 2. [↑](#endnote-ref-29)
30. Ibid. [↑](#endnote-ref-30)
31. CFAO, *Response Document to the Tender*, 7–8, accessed August 23, 2017, www.cfaogroup.com/static/2012/10/17/CFAO-Note-reponse-EN.pdf?S1At8h3LFLrYoKdZgBFybA:S1At8h3LFLrYoKdZgBFybA:fcbLWYIg4ii5ktRhYuv3gw. [↑](#endnote-ref-31)
32. Richard Bielle, “Une année 2013: En demi-teinte,” *Contact* (March 2014), 6, accessed August 23, 2017, www.cfao-technologies.com/static/2014/04/02/Contact\_73-fr\_PP2.pdf?fWXuV9UXyr5DpS-c5IMqZQ:fWXuV9UXyr5DpS-c5IMqZQ:jBDGNt1Rio4OSd3mfoi7EQ. [↑](#endnote-ref-32)
33. Olivier Caslin, “Richard Bielle: « CFAO et Toyota Tsusho Corporation sont très complémentaires »,” *Jeune Afrique*, July 29, 2016, accessed August 23, 2017, www.jeuneafrique.com/345005/economie/richard-bielle-cfao-toyota-tsusho-corporation-tres-complementairesc. [↑](#endnote-ref-33)
34. “All Seven Top Japanese Trading Firms Enjoy Strong Earnings,” *Japan Times*, May 10, 2017, accessed August 23, 2017, www.japantimes.co.jp/news/2017/05/10/business/corporate-business/seven-top-japanese-trading-firms-enjoy-strong-earnings/#.WZ0oFek5vdk. [↑](#endnote-ref-34)
35. “Toyota Tsusho Business Overview,” Toyota Tsusho Corporation, accessed August 23, 2017, www.toyota-tsusho.com/english/business/. [↑](#endnote-ref-35)
36. “Our Market Positioning,” CFAO, accessed August 23, 2017, www.cfaogroup.com/en/market-positioning. [↑](#endnote-ref-36)
37. Ibid. [↑](#endnote-ref-37)
38. “Equipment,” CFAO, accessed August 23, 2017, www.cfaogroup.com/en/our-activities/equipment. [↑](#endnote-ref-38)
39. “Healthcare,” CFAO, accessed August 23, 2017, www.cfaogroup.com/en/our-activities/healthcare. [↑](#endnote-ref-39)
40. “Consumer Goods,” CFAO, accessed August 23, 2017, www.cfaogroup.com/en/our-activities/consumer-goods. [↑](#endnote-ref-40)
41. Ibid. [↑](#endnote-ref-41)
42. “Our Activities: Other Sectors,” CFAO, accessed August 23, 2017, www.cfaogroup.com/en/our-activities/autres-secteurs. [↑](#endnote-ref-42)
43. Ibid. [↑](#endnote-ref-43)
44. Ibid. [↑](#endnote-ref-44)
45. Toyota Tsusho Corporation, *Annual Report 2013*, op. cit. [↑](#endnote-ref-45)
46. Ngorand, [op](file:///C:\Users\Wendy\Documents\Ivey%20Publishing\Ivey%20WIP\op). cit. [↑](#endnote-ref-46)
47. “Continued Listing of CFAO Shares on Euronext Paris,” CFAO, press release, February 26, 2013, accessed August 25, 2017, www.cfaogroup.com/en/news/continued-listing-of-cfao-shares-on-euronext-paris. [↑](#endnote-ref-47)
48. Ibid. [↑](#endnote-ref-48)
49. Carrefour S.A. was a French corporate group in the mass retail industry created in 1959 that pioneered the hypermarket concept in 1963; “2015 Top 250 Global Powers of Retailing,” National Retail Federation, January 11, 2015, https://nrf.com/news/2015-top-250-global-powers-of-retailing; “Carrefour et cfao s’associent dans la grande distribution en Afrique,” Capital, May 30, 2013, accessed December 11, 2017, www.capital.fr/entreprises-marches/carrefour-et-cfao-s-associent-dans-la-grande-distribution-en-afrique-846955. [↑](#endnote-ref-49)
50. “Toyota Tsusho Group to Develop Retail Outlets in Africa with Carrefour,” JPubb, May 30, 2013, accessed September 11, 2017, www.jpubb.com/en/press/66775/. [↑](#endnote-ref-50)
51. “A First Carrefour Market Store in the Ivory Coast,” June 6, 2017, Carrefour, accessed September 11, 2017, www.carrefour.com/current-news/a-first-carrefour-market-store-in-the-ivory-coast. [↑](#endnote-ref-51)
52. Toyota Tsusho Corporation, *Annual Report 2013,* op. cit., 11. [↑](#endnote-ref-52)
53. Frutos, [op](http://op). cit. [↑](#endnote-ref-53)
54. Elisabeth Struder, “Le chiffre d’affaires de CFAO affecté par le marché automobile algérien,” Leblogauto, November 10, 2013, accessed August 25, 2017, www.leblogauto.com/2013/11/le-chiffre-daffaires-de-cfao-affecte-par-le-marche-automobile-algerien.html. [↑](#endnote-ref-54)
55. “Un nouveau partenariat de distribution en Afrique de l’Est pour CFAO,” CFAO, February 19, 2015, accessed September 11, 2017, www.cfaogroup.com/fr/actualites/un-nouveau-partenariat-de-distribution-en-afrique-de-l-est-pour-cfao/page/6. [↑](#endnote-ref-55)
56. “CFAO et Yamaha s’allient pour produire et distribuer des deux-roues au Nigeria,” *Jeune Afrique*, December 12, 2014, accessed September 11, 2017, www.jeuneafrique.com/4551/economie/cfao-et-yamaha-s-allient-pour-produire-et-distribuer-des-deux-roues-au-nigeria/. [↑](#endnote-ref-56)
57. “Automobile : CFAO fait son show à Abidjan et Kinshasa,” *Jeune Afrique*, June 1, 2015, accessed September 11, 2017, www.jeuneafrique.com/233059/economie/automobile-cfao-fait-son-show-a-abidjan-et-kinshasa/. [↑](#endnote-ref-57)
58. Toyota Tsusho Corporation, *Integrated Report 2015*, 17, accessed September 11, 2017, www.toyota-tsusho.com/english/ir/pdf/library/integrated-report/ar2015e\_all.pdf. [↑](#endnote-ref-58)
59. Toyota Tsusho Corporation, “Notice on Public Buy-Out Offer for the Remaining Shares of CFAO,” [op](http://op). cit.; European Commission, [op](file:///C:\Users\Wendy\Documents\Ivey%20Publishing\Ivey%20WIP\op). cit. [↑](#endnote-ref-59)
60. Denis Cosnard, “CFAO quitte une deuxième fois la Bourse,” *Le Monde Economie*, January 2, 2017, accessed September 11, 2017, www.lemonde.fr/economie/article/2017/01/02/cfao-quitte-une-deuxieme-fois-la-bourse\_5056519\_3234.html. [↑](#endnote-ref-60)
61. Frutos, [op](http://op). cit. [↑](#endnote-ref-61)
62. Toyota Tsusho Corporation, *Annual Report 2013*, op. cit. [↑](#endnote-ref-62)
63. Toyota Tsusho Corporation, *New Global Vision and Long-Term Business Plan*, op. cit. [↑](#endnote-ref-63)
64. Toyota Tsusho Corporation, *Integrated Report 2016*, op. cit., 9. [↑](#endnote-ref-64)
65. “Notice of Impairment Losses and Revision of Consolidated Full-year Earnings Forecast,” Toyota Tsusho Corporation, April 21, 2016, accessed September 11, 2017, www.toyota-tsusho.com/english/press/detail/160421\_003756.html. [↑](#endnote-ref-65)
66. Toyota Tsusho Corporation, *Integrated Report 2016*, op. cit., 10 [↑](#endnote-ref-66)
67. Toyota Tsusho Corporation, *Integrated Report 2016*, op. cit., 12. [↑](#endnote-ref-67)
68. Toyota Tsusho Corporation, *New Global Vision and Long-Term Business Plan*, op. cit., 21. [↑](#endnote-ref-68)
69. Toyota Tsusho Corporation, *Integrated Report 2016*, op. cit., 12–13. [↑](#endnote-ref-69)