

Corporate Governance and Internal Control Systems

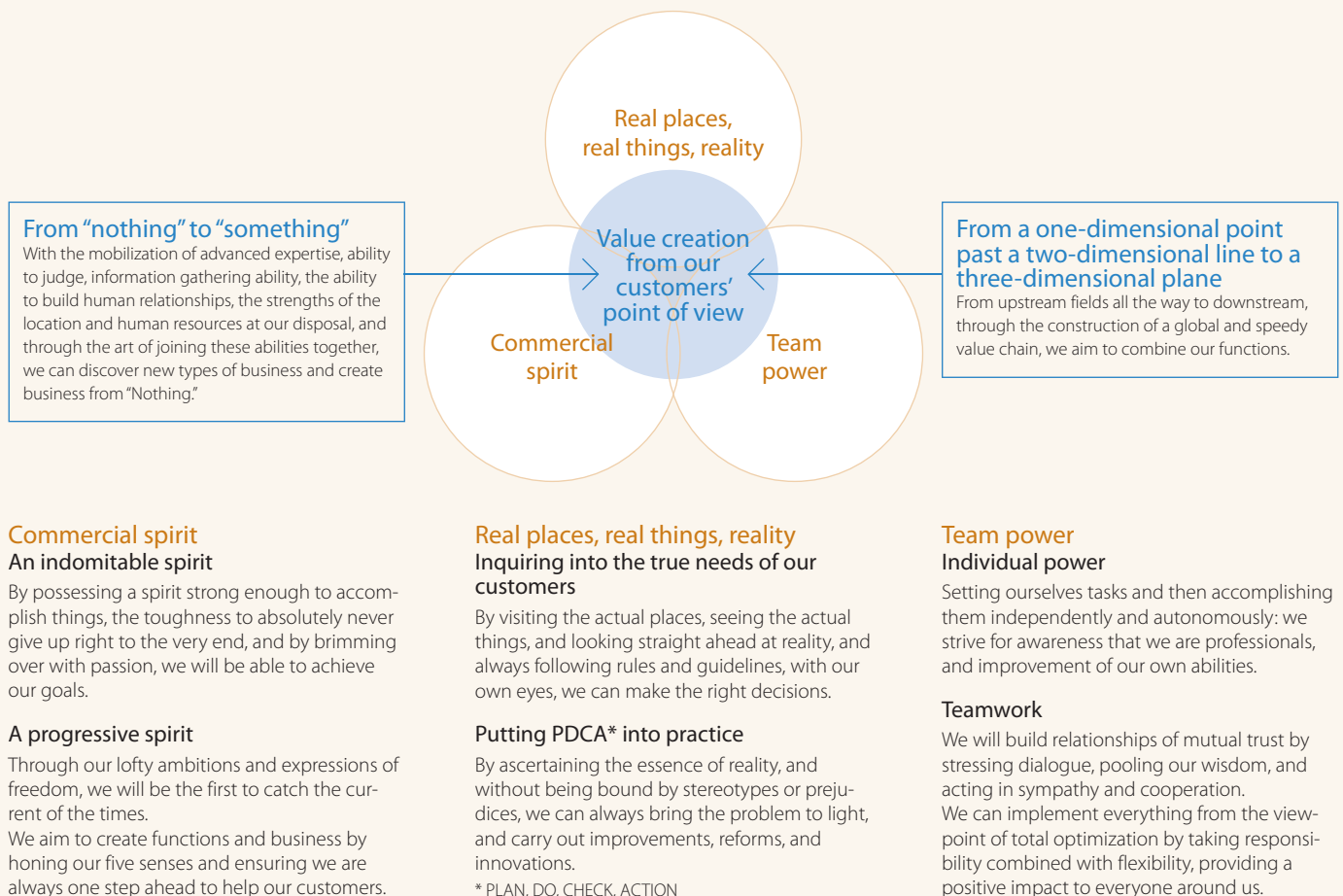
Corporate Governance

Basic Approach to Corporate Governance

The Toyota Tsusho Group has established the following corporate philosophy: "Living and prospering together with people, society, and the globe, we aim to be a value-generating corporation that contributes to the creation of a prosperous society." The Group has established "Behavioral Guidelines" as a fundamental code of conduct for realizing this philosophy in a legal and appropriate manner as a good corporate citizen. In line with its corporate philosophy, in May 2006, the Board of Directors approved the "Basic Policies on Establishing Internal Control Systems." By putting in place systems for ensuring proper operations throughout the Company, we seek to pass on to younger employees a deeper understanding of the Toyota Tsusho Group Way, which sets forth

the Group's unique values, beliefs, and daily principles of conduct. The overriding goal is to fulfill the Group's mission by creating value from the customer's perspective. Guided by these Basic Policies, we are actively working to further raise management efficiency, enhance transparency, enforce rigorous compliance, and establish a sounder financial position. We also disclose information through our corporate website and various publications in order to broaden public understanding of the Toyota Tsusho Group. In addition, we are working to enhance our public relations and investor relations activities by holding company presentations for the general public in various locations, and creating opportunities for management to communicate with the news media on a regular basis.

The Toyota Tsusho Group way



Corporate Governance Structure

Toyota Tsusho conducts Group-wide management based on the divisional system. Currently, the Company has a total of eight divisions: six product divisions, the Administration Division and the Global Strategic Integration Division. Each division is led by a director appointed as Chief Division Officer. The duties of these directors encompass management at both the corporate and divisional levels.

In April 2006, Toyota Tsusho introduced an Executive Officer System with the aims of raising management efficiency and reinforcing internal control. This move has expedited decision-making and enhanced management efficiency by streamlining the Board of Directors so that directors and executive officers can focus on corporate and divisional management, respectively, with the latter serving as Deputy Chief Division Officers. Directors and executive officers report, exchange information, and hold meetings on matters related to their mutual business execution and provide mutual oversight and checks through participation in the Business Management Committee and Business Operating Committee (both held monthly), as well as the ERM (Enterprise Risk Management) Committee and the CSR Committee (both held twice a year) and the Corporate Management Committees (each held at least twice a year).

Toyota Tsusho has adopted the corporate auditor model of corporate governance to audit the duties of directors. Five corporate auditors, who are elected at the general meeting of shareholders, conduct audits of and provide checks over the duties of directors through attendance in meetings of the Board of Directors and the Board of Corporate Auditors, both of which are held at least once a month. The corporate auditors also gather information needed to audit the status of business execution at product divisions. Toyota Tsusho has introduced a stock option system to grant stock options to directors and certain employees of the Company, as well as to directors of Group companies and other personnel, with the aim of boosting motivation, raising group awareness, and promoting Group-wide management. The corporate auditors attend meetings of the Stock Option Committee, which monitors the implementation status of the stock option system and discusses planned stock-option issuances, in order to provide checks over initiatives related to providing additional incentive for directors. Three of the five corporate auditors are outside corporate auditors, each of whom either holds a

concurrent directorship or has previous experience in such a position at companies that are major shareholders of Toyota Tsusho and are significant customers of the Company in terms of business. Toyota Tsusho therefore believes that the corporate auditors are appropriately and effectively conducting audits and providing checks of directors' duties based on their broad knowledge of the Company's industries and deep understanding of its businesses, as well as from the perspective of shareholders. The Company has also assigned dedicated staff to assist with the duties of corporate auditors, including outside corporate auditors. Toyota Tsusho's senior management and the outside corporate auditors hold meetings around twice a year to exchange opinions on various issues.

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

(Objectives of the Corporate Management Committees)

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

Internal Control System

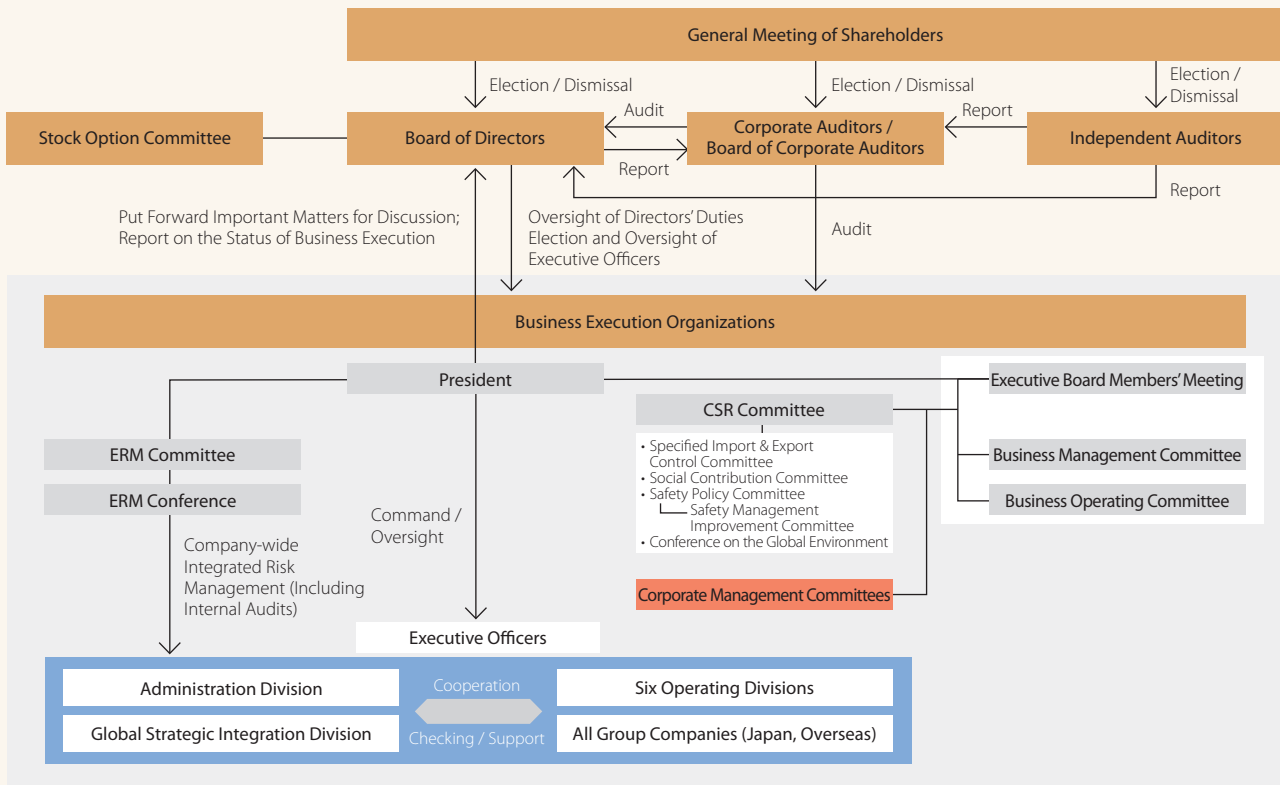
We believe that the purpose of establishing an internal control system is to put in place systems for ensuring proper operations throughout the Toyota Tsusho Group based on our corporate philosophy. The overriding goal is to fulfill the Group's mission as a good corporate citizen by creating value from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

Compliance Structure

Toyota Tsusho works hard to ensure that directors and employees perform their duties in accordance with laws, regulations, and the Company's Articles of Incorporation. For example: the Company has distributed its Code of Ethics, including digests, to all directors and employees; formed the CSR Committee (see below), which is chaired by the president; and established information sharing systems and checks and balances at the divisional level through the Business Management Committee, Business Operating Committee, and other forums. Additionally, the ERM Department, which is responsible for Company-wide integrated risk management, carries out the evaluation, management, checking and monitoring of business execution in business processes. Other duties of the ERM Department include creating systems for ensuring the reliability of financial reporting, establishing internal reporting systems and conducting internal audits. Furthermore,

Corporate Governance Structure

(As of July 2009)



with the aim of fundamentally preventing misconduct, the Company offers a unique educational program in addition to conventional internal examinations and training courses. This program examines and explains the psychological aspects of the chain of events that could trigger misconduct.

Risk Management System

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

Information Management System

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

System for Ensuring Appropriate Group Company Operations

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

System for Eliminating Anti-social Forces

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

* Japanese crime syndicates

Management

(As of July 1, 2009)

Board of Directors



Chairman
MASAAKI FURUKAWA



Vice Chairman
KATSUNORI TAKAHASHI



President
JUNZO SHIMIZU



Executive Vice President
KIYOSHI FURUBAYASHI



Executive Vice President
KOJI OSHIGE



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



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



Senior Managing Director
MIKIO ASANO
Chief Division Officer of
Administration Division



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



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

Board of Directors & Corporate Auditors

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



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



Managing Director
SEIICHIRO ADACHI
Chief Division Officer of
Automotive Division



Managing Director
MINORU HAYATA
Chief Division Officer of
Metals Division



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

Corporate Auditors



Standing Corporate Auditor
SHOJO HAMANA



Standing Corporate Auditor
TATSUYA KUGO



Corporate Auditor
TETSURO TOYODA



Corporate Auditor
KYOJI SASAZU



Corporate Auditor
YUKITOSHI FUNO

Executive Officers

Managing Executive Officers

MASANORI YAMASE

President of Toyota Tsusho America, Inc.

NOBUYUKI MINOWA

Executive Vice President of Toyota Tsusho America, Inc.

MASAMI SHIMIZU

Deputy Chief Division Officer of Administration Division

MINORU MURATA

Deputy Chief Division Officer of Metals Division

TOSHINAO MIKAMI

Director for Domestic Strategy & Coordination

TAKAHIRO HASEGAWA

Deputy Chief Division Officer of Produce & Foodstuffs Division

MAKOTO ITO

Deputy Chief Division Officer of Automotive Division

YOSHIFUMI ARAKI

Deputy Chief Division Officer of Consumer Products, Services & Materials Division

JUN KARUBE

Deputy Chief Division Officer of Machinery & Electronics Division

HIROFUMI SATO

Deputy Chief Division Officer of Administration Division

HIROSHI TAKANO

President of Toyota Tsusho (Thailand) Co., Ltd.

YOSHIKI MIURA

Deputy Chief Division Officer of Produce & Foodstuffs Division

TAMIO SHINOZAKI

Deputy Chief Division Officer of Global Strategic Integration Division

MASANORI SHIMADA

Deputy Chief Division Officer of Consumer Products, Services & Materials Division

HIROKI SAWAYAMA

President of Toyota Tsusho Europe S.A. and Toyota Tsusho U.K. Ltd.

KAZUYUKI MUTO

Deputy Chief Division Officer of Automotive Division

AKIMASA YOKOI

Chief Representative for China

YASUSHI OKAMOTO

Deputy Chief Division Officer of Machinery & Electronics Division

Executive Officers

TAKUMI SHIRAI

Deputy Chief Division Officer of Metals Division

SHIZUKA HAYASHI

Deputy Chief Division Officer of Metals Division

KUNIAKI YAMAGIWA

Deputy Chief Division Officer of Administration Division

TAKESHI MATSUSHITA

Deputy Chief Division Officer of Energy & Chemicals Division

SOICHIRO MATSUDAIRA

Deputy Chief Division Officer of Machinery & Electronics Division

HIDEKI YANASE

Deputy Chief Division Officer of Energy & Chemicals Division

YUICHI OI

Deputy Chief Division Officer of Global Strategic Integration Division

TAKAHIRO KONDO

Deputy Chief Division Officer of Machinery & Electronics Division

HIDEKI YASUKI

Deputy Chief Division Officer of Energy & Chemicals Division

TAKASHI HATTORI

Deputy Chief Division Officer of Automotive Division

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