



Be the **Right ONE**

Integrated Report 2020

Fiscal year ended March 31, 2020



Be the **Right ONE**

At Toyota Tsusho, our goal is to become an **irreplaceable and one-and-only** presence for our business partners and stakeholders.

Editorial Policy

In the fiscal year ended March 31, 2015, Toyota Tsusho began issuing its annual Integrated Report, which provides comprehensive reports on financial information, management strategies, business results, and environmental, social, and governance (ESG) information, to deepen the understanding of stakeholders regarding the company. When preparing this report, we referred to the International Integrated Reporting Framework advocated by the International Integrated Reporting Council (IIRC), the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation of the Ministry of Economy, Trade and Industry, the Environmental Reporting Standards of the Ministry of the Environment in Japan, and the ISO 26000 Guidance on Social Responsibility. In addition to reporting on management strategies, business performance, and business activities, this Integrated Report also covers topics such as Toyota Tsusho's contributions to resolving social issues and contributions to local communities through business with the hope of increasing understanding of our efforts to achieve sustainable growth. Going forward, taking into consideration stakeholder feedback, we will review the contents of the Integrated Report and continue to enhance the report for easier reader understanding.

The Integrated Report contains financial and non-financial information that is very important for the continued enhancement of our corporate value. For more comprehensive information, please refer to the relevant pages on our company website. The Integrated Report is available on our company website as well.

Cautionary Note on Forward-looking Statements

This Integrated Report contains forward-looking statements regarding Toyota Tsusho's future earnings plans, strategies, principles, and performance outlook that are not historical facts. These forward-looking statements are presented to inform readers of the views of Toyota Tsusho's management but are not intended to be relied on when making investment and other decisions. Readers are cautioned not to place undue reliance on these forward-looking statements.

Inclusion in SRI Indices

Since July 2020, Toyota Tsusho has been included in the following socially responsible investment (SRI) indices.



MSCI Japan Empowering Women Index (WIN)

WIN targets the 500 companies with the highest market capitalization in Japan that excel in gender diversity in their industries based on the gender diversity score developed by MSCI.



S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index is constructed by S&P Dow Jones Indices based on carbon emission data by Trucost. The index heavily invests in companies that are carbon-efficient relative to other companies in their industries, as well as companies that disclose information about greenhouse gas emissions.

Note: Neither the inclusion of Toyota Tsusho Corporation in the MSCI Index, nor the use by Toyota Tsusho Corporation of MSCI logos, trademarks, service marks, and index names, are intended to suggest that MSCI and its partner companies wish to sponsor, publicize, or promote sales for Toyota Tsusho Corporation. The MSCI Index is the exclusive asset of MSCI; the MSCI and MSCI Index names and MSCI logos are trademarks and service marks of MSCI and its partner companies.



Further Information Regarding Financial Results

For further information regarding our financial results for the fiscal year ended March 31, 2020, please see the "Toyota Tsusho Corporation Financial Highlights for the Fiscal Year Ended March 31, 2020."

<https://www.toyota-tsusho.com/english/ir/presentation/earnings-presentations/2019.html>



Information Related to Sustainability

For further information on the environment, society, social contributions, conflict minerals, and other ESG-related topics, please refer to the ESG section on the Toyota Tsusho website.

<https://www.toyota-tsusho.com/english/csr/activities/>



Online Integrated Report

A digital book version and PDF version of integrated reports are available on Toyota Tsusho's website.

<https://www.toyota-tsusho.com/english/ir/library/integrated-report/>

CDP Evaluation Results for the Fiscal Year Ended March 31, 2020

- Climate change: A-
- Water security: B
- Forests (Palm oil): B-
Forests (Timber): B
Forests (Soy): B-



Quality Assurances Regarding Environmental Performance Data

The quality of some of the Toyota Tsusho Group's data regarding energy-related CO₂ emissions and water consumption has been assured by Lloyd's Register Quality Assurance.

Contents

P.02 Philosophy and Management Strategy

We explain Toyota Tsusho's unique approach and strategy for value creation and contributing to society-building such as through the president & CEO's Message.

- P.02 Philosophy
 - P.04 Value Creation Story
 - P.12 President & CEO's Message
 - P.20 Mid-term Business Plan
 - P.23 Financial Strategy
 - P.28 Financial Summary
-

P.30 Sustainability Management

We explain the Toyota Tsusho Group's policies and initiatives—which are rooted in our Key Sustainability Issues (Materiality)—for sustainable growth together with society.

- P.30 Sustainability Management
 - P.33 Initiatives Addressing Key Sustainability Issues (Materiality)
 - P.42 Environment Management/Supply Chain CSR
-

P.44 Feature

Business activities aimed at helping to realize a low-carbon society are one of our materialities; we explain these activities from the perspective of renewable energy, which is one of our priority areas.

- P.44 Climate Action
 - Toyota Tsusho Group: Contributing to the World of Tomorrow
 - P.50 Disclosure Based on TCFD Recommendations
-

P.52 Status of Each Division

We explain the business models and medium- and long-term strategies of each of our seven sales divisions.

- P.52 At a Glance
 - P.54 Metals Division
 - P.56 Global Parts & Logistics Division
 - P.58 Automotive Division
 - P.60 Machinery, Energy & Project Division
 - P.62 Chemicals & Electronics Division
 - P.64 Food & Consumer Services Division
 - P.66 Africa Division
-

P.68 Governance

We explain our governance systems and initiatives.

- P.68 Management Structure
 - P.70 Corporate Governance
 - P.80 Organizational Chart
-

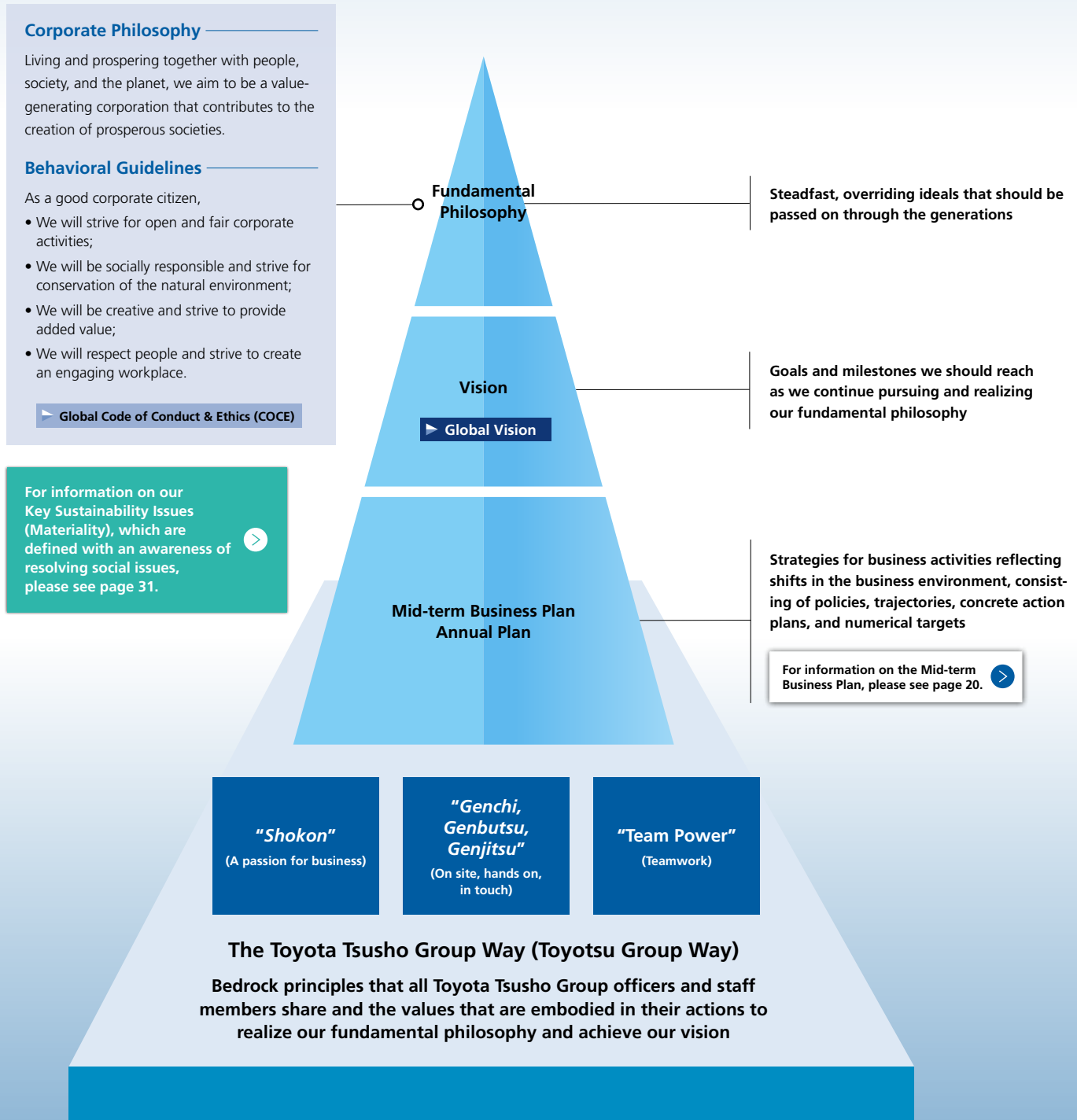
- P.81 Corporate Data
-

Be the Right ONE

- ① An irreplaceable presence
- ② A one-and-only presence
- ③ An essential presence

Philosophy

We, the Toyota Tsusho Group, deliver to countries around the world a diverse range of products and services essential for building prosperous and comfortable societies. We guide ourselves with a four-tier philosophy that enables us to successfully meet the challenges of each new age.



▶ Global Vision

To achieve further evolution as a truly global company, the Toyota Tsusho Group has set our Global Vision as a guideline to be followed in unison by all officers and staff members throughout the world.

Ideal Image

The Toyota Tsusho Group will continue to pursue and strive to achieve our ideal of



The Right ONE for you

In response to our stakeholders' needs (the *Genba*), we will strive to provide optimal safety, service, quality, and reliability.

The Right ONE for us

Maximizing our individual capabilities, global networks, and diversity, we will unite to bring out the most in our comprehensive strengths.

The Right ONE for future

Applying our unique insights and capabilities, we strive to lead the way for a sustainable society and for the future.

Toyotsu Core Values to Achieve Growth

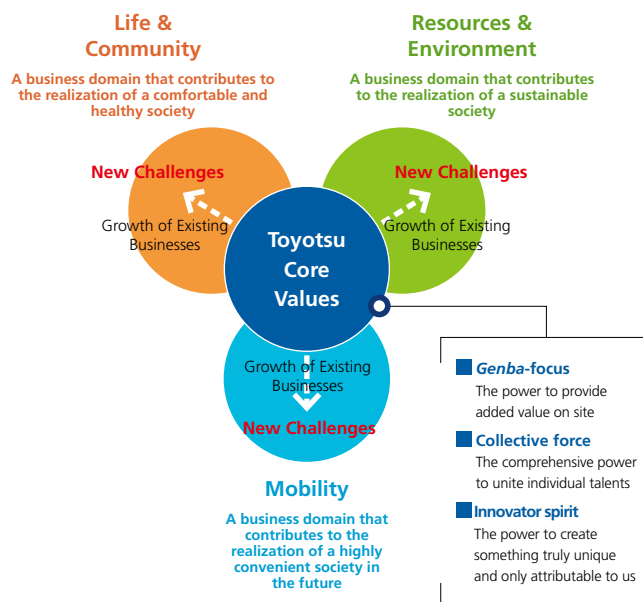
The Toyotsu Core Values are the manifestations of strengths we should optimize and apply for achieving our Global Vision, with the Toyotsu Group Way serving as a foundation. With the Toyotsu Core Values, we will focus our efforts on three core business domains.

Growth of Existing Businesses

- We will expand our business by leveraging our current resources.

New Challenges

- In business domains or markets in which we can apply our expertise, we will expand our business with full **Genba-focus**.
- We will develop new businesses based on innovative technologies, services, and products made possible by our **Collective force** and **Innovator spirit**.



▶ Global Code of Conduct & Ethics (COCE)

- 1 We are committed to "ANZEN" to create a safe and healthy work environment.
- 2 We will comply with all applicable laws and regulations; including anti-corruption, anti-trust, and competition law, and trade laws and regulations.
- 3 We are committed to accurate financial reporting.
- 4 We are accountable for compliance with all company rules.
- 5 We will act with integrity, honesty and transparency, and protect and develop trust among all stakeholders.
- 6 We will contribute to the sustainable development of society.
- 7 We will promote and pursue environmentally friendly corporate activities.
- 8 We will add value through innovation and "Kaizen" (continuous improvement).
- 9 We will respect human rights.
- 10 We will embrace diversity and inclusion within our company and society.

Value Creation Story

The company has long developed its business with functions tailored to customers' needs and with original added value by leveraging its general trading and project management company functions, such as information collection and the logistics and financial functions necessary to import/export and broker domestic business transactions.

We are also engaged in the development and investment business, working with partners all over the world to accelerate investment in fields in which future growth is expected.

Establishment–1970s

Developing as the Toyota Group's trading company

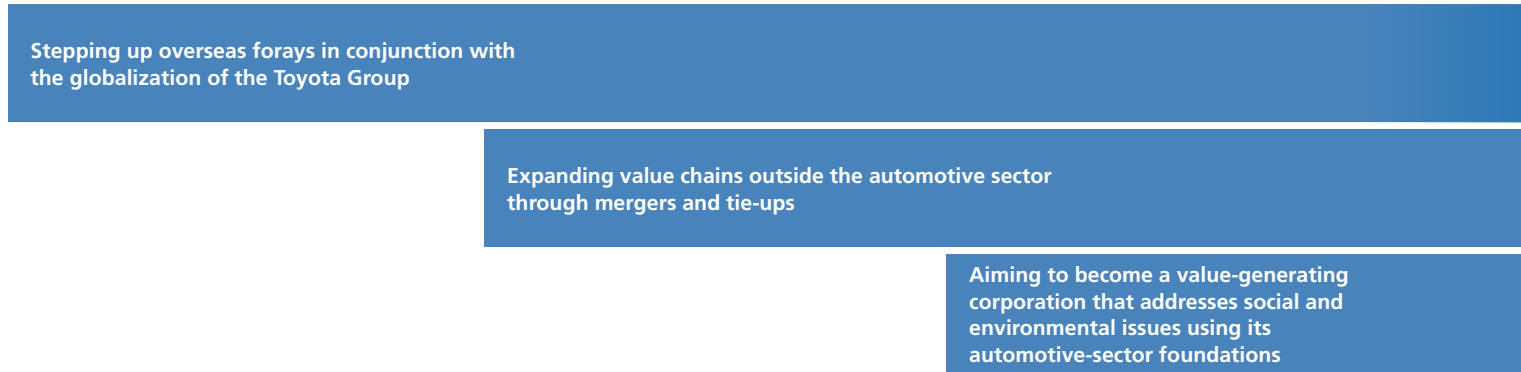
Toyoda Kinyuu Kaisha, Toyota Tsusho's predecessor, was established in 1936 to provide sales financing for Toyota vehicles. After World War II, Toyoda Kinyuu Kaisha (then known as Toyota Sangyo Kaisha) was dissolved under the second zaibatsu designation, which prohibited the existence of holding companies. However, the company's trading division continued in the form of Nisshin Tsusho Kaisha Ltd., which was established in 1948. In 1956, Nisshin Tsusho would later evolve to become today's Toyota Tsusho Corporation, which grew, largely by exporting finished automobiles, as the trading company of the Toyota Group. Toyota Tsusho eventually came to be listed on both the Nagoya Stock Exchange and the Tokyo Stock Exchange.



1980s–1990s

Stepping up overseas forays as Toyota globalizes

During this period, the Toyota Group companies began moving beyond only exporting automobiles, and started producing automobiles in various countries overseas. To respond to the globalization of the Toyota Group, Toyota Tsusho accelerated its efforts toward overseas expansion. In addition to establishing a series of dealers and other bases overseas, these efforts also included commencing production of Toyota vehicles in Pakistan. Also, the company carried out business development that was not limited to the automotive sector. This included a business alliance with Kasho Company, Ltd., in 1999.



- 1948** Establishment
- 1964** Start of complete build-up export to Kenya
- 1970** Toyota Metal Co., Ltd. established
- 1983** Former Tomen Electronics Corporation established
- 1986** Began aggregation and consolidated shipping to the U.S.
- 1986** Former Tomen Group starts an electric power business
- 2003** Former Toyota Tsusho Electronics Corporation established
- 2004** Green Metals, Inc. established

- Metals Division
- Global Parts & Logistics Division
- Automotive Division
- Machinery, Energy & Project Division
- Chemicals & Electronics Division
- Food & Consumer Services Division
- Africa Division

2000s

Merging and forming tie-ups to expand value chains outside of the automotive sector

In 2000, Toyota Tsusho entered a capital and operational tie-up with Tomen Corporation and then merged with Kasho Company, Ltd. In 2006, it merged with Tomen, which had a broad customer base and diverse business ventures, giving birth to the present Toyota Tsusho. This move positioned the company to commence its full-fledged advance beyond the automotive sector into fields such as infrastructure, chemicals, and foods, and its value chains were greatly expanded as a result.



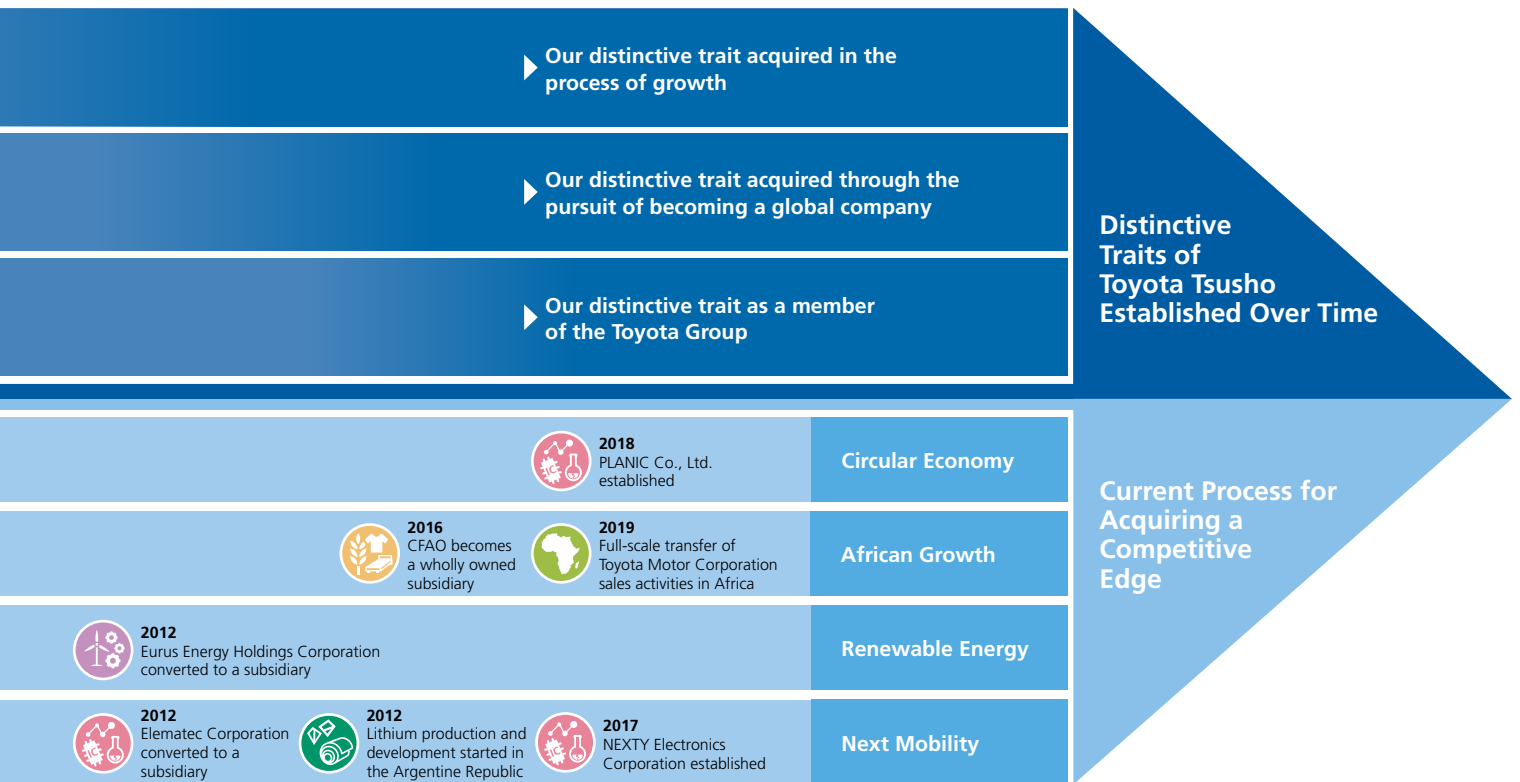
2010 onward

Aiming to become a value-generating corporation that addresses social and environmental issues using its automotive-sector foundations

In 2012, Toyota Tsusho began accelerating investments into new business fields by entering a capital alliance with French trading company CFAO, which trades in automobiles and pharmaceuticals primarily in Africa. In 2016, CFAO became a wholly owned subsidiary of Toyota Tsusho. The Toyota Tsusho Group continues to focus on business fields in which it can make the most of its strengths to ensure sustainable growth. The group is emphasizing next mobility and new technology development, along with renewable energy, African growth, circular economy, and other areas in which both social needs are high and growth potential is great.



CFAO Group. All rights reserved.



Toyota Tsusho's Distinctive Traits

Based on our DNA, which is a combination of the Toyota Group and a trading company, we developed Toyota Tsusho's distinctive traits in the process of growing into a global company. The company aims to achieve differentiation with other companies by converting this into a strategy and leveraging its business development and thereby continuing to create value that is unique to Toyota Tsusho.

Toyota Tsusho's distinctive traits

History of development

Our Distinctive Trait Acquired in the Process of Growth



- Supporting customers through our role behind the scenes
- Fundamental stance of commitment to expertise, effort, and hands-on work

We launched a local supply chain so that our customers and partners, including companies of the Toyota Group, could dedicate themselves to manufacturing when entering markets overseas. Furthermore, we also took other actions, including energy procurement. Also, we honed our business management know-how overseas, including proprietarily establishing and operating manufacturing subsidiaries, reducing costs, implementing *kaizen* (continuous improvement), solving problems, and engaging in dialogue with local employees.

Our Distinctive Trait Acquired through the Pursuit of Becoming a Global Company



- Supplement areas of insufficiency through strategic M&As
- Embody diversity and inclusion through the M&A integration process
- Knowledge acquired through lessons learned from failures in the investment process

We traversed a non-linear pattern of growth owing to large-scale M&A deals that conformed to our direction for the future. This included substantial expansion outside the automotive sector thanks to the merger of Kasho Company, Ltd., and Tomen Corporation, and the rapid development of business domains and regions in which we operate in Africa reflecting the conversion of CFAO into a wholly owned subsidiary. Also, when carrying out mergers and equity participation, we enhanced our own strengths by respecting and integrating the traits and corporate cultures of these partner companies as diverse perspectives.

Our Distinctive Trait as a Member of the Toyota Group



- External utilization of the knowledge acquired within the Toyota Group
- Passing on of knowledge acquired outside the group to within the group

In Africa, we are improving profit margins by employing a management philosophy that calls for *kaizen* and the use of a PDCA cycle, as well as Toyota Production System (TPS) know-how, not only in our own company but at the companies in which we have invested. We are contributing to the enhancement of the Toyota Group's presence and its revenues in Africa by maximizing the use of the sales network, marketing resources, and subsidiary management forged by partners outside of the Toyota Group, including Kasho Company, Ltd., Tomen Corporation, and CFAO.

Specific examples that reflect this

Through the role we play behind the scenes, our meticulous services have won the trust of customers and partners when they deploy production and other operations overseas. These services include setting up a business and IT infrastructure, disposal of waste emitted during production, recycling, an employee life infrastructure, as well as readying welfare benefits. Also, when setting up a subsidiary, rather than being a minority investor, we take management upon ourselves. As a result of our very own sweat and hard work, our profit structure was such that the percentage of profits from operating activities was formidably higher than profits from investments (i.e., cash dividends for the year and share of profit of investments accounted for using the equity method).



Left: Hotel residence business (Indonesia)
Right: Technopark business (Cambodia and others)

Some of the business augmented via M&A, including renewable energy and electronics business domains, have become our core businesses. In the businesses in Africa, synergies are arising owing to the continental automobile sales network and diverse business operations. Also, following management integration with Tomen Corporation, a new sense of values was cultivated, including The Toyota Tsusho Group Way (Toyotsu Group Way), and the establishment of the Toyota Tsusho Global Vision, following investment in CFAO. As for those investments that did not go according to our initial plan, including the recognition of impairment loss, we conducted thorough reviews and built up our knowledge for making investment decisions.



Left: 2006 - Merger with Tomen Corporation
Right: 2016 - CFAO made into a wholly owned subsidiary

Our *Kaizen* & Cost Reduction Department directly engages in the operations of Toyota Tsusho Group companies (mainly production/logistics) in Japan and abroad, which is a kind of action that is rare for a trading company. This is sizably contributing to a boost in earnings performance through *kaizen*. Also, underpinned by the competitive edge nurtured in the market in Africa by CFAO, which has a history of more than 160 years, all Toyota Motor Corporation sales and marketing operations for Africa were transferred to Toyota Tsusho. Furthermore, Toyota Green Energy LLP, which was established in 2020, utilizes know-how from our renewable energy business operations and is contributing to achieving zero CO₂ emissions at plants and other facilities, which is a goal of the Toyota Group.



Example of *kaizen* at SAKRA WORLD HOSPITAL in India
(Left: Before *kaizen*, Right: After *kaizen*)

Key Environmental Changes and Social Issues

Because we globally conduct business activities, we are impacted by megatrends and changes in the global environment and society. Although these may be risks to our business operations, solutions to the social issues that incidentally arise pose opportunities for us to not only achieve growth but also to realize our corporate philosophy.

Changes in the environment surrounding the automobile industry (CASE)

In the automobile industry, which is in the midst of what is said to be a once-in-a-century structural transformation, CASE is an acronym for new technological advances in the areas of connected, autonomous, shared & services, and electric. In tandem with the electrification of automobiles themselves (the transition to hybrid vehicles (HVs), plug-in hybrid vehicles (PHVs), electric vehicles (EVs) and other platforms), we are also seeing a transformation in energy infrastructures and materials.

Risks

- A decline in the number of components used owing to vehicle electrification, and an ensuing reduction in parts distribution
- Faltering growth in automobile sales owing to the spread of car-sharing

Opportunities

- Increase in demand, including for new materials and the raw materials/resources for vehicle electrification
- Creation of a new business market owing to the spread of car-sharing

Top-priority Issues for Both Resolving Social Issues and Achieving Corporate Growth



Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society

Increase in recycling momentum

We are seeing the expansion of a circular economy, which is characterized by, among other things, an increase in recycling opportunities for electronic devices including automobiles and rare metals, strenuous efforts to avoid using natural resources, viewing disposed of products, raw materials, and other materials as new resources, and recycling these materials to create products. The global movement toward a circular economy has been picking up speed, as illustrated by the Basel Convention, ratified by a total of approximately 180 countries and regions, adding dirty waste plastic as a target for restrictions in 2019.

Risks

- Faltering growth in the distribution volume of virgin materials, including metals and plastics, due to impact from brisker recycling activities and new waste regulations

Opportunities

- The creation of new business opportunities in association with the expansion of recycling-related markets in the fields of metals and plastics



Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing

Begin everything we do with ensuring safety and compliance, and continue to be an organization trusted by society

Regardless of the changes in the business environment, safety and compliance are matters that should always be thoroughly carried out. The Toyota Tsusho Group is a trading company with many manufacturing sites. In light of this, we are exposed to the risk of industrial accidents. We prioritize the health and lives of our employees above all else. Also, on the compliance front, we have enacted the Global Code of Conduct & Ethics (COCE), a standard set of behavioral guidelines to conform with the cultures and practices in each country.

Top-priority Issues that Will Become Foundations for Company Growth



Begin everything we do with ensuring safety and compliance and continue to be an organization trusted by society

For information on the six Key Sustainability Issues (Materiality), please see page 33. >



Contribute to the transition to a low-carbon society by reducing automotive, manufacturing, and energy plant construction CO₂ emissions through the use of clean energy and innovative technologies

Increase in impact from climate change

Global warming is advancing primarily due to an increase in greenhouse gas emissions. In addition to an increase in irregular weather conditions and a rise in seawater levels, there is a risk of impact on various natural environments and society. As one measure, we are quickly transitioning from power generators and products that use petroleum and coal to energy and products, including renewable energies and plant-based products, that do not emit CO₂.

Risks

- Shift from existing materials to reduce vehicle weights in line with tougher automobile fuel regulations
- Sluggish demand for petroleum-based energy and materials in tandem with further tightening of CO₂ emissions regulations

Opportunities

- Business expansion for plant-based new materials, including new materials and bioplastics to reduce vehicle weights
- Expansion of the renewable energy business, which is led by wind power, and demand for new energy sources such as hydrogen

For information on climate change initiatives, please see the feature entitled “Climate Action—Toyota Tsusho Group: Contributing to the World of Tomorrow” on page 44. >



Grow with developing countries, including those in Africa, and endeavor to resolve social issues through business operations

Development of emerging countries

Population levels and the middle class are rapidly increasing in emerging countries. Amid this backdrop, the increase in the middle class in Africa is expected to rise to around 500 million people by 2030, versus the 350 million people in 2010. Referred to as the final frontier, this market is being focused on owing to expectations for expansion in consumer spending. Meanwhile, issues in the region include dependence on the resources development business and creating jobs for the young. There is a wide range of demand for industrial development and promotion.

Risks

- Highly volatile government bonds and currencies accompanying unstable governments and economies
- Differences in business practices and labor culture between regions
- Impact from the prevalence of infectious diseases and undeveloped hygiene/sanitation

Opportunities

- Expansion of automobile-related business and markets for consumer-targeted business in association with a rise in consumption
- Expansion of business related to the development of energy, plants, and infrastructure that addresses industrial development and promotion



Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills

Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills

We must secure and train personnel that can implement these initiatives and who have the capabilities of a professional and the will and motivation to contribute to society to resolve social issues through business activities. Furthermore, the promotion of the diversity of human resources is important to produce innovations that can deal with rapid changes in the business environment. Also, consideration for human rights, including consideration of the labor environment, is important as the Toyota Tsusho Group is handling a variety of products and globally expanding its supply chain.

Growth Strategy Leveraging Strengths

To address changes in the environment and social issues, we have set forth four priority areas in which we can strongly leverage our competitive edge formed thus far and the distinctive traits of Toyota Tsusho, and we are implementing growth strategies in these four priority areas. We aim to be an irreplaceable and one-and-only presence that can “Be the Right ONE” for our business partners and stakeholders by continuing to provide unique value to our customers and society.

Changes in the industry environment and social issues

Built-up competitive edge



Automobile business know-how and network

With the strong business foundation of and our ties with the Toyota Group, and the experience we have built up in the automobile business, we are also powerfully advancing R&D for next-generation technologies.

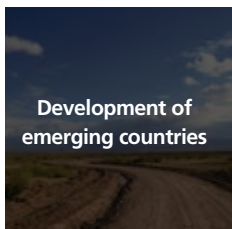
Electronics technologies to promote the handling of CASE technologies

We have the world's largest electronics trading company in the automotive field.



Japan's largest wind power generation business operator

The Toyota Tsusho Group, which took its first step into the renewable energy business in 1986, boasts being No. 1 in wind power generation in Japan. We are also expanding our portfolio to include other types of renewable energy, such as solar power, hydraulic power, and biomass, have a total installed capacity of more than 3,000MW, and are engaging in renewable energy initiatives around the world.



Network and presence throughout all of Africa

Our business activities in Africa date back to 1922 in the case of Toyota Tsusho through merger partner Tomen Corporation and to 1852 in the case of CFAO. Combining the bases of both of our companies, we are now building a robust business foundation that encompasses all of Africa. In the automobile business, we are naturally carrying out sales as well as production. We are also conducting a broad scope of other business activities, including the manufacturing and wholesaling of pharmaceuticals, producing consumer goods, operating large-scale shopping malls, and taking on power generation projects.



Wide-ranging recycling business foundation built over many years

We have developed the reuse of a wide variety of waste matter, such as iron, waste liquid, batteries, and rare metals, which are emitted during a vehicle life cycle. Our recycling rate is close to 100% for end-of-life vehicles (ELVs) owing to our group network, including overseas connections. Even in the recycling of plastics including PET (polyethylene terephthalate) bottles, we boast a strong presence in Japan.



Toyota Tsusho's Distinctive Traits

Growth strategies in the four priority areas

Next Mobility Strategy

We launched the NEXT Mobility Development Department, which is a company-wide organization, and the NEXT Technology Fund Department, and we are creating new business opportunities by taking both hands-on and venture business approaches to handling CASE technologies.

Renewable Energy Strategy

In addition to hastening global development to reinforce our existing businesses, we also plan to expand our business domains, including diversifying our portfolio of power sources and conducting energy management. Toyota Green Energy LLP, which was established in June 2020 by Toyota Motor Corporation and Chubu Electric Power Co., Inc., aims to supply electric power to the Toyota Group going forward.

African Growth Strategy

We are accelerating business development focusing on the four pillars of mobility, pharmaceuticals, consumer goods, and plants. In particular, in the area of mobility, we are substantially broadening our lineup of compact vehicles through the alliance between Toyota Motor Corporation and Suzuki Motor Corporation. Moreover, we are rapidly expanding our sales network in South Africa, the largest market in the region, owing to our acquisition of Unitrans Motor Holdings (Pty) Ltd in 2019.

Circular Economy Strategy

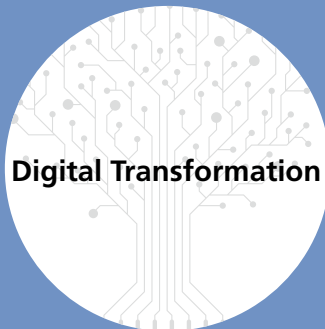
By combining the functions of group companies, we are commercializing the collecting, dismantling, fragmenting/selecting, and recycling of ELVs. In 2018, we also jointly established Japan's largest recycling plastics manufacturing company and in 2020 we launched a PET bottle recycling company.

Transforming the foundation of management



Globalization

We aim to implement globalization underpinned by our “personnel,” “organizations and systems,” and business activities” to transfer authority to operating sites outside Japan.



Digital Transformation

Along with establishing the position of Chief Digital & Technology Officer (CDTO) as the person in charge of companywide digital transformation, we also set up the DX Acceleration Department, which collaborates with the sales divisions to improve operational productivity and create new value for customers.

For details on growth strategies, globalization, and digital transformation in the four priority areas, please see the President & CEO's Message on page 12 and the Mid-term Business Plan on page 20.




We aim to be an irreplaceable and one-and-only presence for our business partners and stakeholders.



Be the Right ONE

President & CEO's Message



**Under the new normal,
our goal at Toyota Tsusho is
to “Be the Right ONE” and
provide value to society.**

Ichiro Kashitani

President & CEO

To begin with, I would like to express my sincerest condolences for those around the world who have passed away as a result of the novel coronavirus disease (COVID-19), and I offer my best wishes to those who continue to battle the disease. I would also like to express my greatest gratitude for those in the medical and other professions who are working on the frontline to safeguard people's lives and lifestyles.

■ Taking Responsibility for “the Economy of Life”

An unprecedented virus is shaking the foundations of countries and regions across the world; it is having a great impact on society as a whole as well as on the lives of its individuals. The spread of COVID-19 is proving to be a major challenge for Toyota Tsusho. I have urged those within our company to be aware of but not shrink away from the risks and to continue to undertake new challenges. I believe that by continuing to sow the seeds for growth, we will be rewarded with improved competitiveness in future markets. Today, even as discussions take place on the “new normal” of a post-COVID-19 world, my thoughts on this matter remain unchanged.

However, undertaking new challenges is only possible if we have made the appropriate preparations. The Toyota Tsusho Group's crisis management, business continuity, and risk management systems are well established, and we continue to revise them as necessary. In response to the outbreak of COVID-19, we acted swiftly; indeed, it was on January 29, when it became clear that the disease was spreading in China, that we established our Emergency Headquarters (EHQ) and ensured that information was visualized across the company.

It goes without saying, but we made the health and safety of our employees and their families our prime concern. Our policy has been to place the top priority on the health and safety of Toyota Tsusho Group employees around the world, to respond in an agile manner to local conditions, and only then do what we

can to ensure business continuity. Regarding employees and their families posted overseas, we have kept up to date on their whereabouts daily and provided any necessary support. Also, our having already established environments for teleworking was well worth it; approximately one month before the Japanese government issued its Declaration of a State of Emergency, we had issued our internal Emergency Declaration on Outbreak of COVID-19 Infection, urging our employees to work from home and instructing the organizing of contact networks.

As expressed through the words “*l'économie de la vie* (the economy of life)” by French futurologist and social theorist Jacques Attali, an economy that safeguards the lives and everyday lifestyles of the general public is indispensable to society, and corporations play a key role in sustaining such an economy. The policy of the Toyota Tsusho Group to continue our business activities to the extent possible is driven by a recognition that we are duty-bound to maintain the functions that sustain our societies, as well as by a belief that business continuity will help secure employment for all group employees. In fact, while we have seen a decline in overall demand across our corporate group, businesses that pertain to our everyday lives—such as healthcare, energy, foods, logistics, and IT—have remained strong. The rise of COVID-19 has prompted an awareness that our businesses help sustain the very foundations of public life and that this comes with great social responsibility.

■ Three Initiatives for Strengthening Resilience

Looking beyond the immediate crisis and anticipating how we can improve our resilience—and more specifically, how we can adapt to changes occasioned by COVID-19—I have asked group employees to cooperate on three key points.

First, after ensuring the health and safety of our employees and their families, I want us to continue business operations to the fullest extent possible. As I mentioned earlier, demand in fields that pertain to “the economy of life” has remained strong, despite major upheaval in supply chains and markets. In the aftermath of the global financial crisis triggered by the bankruptcy of Lehman Brothers, we expanded our business foundations and focused in particular on strengthening our B2C business, and I believe that this strategy has borne fruit. Going forward, I would like to create ambitious portfolios in our three business domains, with Mobility as the main driver of growth, accompanied by Resources & Environment (R&E) and Life & Community (L&C).

Second, I want us to recognize the importance of lean management, which eliminates waste. We have previously engaged in cash flow management, such as by reducing stock and reducing our capital turnover periods; however, I would like to view our crisis management in response to COVID-19 as an opportunity to thoroughly eliminate waste, and I have instructed the entire group accordingly.

Third, I want us to continue to undertake new challenges even as the COVID-19 crisis continues. More specifically, this entails not shrinking the scope of our investments. At Toyota Tsusho, we are fortunate to have grown strong enough that we can continue to invest even in fluctuating markets. While there is a general trend for reducing high-risk investments at this time, I believe this will lead to increased opportunities for our group regarding start-up businesses in particular. Regarding investments in the future, while ensuring we follow a careful selection process, I intend for us to invest with the same ambition as I outlined above for our business portfolios.


A Continuous Line that Links Individual Jobs, Corporate Activities, and the Provision of Value to Society <Sustainability Management>

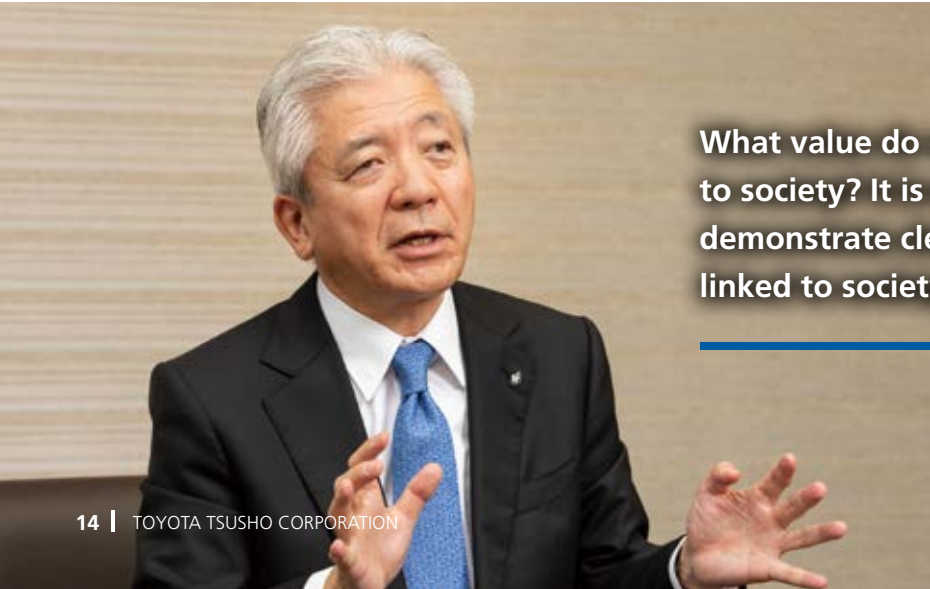
At Toyota Tsusho, every year we convene our Global Advanced Leadership Program (GALP) aimed at nurturing global management personnel. This training program is attended by next-generation leaders from the Head Office and group companies around the world. It has become customary to have presentations by participants at the end of the program. At the presentation held in December 2019, I was also there to hear presentations given by 16 participants. The theme of the presentations was "purpose," and it raised questions regarding why we work, what our work means for society, and whether the work of the Toyota Tsusho Group contributes to society. The speakers each carefully considered what their jobs meant to them personally and the value that they and their companies are providing to society. As someone who works alongside them in the same corporate group, I found these presentations extremely stimulating. Indeed, they made me recognize that questioning the meaning and value of our jobs leads to increased satisfaction and motivation.

It is vital that each individual employee understands that their job is linked to materialities. To this end, it is necessary to demonstrate clearly that individual employees, the Toyota Tsusho Group, and society as a whole are all linked by a continuous line. Let us take the example of supplying a product to a business partner. What meaning does this transaction have for Toyota Tsusho and its business partner? What value does this transaction provide to society? As president & CEO, I believe it is my responsibility to cast a light on the existence of this line in a way that our employees can understand.

Our ultimate goal is to "Be the Right ONE." This means becoming an irreplaceable and essential entity. If there are tasks that other companies can perform more efficiently and more effectively than the Toyota Tsusho Group, we should entrust the tasks to them. It is by doing the things that only we can do, by doing the things that we do best, and by endeavoring to be chosen by our customers that we can raise the value of our work and our business. From the perspective of connecting individual jobs and society in a continuous line, and from the perspective of selecting fields in which we can make the greatest contributions using the resources we possess, we sought to grasp the wishes of our stakeholders and, after numerous internal discussions, we arrived at our Key Sustainability Issues (Materiality).

We have established mechanisms to ensure that awareness of our Materialities pervades the group and is incorporated into everyday work processes. First, we restructured the CSR Committee into the Sustainability Management Committee; then, we ensured the Sustainability Management Committee worked together with the Sustainability Management Group, which was established within the Corporate Planning Department in April 2019. In this way, we have strengthened the functions that promote our sustainability strategy. We established a series of key performance indicators (KPIs) recognizing that, if we wanted our workplaces to accept our Materialities with a sense of reality, we would have to set concrete targets and progress checks. We have chosen to make these KPIs publicly available in this Integrated Report. These KPIs are verified according to actual initiatives and associated feedback and, where necessary, we flexibly update various indicators or target values.

For further information regarding the Toyota Tsusho Group's sustainability management, please see the section entitled "Sustainability Management" on page 30. 



What value do our employees' jobs provide to society? It is my responsibility to demonstrate clearly how their roles are linked to society by a continuous line.

Linking Our Management Strategy with Our Materialities for Strong Growth in 2023 <Mid-Term Business Plan>

At Toyota Tsusho, we formulate three-year Mid-term Business Plan (MTP) and renew our business targets every year. Looking back at the MTP we established three years ago in May 2017, our results for the fiscal year ended March 31, 2020 reveal that we succeeded in meeting all of our targets. More specifically, we achieved profit for the year of 135.5 billion yen, net debt-equity ratio (net DER) of 0.86 times, and a ratio of risk assets (RA) to risk buffer (RB) of 0.8 times; we also managed to maintain a positive free cash flow. Regarding returns to shareholders, we hit our goal dividend payout ratio of 25% or more, while also increasing actual dividend payments.

Our actual investments of 337.6 billion yen far exceeded our goal of 200.0 billion yen. Breaking down our investments by category, we invested over and above our target values in R&E—a domain in which the investment amount per project is quite significant—as well as in L&C and Mobility.

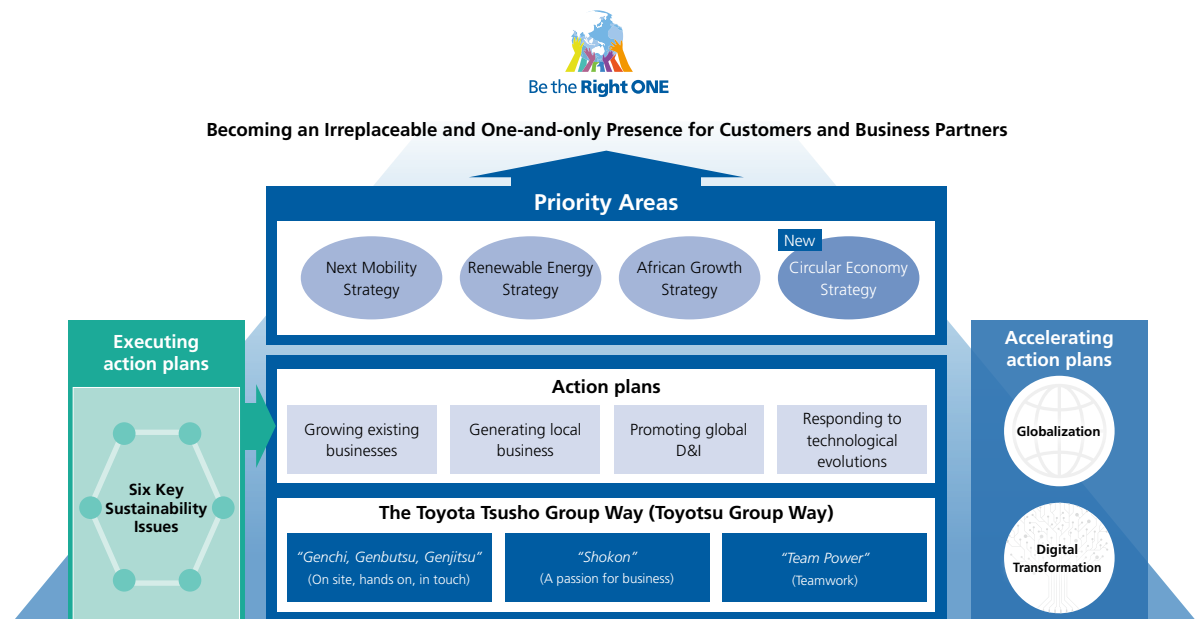
Here, I would like to emphasize that these greater than expected investment values do not signify a loosening of our investment discipline. Every month we convene an Investment Strategy Meeting, where we discuss major investment directions and strategies; we consider whether candidate investment projects will truly enable us to demonstrate competitive superiority in our goal to “Be the Right ONE.” We also examine the profitability of potential investments. In our Investment and Loan Committee and at convenings of our Investment and Loan Meeting, we evaluate whether or not to invest. On these occasions, it often happens

that we see a clash between the “cool-heads”—those who objectively verify profitability and business plans—and the “hot-hearts”—who are characterized by a passion for and a strong sense of ownership of our business. In terms of the basics, our investments are continually monitored, while we also maintain rigorous standards for withdrawals. Indeed, I can say with confidence that we have strengthened our risk management to such an extent that we rarely encounter unexpected losses.

In our latest MTP, which we updated in April 2020, while we see an impact from COVID-19, mainly on our automotive and related businesses, we expect that markets will recover from their current malaise in three years. In the meantime, we will seek to lay foundations for steady growth, aiming to return to growth as soon as possible. By implementing both defensive and offensive measures as appropriate to each country and region in which we operate, we will be able to realize strong growth when business conditions return to normal.

In terms of offensive measures, we have designated the Circular Economy Strategy as the fourth priority area of the MTP. As a result, four of our Materialities and our four priority areas will interlock, and further enhance the interrelationship between our Materialities and the MTP. In the same way as our other priority areas—namely, our Next Mobility Strategy, our Renewable Energy Strategy, and our African Growth Strategy—going forward we intend to powerfully promote our Circular Economy Strategy.

For further information regarding the Group's Mid-term Business Plan, please see page 20. [>](#)



Next Mobility Strategy

Opening Future Growth Markets through the Nimble Acquisition of Business Opportunities

Our Next Mobility Strategy calls for us to respond in an agile manner to changes in the automotive environment, and to contribute to the realization of a safe and comfortable mobility society. To this end, our aims are twofold: to respond swiftly to CASE*¹, and to create new business opportunities. In every stage of the automotive life cycle—namely development & production, usage & servicing, and reuse & recycling—we generate unique value in three areas: next-generation cars, which entails responding to alternative materials required for weight reductions and electrification; next-generation services, such as mobility services and connected businesses; and energy management, which entails responding to fields in which there will be new demand, such as VPP*², storage batteries, and hydrogen and fuel cells. To take one example, we are creating hands-on businesses that internalize new technologies, aiming to accelerate our response to CASE.

We are also engaged in creating new business opportunities rooted in funding venture businesses. Our Next Technology Fund

entered its second term (each term is two years in length) in 2019, while in October 2019 we established Mobility 54 Investment SAS with a capital amount of 5 billion yen. This investment company specializes in investments and loans to African start-ups in the field of mobility. Zipline International Inc., another company we have invested in via our Next Technology Fund, is engaged in the drone delivery of blood products for transfusion and other medical supplies to medical sites in Rwanda and Ghana. However, at present, the company is also helping to distribute medical supplies to prevent the spread of COVID-19. Going forward, based on local information gathered directly by on-site employees, we intend to grasp business opportunities in an agile manner and firm up our bridgeheads in future growth markets.

*1 CASE is short for "connected, autonomous, shared & services, and electric"

*2 VPP stands for "virtual power plant." Solar and other renewable energy power plants and storage batteries located in households and plants are connected and operated as a single power plant.


Renewable Energy Strategy

Rolling Out Expertise in a 'Planar' Manner, and Increasing Our Regions and Business Fields of Operation

In terms of our Renewable Energy Strategy, as a competitive and clean electric power company, our goal is to further expand the countries and business domains in which we operate. One example of this is our wind power generation business in Africa. In 2017, together with Eurus Energy Holdings Corporation—a Toyota Tsusho Group company and the largest wind power generation company in Japan—we invested in Egypt's first wind power independent power producer (IPP) project. The project commenced commercial operations in October 2019. Through this project, we are contributing to the popularization of clean and low-cost renewable energy in

Egypt. However, rather than ending this project as a single, isolated business, we intend to use the expertise we have gained to establish new business opportunities and expand into western and southern Africa in a "planar" manner.

In Japan, too, together with Toyota Motor Corporation and Chubu Electric Power Co., Inc., we established Toyota Green Energy LLP in June 2020 for obtaining and managing renewable energy sources. Using the know-how we have acquired through more than 30 years in the renewable energy business, we will help supply the Toyota Group with renewable energy in the future.

For further information, please see the feature entitled "Climate Action—Toyota Tsusho Group: Contributing to the World of Tomorrow" on page 44. 

African Growth Strategy

Continued Business Development and an Unwavering Belief in Growth

For our African Growth Strategy, our goal in the mobility field is to become the "best company in town" by contributing to regional development and the resolution of social issues in Africa through our businesses. To this end, we will continue to reinforce our Toyota business through the six pillars that we established last year and endeavor to create a value chain that enables local customers to drive locally produced vehicles. Also, we acquired Unitrans Motor

Holdings (Pty) Ltd. ("Unitrans") of South Africa in November 2019 to strengthen our business in southern Africa. Unitrans operates one of the largest automotive dealer networks in South Africa and is also involved in insurance and car rental activities. It employs some 6,100 people and generates revenues of approximately 1.5 billion euros. This acquisition has enabled us to lay the foundations for strengthening our mobility business in southern Africa, where

previously we had minimal presence. We are also focused on opening the way for new business in fields other than mobility, such as pharmaceutical, consumer goods, and plant projects. Based on our philosophy of “WITH AFRICA FOR AFRICA,” we intend to unite as one team and promote our business together.

In 2016, we made CFAO a wholly owned subsidiary; in 2017, we established the Africa Division, via which we integrated and consolidated our African businesses; in 2019, we inherited Toyota Motor Corporation’s sales and marketing operations. As a result, our African business has grown to approximately 21,000 employees, or roughly one in three of our group’s entire workforce. In so far as we operate an African business, at the Toyota Tsusho Group, we have serious concerns regarding the spread of COVID-19 across the

continent. Not only are we worried about the vulnerability of the region’s medical infrastructure, but, at present, we still do not know what the extent of COVID-19’s impact on Africa will be. Nevertheless, from the perspective of long-term growth, our belief in the potential of African markets is unwavering. Going forward, we intend to continue investing and developing our businesses in a future-oriented manner.

Strengthening Our Toyota & Suzuki Business through the Six Pillars		
1. Strengthening our product line-up	2. Promoting our knock-down business	3. Optimizing our supply networks
4. Strengthening our total fleet management (B2B)	5. Strengthening operations (B2C)	6. Expanding our value chain

Circular Economy Strategy

“Donning Work Clothes and Working Up a Sweat”—Demonstrating the Characteristics of the Genba Principle, and Contributing to Resource Recycling

For this MTP, in addition to our Next Mobility Strategy, Renewable Energy Strategy, and African Growth Strategy, we have positioned the Circular Economy Strategy as our fourth priority issue. As well as upstream areas of automotive product lifecycles such as parts procurement, knock-down, and sales, for a while now we have engaged in what are known as “venous” businesses—vehicle collection and dismantling, and resource recovery from automotive materials and parts. Indeed, Toyota Metal Co., Ltd., one of our group companies, has already achieved an automobile shredder residue (ASR) resource recovery rate of more than 99%. In addition to automobiles, our resource recycling business portfolio covers lifestyle materials, home appliances, waste materials, waste

oil, waste plastics, and others. Going forward, by simultaneously pursuing profits and strengthening these venous businesses, we intend to view products and raw materials that were previously disposed of as resources, and so contribute to their recirculation.

While engaging both inside and outside the company in discussions regarding sustainability management, we came to realize the important social role played by businesses engaged in resource recycling. This was a significant turning point for us. While the circular economy is by no means glamorous, it embodies the unique qualities of the Toyota Tsusho Group—we are a company willing to don our work clothes, wear our helmets, and work up a sweat on-site.

Cross-functional Initiatives to Accelerate Our Four Action Plans

<Globalization and Digital Transformation>

To accelerate our MTP action plans, Toyota Tsusho is also engaging in globalization and digital transformation. As I mentioned earlier, approximately one in three of our group’s entire workforce is now employed by our African business—it is evident that globalization is proceeding apace as far as our employees are concerned. Consequently, the issue we need to address going forward is the globalization of our management. In particular, I would like to focus on nurturing and delegating authority to local human resources capable of assuming responsibility for their regions and of undertaking leading management roles at our subsidiaries. Especially regarding our B2C business, local human resources who are well versed in local markets and local business practices are indispensable. While it is vital we continue to implement training

systems such as the aforementioned GALP, I also believe our human resources strategy should be premised on appointing local leaders from local workforces.

My hope is that we can create a virtuous circle. If we can increase the number of non-Japanese employees with regional responsibility and with leading roles at our subsidiaries, we will be able to recruit outstanding and ambitious personnel from local populations. And, if we can increase the number of outstanding local personnel in our group, we will be able to appoint more local employees to positions of local responsibility.

At Toyota Tsusho, we are keenly aware of the need to evolve our administrative management. Each of our sales divisions—such as the Metals Division or the Food & Consumer Services Division—has

President & CEO's Message

its own vertical administrative management structure within our corporate group. However, we are combining this with a matrix management system; this is a cross-regional approach that enables us to nurture regional professionals and, using the principle of *genchi, genbutsu, genjitsu* (on site, hands on, in touch), adopt a management approach that is tailored to local customers. To be frank, implementing vertical chains of command by division alone or by region alone is a simpler form of administrative management. However, we want to draw on the advantages of both systems of management: a vertical structure enables us to propose highly precise business strategies and ensure they are executed, precisely because each division functions independently; a matrix management system allows us to take an unbroken view of an entire region, and implement the sort of “planar” business expansion we are carrying out in Africa. For this reason, even though it presents difficulties, for the sake of our future I hope to further promote the matrix management system.

Regarding digital transformation, our DX Acceleration Department is leading a cross-divisional DX project team with more than 100 members. The team is not only tasked with realizing DX1.0, which seeks to optimize work and raise productivity, but also with implementing DX1.5, which aims to expand the added value of existing businesses through the use of IT, and DX2.0, which targets the creation of entirely new businesses via IT. Additionally, through our two investment funds and intending to expand our future business foundations, we are actively investing, as mentioned above, in venture companies whose businesses are centered on innovative technologies or the development of entirely new services. However, we must proceed with a sense of urgency, knowing that loosening our focus on promoting digital transformation can potentially lead to Toyota Tsusho itself becoming obsolete.

■ Establishing a Board of Directors with Diverse Perspectives Based on Management Strategy <Corporate Governance>

As the business environment we are in grows increasingly murkier, I have pondered the importance of governance—more specifically, the importance of ensuring that our Board of Directors holds diverse perspectives. At Toyota Tsusho, we are continually working to strengthen our governance; however, the spread of COVID-19 has made me realize anew just how crucial this is.

The June 2020 General Meeting of Shareholders approved a new structure for our Board of Directors. The number of internal board members was reduced from seven to four; together with four outside board members, the Board of Directors now comprises a total of eight members. Yoriko Kawaguchi, who served as an outside director at our Group for six years from 2014, has been replaced by Yukari Inoue. After several important roles at foreign-owned companies, in 2013, Ms. Inoue was appointed Managing Director of Kellogg Japan G.K.. She boasts particularly rich experience in consumer-oriented L&C businesses, an area in which we are trying to strengthen. Inoue is also one of a still-limited number of female CEOs in Japan. Given we are trying to enhance our diversity, we hope she will become a role model for our employees.

Our other outside directors also leverage their expertise and play valuable roles on the Board of Directors. Kumi Fujisawa provides networks acquired through interactions with start-up companies and experts as well as insight into social changes; Didier Leroy brings a wealth of understanding related to the automotive industry and to managing global corporations; and Kunihito Koumoto is well versed in scientific approaches and the importance of manufacturing. Together, they discuss the future of the Toyota Tsusho Group, our management, our strategies, and even our

organizational culture. When discussing the management strategies of the Toyota Tsusho Group as it currently stands, these outside directors bring indispensable, specialized knowledge to the table. It is my hope they will inspire a positive and productive tension at Board of Directors meetings, and I look forward to serious debates regarding the future of our corporate group.

Ms. Kawaguchi, who retired from her role as outside director in June, previously held office as Japan's minister of the environment and minister for foreign affairs. Drawing on her experience, she provided valuable input into the role and responsibility of the Toyota Tsusho Group in addressing global environmental problems and other global affairs. In addition to her presence on our Board of Directors, Ms. Kawaguchi also sat on our Sustainability Management Committee; she provided constructive advice and, at times, harsh criticisms as we established our policy on and defined concrete indices for sustainability management.

Although it is not simply a case of the longer the better, as discussions have deepened, our Board of Directors' meetings have grown substantially longer. After meetings finish, we set aside time for our outside directors and outside auditors to receive business overviews and business strategy progress reports from each division, followed by question and answer sessions. We also create opportunities for our outside directors and outside auditors to visit our places of business and to listen to what the employees who work there have to say. Such activities play a vital role in ensuring our outside directors and outside auditors can engage in discussions at Board of Directors' meetings based on reality rather than mere abstract theory.

■ **Genchi, Genbutsu, Genjitsu and the New Normal**

Around the beginning of June, when the Japanese government had lifted its state of emergency and the situation regarding COVID-19 had begun to calm slightly, I met new recruits at our Head Office; the recruits said this was the first time they had come to the office to work. We conversed a little, and I learned that they had undertaken online training and had also learned remotely about their jobs from senior colleagues. However, the recruits were delighted to be able to come to the office, meet their seniors, and learn from them in person. At last, they felt that they were truly working. This struck a chord with me. Since we started the practice of teleworking, I was surprised to discover how little working from home impeded my job; nevertheless, I also realized the value of meeting people face to face.

At Toyota Tsusho, we operate our business based on the principle of *genchi, genbutsu, genjitsu* (on site, hands on, in touch). There are many things we learn about only when we meet someone in person; similarly, there are many things we cannot understand unless we are physically on site, tasting the atmosphere, and

seeing things with our own eyes. The question we must continually ask ourselves is: How can we realize the *genba* principle in the coming new normal?

Although this is something I emphasize whenever I have the opportunity, the Toyota Tsusho Group should not seek to become general trading companies that try to do everything in the fashion of generalists; rather, our goal must be to become a conglomerate of professional, specialized trading companies with multiple yet unique strengths. I believe that the essence of “Be the Right ONE” is the simple pursuit of value—by prioritizing the principle of *genba*, and by being chosen by our customers. To this end, we cannot simply pursue every business opportunity that comes our way; at times, we may have to say “no.” Our goal is to drive transformation and create an organization that continually undertakes new challenges and brings together people who believe in and are passionate about the vision of our group. Going forward, I very much hope for your continued support and guidance.



Ichiro Kashitani
President & CEO

Our goal must be to become a conglomerate of professional, specialized trading companies that is chosen by our customers.



Mid-term Business Plan

At Toyota Tsusho, we use our Mid-term Business Plan (MTP) to produce programs and action plans that are both highly accurate and grounded in reality.

Furthermore, we review and revise our MTP yearly to ensure that major environmental changes with the potential for having widespread impact are constantly reflected in our plans.

Mid-term Business Plan Ended March 31, 2020—A Quantitative Review

In May 2017, we announced our Mid-term Business Plan ending March 31, 2020. Our results reveal that we succeeded in meeting all our targets, including profit for the year attributable to owners of the parent, net DER, ratio of risk assets to risk buffer, and free cash flow (free CF). Concerning returns to shareholders, we achieved our target dividend payout ratio of 25% or more, while also increasing actual dividend payments.

	Targets for the MTP ended March 31, 2020 (announced in May 2017)	Results	
Profit for the year attributable to owners of the parent	130.0 billion yen	135.5 billion yen	Achieved
ROE	10–13%	11.3%	Achieved
Net interest-bearing debt	1,100 billion yen	1,032.4 billion yen*	Achieved
Net DER	1.0 times or less	0.86 times*	Achieved
RA/RB	Less than 1.0	0.8	Achieved
Free CF	Continued positive CF	+93.9 billion yen Operating CF +267.8 billion yen Investing CF (173.9 billion yen)	Achieved
Shareholder returns	Dividend payout ratio of 25% or more Steady increase in actual dividend payments	Fiscal year ended March 31, 2018: 94 yen Fiscal year ended March 31, 2019: 100 yen Fiscal year ended March 31, 2020: 110 yen	Achieved

* Includes lease liabilities of 110.3 billion yen

Mid-term Business Plan Ended March 31, 2020—An ESG Review

In terms of the environment (E), in 2018 we defined our Key Sustainability Issues (Materiality) and designated Next Mobility and African Growth as our priority areas; to these, we added a third priority area, Renewable Energy, in 2019. For social (S), we are implementing a variety of measures in response to the diversification of our human resources and work styles. Concerning governance (G), in April 2019 we updated the composition of our Board of Directors, with the goal of more clearly separating our management and executive systems.

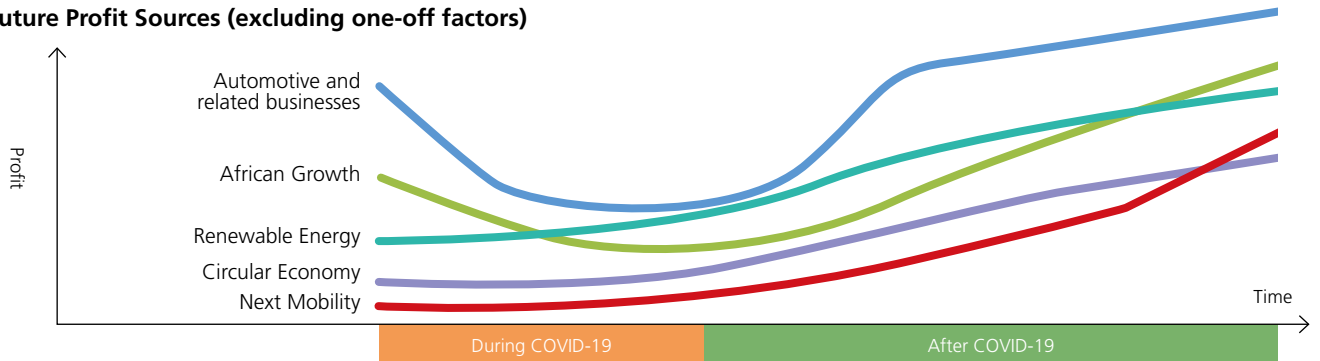
	Initial targets	Results						
Environment	Engaging in social issues through our businesses	<ul style="list-style-type: none"> • Identification of Key Sustainability Issues (Materiality) in 2018 • Designation of Renewable Energy Business as a new priority area 						
Social	Creating workplace environments that allow employees to work with vitality	<ul style="list-style-type: none"> • Promotion of “<i>Ikivaku</i> Activities” (activities aimed at creating a motivated and productive organization) and “Morning Win” (an “early bird” work program) • Increase in work style choices, such as teleworking • Promoting health and productivity management 						
Governance	Strengthening governance systems	<ul style="list-style-type: none"> • Separation of management and executive systems • Updates to composition of Board of Directors <table border="0" style="margin-left: 20px;"> <tr> <td colspan="2">Directors (outside directors)</td> </tr> <tr> <td>As of May 31, 2017</td> <td>As of June 30, 2020</td> </tr> <tr> <td>16 (3)</td> <td>8 (4)</td> </tr> </table>	Directors (outside directors)		As of May 31, 2017	As of June 30, 2020	16 (3)	8 (4)
Directors (outside directors)								
As of May 31, 2017	As of June 30, 2020							
16 (3)	8 (4)							

The Need for Environmental Awareness

The novel coronavirus disease (COVID-19) is expected to exert a long-term influence. For Toyota Tsusho, the impact on our automotive and related businesses, as well as our automotive sales in Africa, has already been significant. However, COVID-19's impact on our

other activities has been limited; to this end, we intend to identify optimal defensive and offensive strategies for each country and region in which we operate and, working together as a united Toyota Tsusho Group, thereby overcome the current difficult situation.

Future Profit Sources (excluding one-off factors)

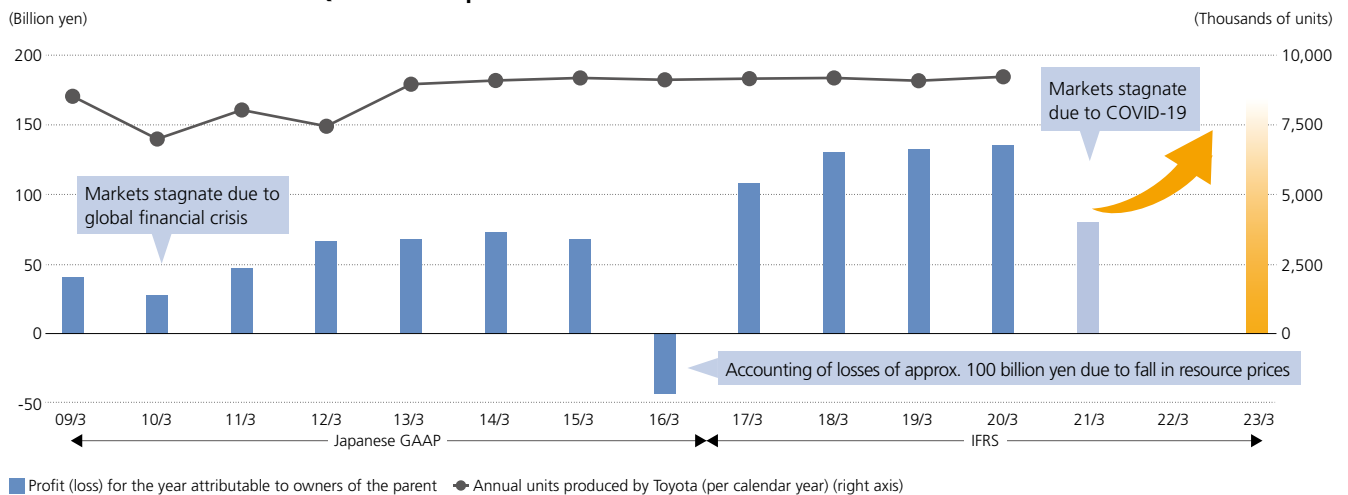


Mid-term Business Plan Ending March 31, 2023—Status Quo and Perspective

Our MTP ending March 31, 2023 is premised on the assumption that the global impact of COVID-19 will have eased in three years. We expect markets to continue stagnating in the near future;

however, if we wish to realize strong growth when markets recover, we believe the initiatives we implement in these troubled times will prove to be a point of differentiation.

Profit for the Year – Status Quo and Perspective



Mid-term Business Plan Ending March 31, 2023—An Overview

For our MTP ending March 31, 2023, at the Toyota Tsusho Group we have added a new priority area—the Circular Economy Strategy—to our existing three priority areas. Of our six Materialities, we have positioned four as “top-priority issues” that aim both to resolve social issues and achieve corporate growth. To execute our

action plans, we intend to link our four top-priority issues with our four priority areas and thereby strengthen them. In this way, we intend to achieve our goal of “Be the Right ONE”—that is, of becoming an irreplaceable and one-and-only presence both for our customers and for our business partners.

Growth Strategies and Initiatives in Our Four Priority Areas

Next Mobility Strategy



At Toyota Tsusho, we believe in the importance of responding in a swift and agile manner to changes in the automotive environment. In addition to our involvement in every stage of the automotive lifecycle—development & production, usage & servicing, and reuse & recycling—we are also active in the related fields of next-generation cars, next-generation services, and energy management. We seek to create hands-on businesses, which entail the internalization of new technologies and the acquisition of expertise in new fields, while we use our two corporate funds to create venture-type businesses. By combining these two approaches, we will not only accelerate our response to major changes in the automotive industry—as embodied by CASE—but we will also promote the creation of new business opportunities across our entire group.

Circular Economy Strategy



As far as the automotive industry is concerned, at Toyota Tsusho we call operations that pertain to production “arterial businesses,” and those that pertain to post-production operations—such as scrap, waste, and automobile disposal—“venous businesses.”

Our Circular Economy Strategy, which we have newly designated as a priority area, views products and raw materials that were previously disposed of as potential new resources. Through our Circular Economy Business, we intend to promote economic mechanisms and ecosystems that lead to their recirculation. However, the scope of our venous businesses is not limited to automobiles, automotive parts, and other fields derived from mobility; rather, it covers a wide variety of waste materials, including plastics and other lifestyle materials.

We also engage in the battery 3Rs of “rebuild, reuse, recycle” as part of our resource circulation in the field of mobility.

Renewable Energy Strategy



For further information regarding our group's Renewable Energy Strategy, please see the section entitled “Renewable Energy after 2030” on page 47, which is a sub-section of the feature entitled “Climate Action—Toyota Tsusho Group: Contributing to the World of Tomorrow” on page 44.



African Growth Strategy



First, continuing from last year, we intend to strengthen our Toyota business based on six pillars; second, we intend to strengthen our business in South Africa by utilizing our November 2019 acquisition of Unitrans Motor Holdings (Pty) Ltd. to expand our share of the South African market, where we previously exerted limited presence; and third, we intend to roll out our mobility recirculation program across the whole of Africa as part of our attempts to enter new business fields.

Concerning our non-automotive businesses—namely, our pharmaceutical, consumer goods, and plant projects businesses—our focus is on opening new business fields, and on strengthening our partnerships with brands that are targeting the emerging middle classes.

Cross-functional Initiatives for Accelerating Action Plans

Globalization

Our approach to globalization focuses on the three areas of people, organizations and systems, and business. By assigning 12 executive officers overseas, we intend to accelerate the creation of business in overseas locations. We are also engaged in delegating authority to promote a shift to a regional management system, aiming to realize responsive management that is both autonomous and independent.

Digital Transformation

In April 2020, we inaugurated the new position of Chief Digital & Technology Officer (CDTO) and established a new DX Acceleration Department.

This department is a company-wide organization with the following goals: to strengthen existing values from a productivity perspective via *kaizen* and improved efficiency; to increase added value by transforming business models; and to create new value in the form of new businesses by generating value for the customer.

Financial Strategy

Overview of Results for the Fiscal Year Ended March 31, 2020

In the consolidated financial results for the fiscal year ended March 31, 2020, gross profit rose 1.4 billion yen compared with the previous fiscal year to 639.8 billion yen, largely as a result of increased automotive sales in the Africa Division. Despite this, operating profit declined 4.8 billion yen compared with the previous fiscal year to 210.3 billion yen, largely as a result of increased selling, general and administrative expenses. Despite a decrease in operating profit and

a deterioration in profit from investments accounted for using the equity method, a decrease in corporate income tax expenses and other factors caused profit for the year attributable to owners of the parent to rise 2.9 billion yen compared with the previous fiscal year to 135.5 billion yen, setting a new profit record for the fourth consecutive term.

Consolidated Operating Results

	(Billion yen)		
	19/3	20/3	Change
Gross profit	638.4	639.8	1.4
Operating profit	215.1	210.3	(4.8)
Profit before income taxes	229.1	224.8	(4.3)
Profit for the year attributable to owners of the parent	132.6	135.5	2.9

Profit (loss) for the year attributable to owners of the parent for each division are detailed below.

Metals Division

Profit in the Metals Division was down 16.4 billion yen (46.2%) from the previous fiscal year to 18.9 billion yen, largely as a result of decreased automobile manufacturing-related handling and deteriorated market conditions, and losses in the metal resources business.

Global Parts & Logistics Division

Profit in the Global Parts & Logistics Division was down 1.4 billion yen (5.9%) from the previous fiscal year to 22.3 billion yen, largely as a result of decreased cash dividends received for the year and the foreign exchange impact.

Automotive Division

Profit in the Automotive Division was down 3.0 billion yen (13.0%) from the previous fiscal year to 19.7 billion yen, largely as a result of a decrease in automotive sales handled by overseas automotive dealers.

Machinery, Energy & Project Division

Profit in the Machinery, Energy & Project Division was up 16.4 billion yen (87.4%) from the previous fiscal year to 35.1 billion yen, largely as a result of gains on the sale of common stock in affiliated companies in the power generation business, and effects from one-time losses during the previous term.

Chemicals & Electronics Division

Profit in the Chemicals & Electronics Division was up 4.3 billion yen (23.3%) from the previous fiscal year to 22.7 billion yen, largely as a result of one-time losses during the previous term, and despite profit margin shrinkage in the electronics business.

Food & Consumer Services Division

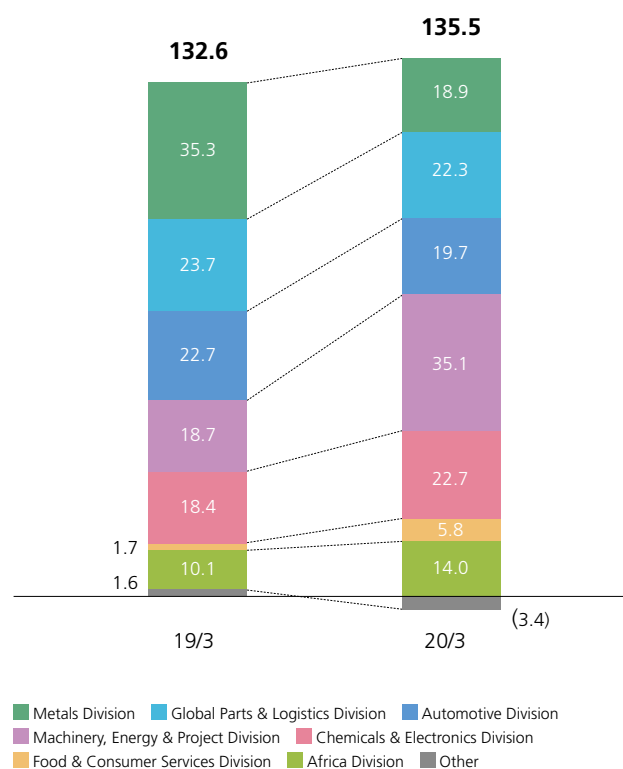
Profit in the Food & Consumer Services Division was up 4.1 billion yen (234.1%) from the previous fiscal year to 5.8 billion yen, largely as a result of improved profits in the food business and an increase in high-margin businesses.

Africa Division

Profit in the Africa Division was up 3.9 billion yen (38.5%) from the previous fiscal year to 14.0 billion yen, largely as a result of an increase in automotive sales.

Earnings per Share Attributable to Owners of the Parent for Each Division

(Billion yen)



For the fiscal year ending March 31, 2021, the company is forecasting profit for the year attributable to owners of the parent of 80.0 billion yen in view of the impact of the novel coronavirus disease (COVID-19) and other factors.

Financial Strategy

Consolidated Financial Position

As of March 31, 2020, total assets stood at 4,545.2 billion yen, a 103.8 billion yen increase compared to March 31, 2019. As of March 31, 2020, total equity attributable to owners of the parent rose 0.8 billion yen to 1,196.6 billion yen, compared to 1,195.8 billion yen on March 31, 2019. This was largely as a result of decreases in translation adjustments of overseas operations and financial assets measured at FVTOCI*, despite an increase in accu-

mulated surplus.

Net interest-bearing debt increased 44.0 billion yen compared with the previous fiscal year, to 1,032.4 billion yen.

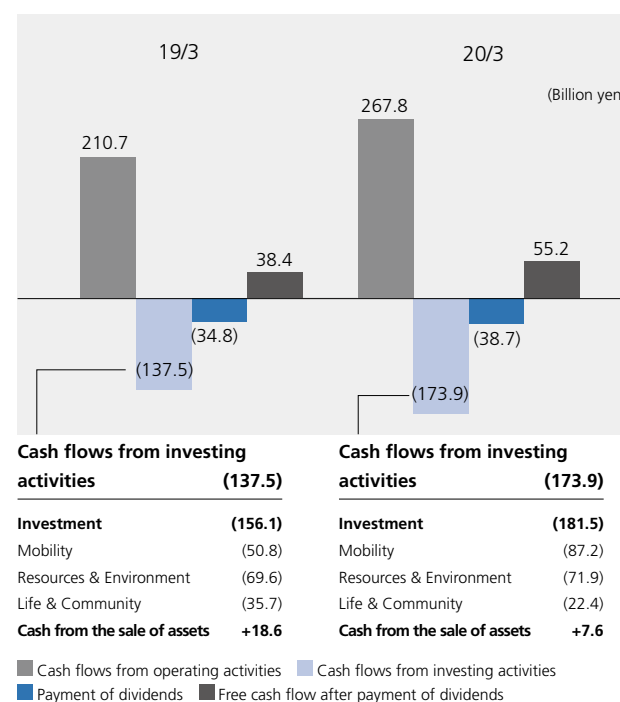
* Shareholdings and other financial assets measured at fair value through other comprehensive income

Consolidated Financial Position

	(Billion yen)		
	19/3	20/3	Change
Total assets	4,441.4	4,545.2	103.8
Total equity attributable to owners of the parent	1,195.8	1,196.6	0.8
Net interest-bearing debt	988.4	1,032.4	44.0
(excluding lease liabilities)	983.8	922.1	(61.7)

Consolidated Cash Flows

Cash flows from operating activities for the fiscal year ended March 31, 2020 amounted to 267.8 billion yen, largely due to profit before income taxes, and cash flows from investing activities came to a deficit of 173.9 billion yen, largely due to 181.5 billion yen in investments in automobile-related facilities, renewable energy, and other businesses, together with proceeds from asset sales of 7.6 billion yen. As a result, free cash flow after payment of dividends was also positive at 55.2 billion yen. Currently we have continued to achieve our long-term goal of positive free cash flows, and we believe this has derived from our having instilled awareness of cash flow management throughout the company. We will continue to reinforce our cash flow management, including strengthening earning power, improving working capital efficiency, selecting investments carefully, and replacing assets.



Initiatives and Results for Maintaining Financial Soundness

Aiming for stable growth while maintaining financial soundness, we are promoting a financial strategy focused on the efficient use of assets and on fund procurement commensurate with our asset base.

Regarding the efficient use of assets, striving to generate maximum profit with minimum funds, we promote the efficient use of working capital, such as through shorter collection periods for trade receivables and lower inventory levels. We also promote the efficient use of funds, such as by reducing any idle or inefficient fixed assets. Directing the funds generated through these activities toward investments in businesses with higher growth potential and toward reducing interest-bearing debt, our aim is to both enhance corporate value and improve our financial soundness.

As for fund procurement, our basic policy is to conduct procurement commensurate with our asset base, taking interest rate fluctuation risk and exchange risk into consideration. We borrow from financial institutions and issue commercial papers and company bonds, while working to ensure appropriate liquidity and to maintain stability. In addition, we are securing sufficient bank loans, including commitment line contracts, and paying attention to liquidity to avoid business difficulties, to cope mainly with the impact of COVID-19 on cash flows for each group company.

We are also striving to maintain a sound and stable financial position by continuing to increase the risk buffer (RB) based on Profit for the year attributable to owners of the parent. We also conduct country risk management to prevent an excessive accumulation of risk, by evaluating the total amount of risk assets (RA) and keeping this total beneath the upper limit determined for each country. As a result, during the fiscal year ended March 31, 2020, we again achieved keeping RA within the bounds of RB.

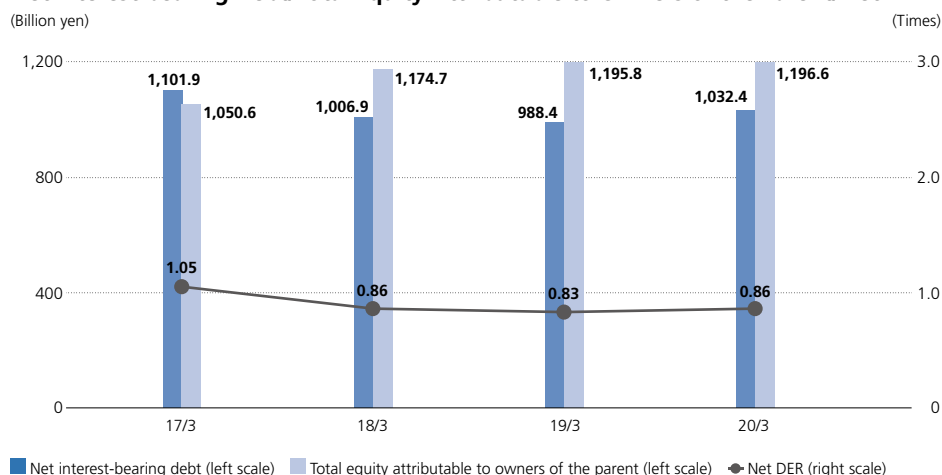
As a result of these ongoing efforts, net debt-equity ratio (net DER*) for the fiscal year ended March 31, 2020 was 0.86 times what it was for the previous fiscal year and ROE was 11.3%. Net DER deteriorated to 0.03 times what it was last term, which is largely due to increased lease liabilities with the adoption of IFRS 16 Leases from this fiscal year.

* Net DER is net interest-bearing debt divided by total equity attributable to owners of the parent.

Financial Indicators

	19/3	20/3	Change
ROE	11.2%	11.3%	0.1%
Net DER	0.83	0.86	0.03
(excluding lease liabilities)	0.82	0.77	(0.05)
RA/RB	0.8	0.8	0

Net Interest-bearing Debt/Total Equity Attributable to Owners of the Parent/Net DER



Investment Cycle Operation

To achieve sustainable growth, we believe it is important to appropriately manage risk and to generate reliable results from investments. Rather than investments aimed at short-term profits, based on strategic investment whereby a business is developed over the medium to long term leading to expansion and strengthening of our group’s value chain, we have developed a system that optimizes the knowledge and experience accrued throughout the company to engage in deliberations at each stage of investment, from initial investigation to implementation. We have also enriched our systems for investment follow-up, to solve the problems faced by our business companies and to replace assets.

Regarding new investment projects, major policy is decided by the Mid-term Business Plan Meeting and the Investment Strategy Meeting, while decisions on individual projects are made by the organization concerned based upon business plans screened by the Investment and Loan Meeting/Investment and Loan Committee. At the Investment and Loan Meeting, chaired by the CFO, we use our own TVA (capital efficiency)*1 and RVA (risk income)*2 indicators, and conduct assessments of climate change and other environmental risks using our own environmental check sheets, to quantitatively

verify projects from various perspectives. Some of our affiliated companies, both in Japan and overseas, have been authorized to make investments in order to accelerate the investment decision-making process.

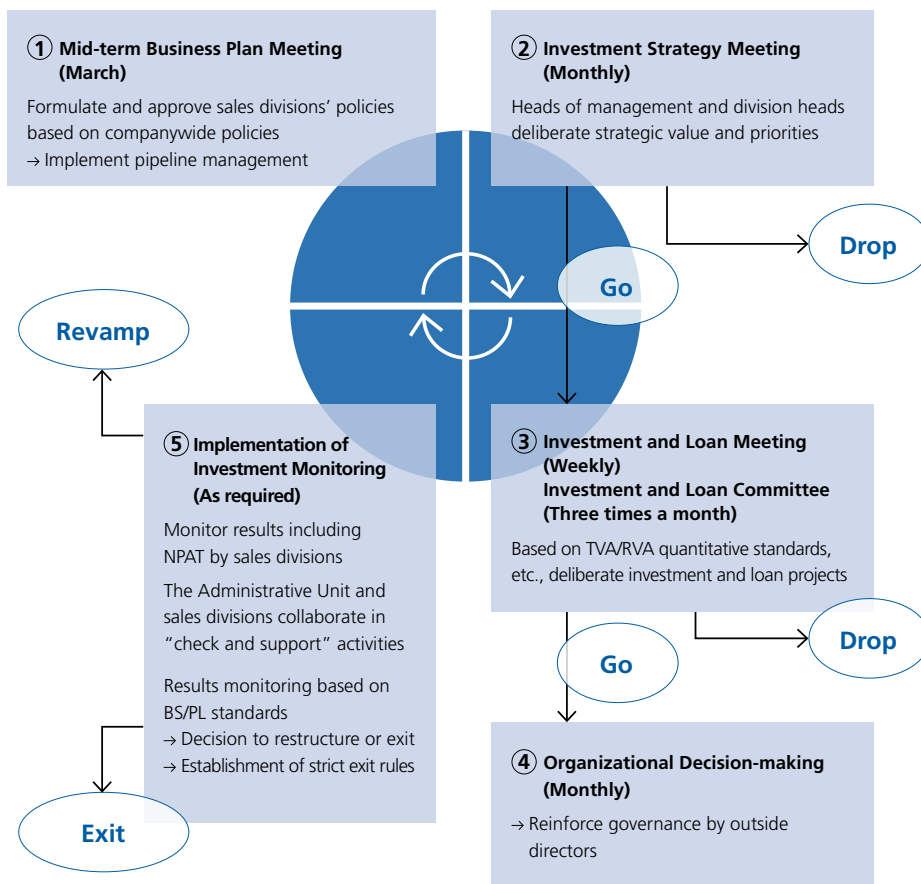
After investments are made, the Administrative Unit and the sales division concerned jointly and continuously monitor and support projects facing issues (“check and support”). In addition to independent monitoring by the sales divisions, the Administrative Unit also monitors through balance sheet and profit/loss (BS/PL)*3 standards. If a project falls short of quantitative standards, we assess the sustainability of the business and decide whether to restructure or exit.

By continuing to repeat this investment cycle, we aim to allocate management resources optimally and improve capital efficiency.

*1 TVA: An indicator, based upon the concept of return on invested capital (ROIC), that verifies that a certain revenue scale is achieved corresponding to the invested capital.

*2 RVA: An indicator that verifies that obtained revenue is appropriate for the risk.

*3 BS standard: If the capital impairment ratio is 50% or higher
 PL standard: If there is a net loss for two consecutive periods, or if a downturn is at least 30% of planned value at time of investment for two consecutive periods, decide to either restructure or exit.

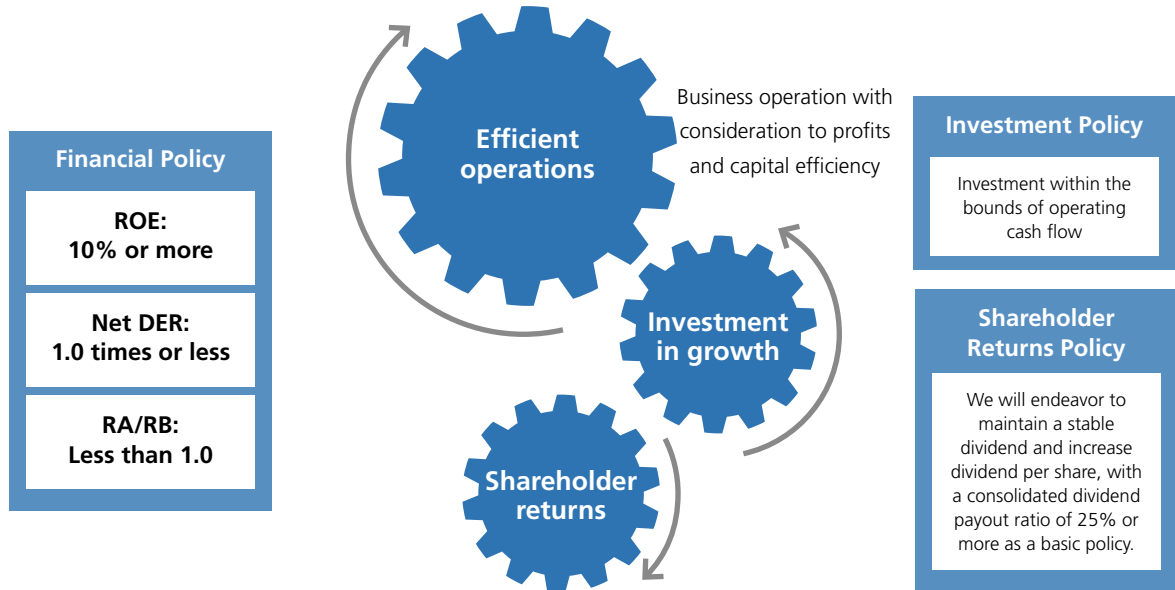


Enhancing Corporate Value

Toyota Tsusho's financial policy is to maintain an ROE of 10% or more, a net DER of 1.0 times or less, and a ratio of RA to RB of less than 1.0. Our policy is to maximize operating cash flow by promoting cash flow management down to the business unit level and increasing business profitability and working capital efficiency, and then to use the cash created to maintain a balance between invest-

ment in growth and shareholder returns.

In addition to securing a stable financial base, we will meet the expectations of all our stakeholders by making growth investments, by securing shareholder returns, and by enhancing our corporate value.



We will secure a stable financial base, and will appropriately make growth investments and secure shareholder returns.

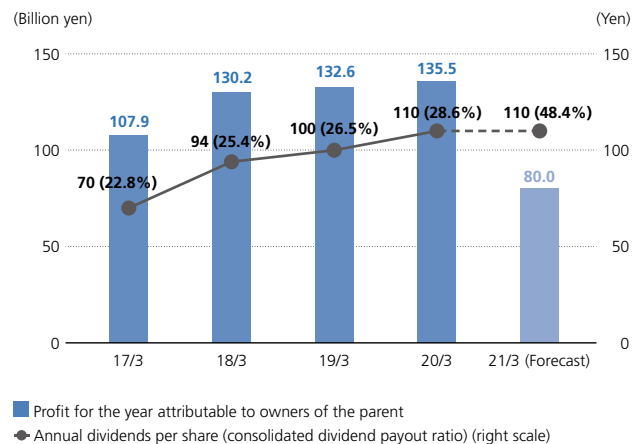
Shareholder Returns Policy

Starting with the fiscal year ended March 31, 2020, we changed our shareholder returns policy to: "We will endeavor to maintain a stable dividend and increase dividend per share, with a consolidated dividend payout ratio of 25% or more as a basic policy." Our annual dividend per share for the fiscal year ended March 31, 2020, was 110 yen, which marked our 10th consecutive increase in dividends. For the fiscal year ending March 31, 2021, profit for the year attributable to owners of the parent is forecast to reach 80.0 billion yen, which is a decrease from the previous fiscal year, but our annual dividend per share is expected to remain the same as the previous fiscal year, at 110 yen.

This fiscal year, the global economy has entered a difficult time due to the impact of COVID-19. However, even under these conditions, we remain committed to creating new revenue bases and to steadily maintaining and enhancing returns in order to meet shareholder expectations.

Shareholder Returns Policy

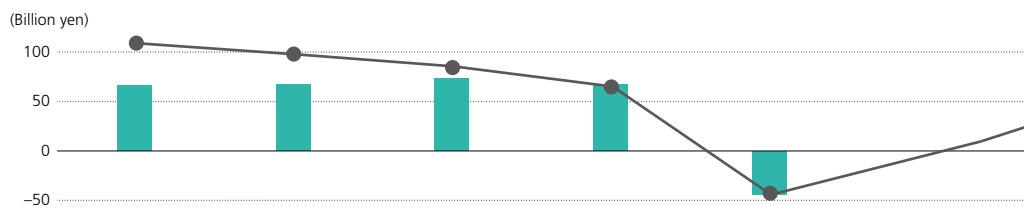
We will endeavor to maintain a stable dividend and increase dividend per share, with a consolidated dividend payout ratio of 25% or more as a basic policy.



Financial Summary

TOYOTA TSUSHO CORPORATION and its consolidated subsidiaries
As of and for the years ended March 31

◆ ROE (right scale)
■ Profit (loss) for the year attributable to owners of the parent (left scale)



	Japanese GAAP				
	2012/3	2013/3	2014/3	2015/3	2016/3
Results of Operations:					
Revenue* ¹	¥5,916,759	¥6,304,354	¥7,743,237	¥8,663,460	¥8,170,237
Gross profit	343,999	403,888	582,498	634,572	616,042
Selling, general and administrative expenses	251,596	288,013	421,177	465,115	475,742
Operating profit* ¹	92,403	115,875	161,321	169,456	140,299
Share of profit (loss) of investments accounted for using the equity method	15,396	17,646	13,783	4,060	(5,676)
Profit (loss) for the year attributable to owners of the parent* ¹	66,205	67,432	73,034	67,571	(43,714)
Financial Position at Year-end:					
Total assets* ¹	¥2,837,428	¥3,592,368	¥4,072,728	¥4,533,693	¥3,952,100
Total equity* ¹	751,747	920,043	1,156,080	1,304,483	1,055,777
Net interest-bearing debt	672,137	998,626	1,088,974	1,233,559	1,102,786
Cash Flows:					
Net cash provided by operating activities	¥ 63,782	¥ 124,156	¥ 133,937	¥ 169,100	¥ 308,338
Net cash used in investing activities	(58,771)	(323,389)	(135,587)	(199,512)	(170,839)
Net cash provided by (used in) financing activities	97,358	223,374	5,356	108,247	(225,202)
Cash and cash equivalents at the end of year	354,755	391,352	412,032	499,157	399,191
Per Share:					
Earnings (losses) per share attributable to owners of the parent* ¹ :					
Basic earnings (losses) per share	¥189.34	¥192.58	¥208.01	¥192.23	¥(124.26)
Diluted earnings (losses) per share* ²	–	192.42	207.82	192.10	–
Cash dividends for the year	42.00	44.00	50.00	56.00	62.00
Dividend payout ratio* ³	22.2%	22.8%	24.0%	29.1%	–
Financial Measures:					
Return on equity (ROE)	10.7%	9.6%	8.4%	6.4%	(4.3)%
Ratio of equity attributable to owners of the parent* ¹	22.6%	21.2%	23.9%	24.8%	22.5%
Net debt-equity ratio (Net DER) (times)	1.05	1.31	1.12	1.10	1.24
Common Stock:					
Number of shares outstanding at year-end	354,056	354,056	354,056	354,056	354,056

Notes: 1. As of the fiscal year ended March 31, 2017, the company prepares its consolidated financial statements based on International Financial Reporting Standards (IFRS).

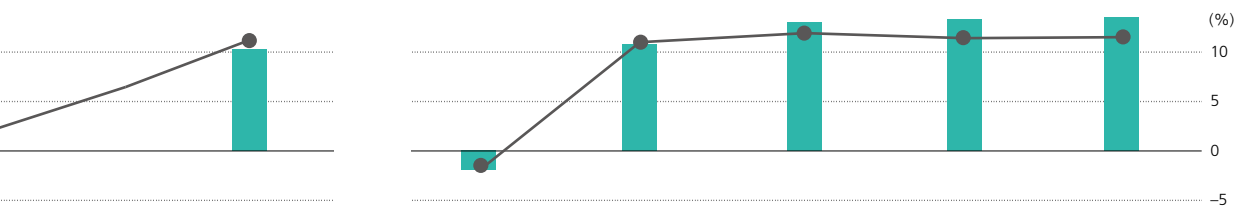
2. For the convenience of readers, consolidated financial statements in Japanese yen for the fiscal years ending March 31, 2016 and 2017 are based on both Japanese standards (Japanese GAAP) and IFRS.

3. U.S. dollar amounts have been translated from the amounts stated in yen, solely for the convenience of readers, at the rate of ¥108.83=U.S.\$1, the approximate exchange rate prevailing on March 31, 2020, which was the final business day of financial institutions in the fiscal year ended March 31, 2020.

*1 All items names within the above table represent IFRS categories. The IFRS category names under Japanese GAAP are as follows: revenue corresponds to net sales; operating profit corresponds to operating income; profit (loss) for the year attributable to owners of the parent corresponds to profit (loss) attributable to owners of the parent; total equity corresponds to total net assets; earnings (losses) per share corresponds to profit (loss) per share; and ratio of equity attributable to owners of the parent corresponds to shareholders' equity ratio.

*2 Figures for diluted earnings (losses) per latent share for the fiscal year ended March 31, 2012 is not presented as there were no latent shares with a dilution effect. The figure for diluted earnings (losses) (Japanese GAAP) per share for the fiscal year ended March 31, 2016 is not presented as the company posted a net loss per share, although there were latent shares. Figures for diluted earnings (losses) per share for the fiscal years ended March 31, 2018, 2019, and 2020 are not presented as there were no latent shares with a dilution effect.

*3 The dividend payout ratio for the fiscal year ended March 31, 2016 is not presented, as the company posted a net loss.



Millions of Yen	Millions of Yen					Thousands of U.S. Dollars
2017/3	IFRS					2020/3
	2016/3	2017/3	2018/3	2019/3	2020/3	2020/3
¥7,919,663	¥6,246,103	¥5,797,362	¥6,491,035	¥6,762,702	¥6,694,071	\$61,509,427
578,887	612,539	570,872	606,282	638,428	639,885	5,879,674
432,231	438,422	411,235	414,042	420,657	430,164	3,952,623
146,656	82,988	133,669	182,696	215,197	210,370	1,933,014
10,254	(3,397)	10,476	11,368	4,336	(2,489)	(22,870)
102,597	(19,280)	107,903	130,228	132,622	135,551	1,245,529
¥4,096,843	¥4,053,391	¥4,212,064	¥4,310,043	¥4,441,464	¥4,545,210	\$41,764,311
1,151,969	1,115,984	1,223,513	1,362,187	1,389,616	1,372,491	12,611,329
1,050,229	1,121,619	1,101,974	1,006,990	988,475	1,032,494	9,487,218
¥ 193,769	¥ 320,330	¥ 159,770	¥ 215,098	¥ 210,796	¥ 267,809	\$ 2,460,801
(130,428)	(162,777)	(127,525)	(92,498)	(137,546)	(173,910)	(1,597,996)
(28,343)	(245,634)	5,656	(128,741)	(24,909)	(53,679)	(493,237)
430,517	392,247	426,208	423,426	465,861	496,372	4,560,985
Yen	Yen					U.S. Dollars
¥291.56	¥(54.80)	¥306.64	¥370.08	¥376.89	¥385.25	\$3.53
291.56	(54.80)	306.63	–	–	–	–
70.00	62.00	70.00	94.00	100.00	110.00	1.01
24.0%	–	22.8%	25.4%	26.5%	28.6%	–
11.0%	(1.8)%	10.8%	11.7%	11.2%	11.3%	–
24.0%	23.4%	24.9%	27.3%	26.9%	26.3%	–
1.07	1.18	1.05	0.86	0.83	0.86	–
Thousands of Shares	Thousands of Shares					Thousands of Shares
354,056	354,056	354,056	354,056	354,056	354,056	–

Sustainability Management

Stance on Sustainability

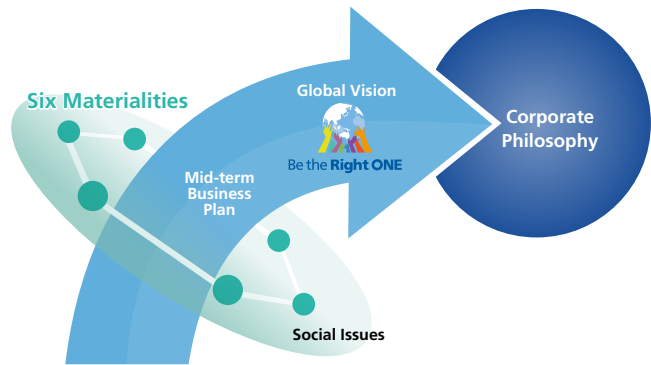
The Toyota Tsusho Group has positioned its corporate philosophy of living and prospering together with people, society, and the planet, and to be a value-generating corporation that contributes to the creation of prosperous societies, as its highest unchanging concept, which should be handed down through the generations. The Toyota Tsusho Group has enhanced its corporate value by engaging in environment-friendly businesses and developing human resources who are valuable to and contribute to society.

The world today is facing such problems as abnormal weather related to climate change, forest destruction, resource exhaustion, and human rights issues. When conducting business activities, the environment and society do not simply need to be “considered,” rather, they are “prerequisites” for engaging in business, making them essentially targets for our business today. In this context, Toyota Tsusho is developing its conventional corporate social responsibility (CSR) activities and enhancing its initiatives aimed at realizing a sustainable society with a long-term perspective based on environmental, social, and governance (ESG) viewpoints.

To Toyota Tsusho, sustainability is essentially the meaning of managing. Thus, when working to realize its corporate philosophy, which clarifies Toyota Tsusho’s determination to engage in management while displaying the Toyota Tsusho Group’s reason for existence and ideal image, sustainability can be defined as creating economic value while establishing the environment and society as

prerequisites, thereby enabling the group to continue to grow sustainably with society.

While engaging in sustainable management, Toyota Tsusho identified Key Sustainability Issues (Materiality) that it will address with priority. Focusing on these six Materialities, we are tackling various social issues to achieve our corporate philosophy by pursuing our Global Vision to “Be the Right ONE” and become an irreplaceable and one-and-only presence.

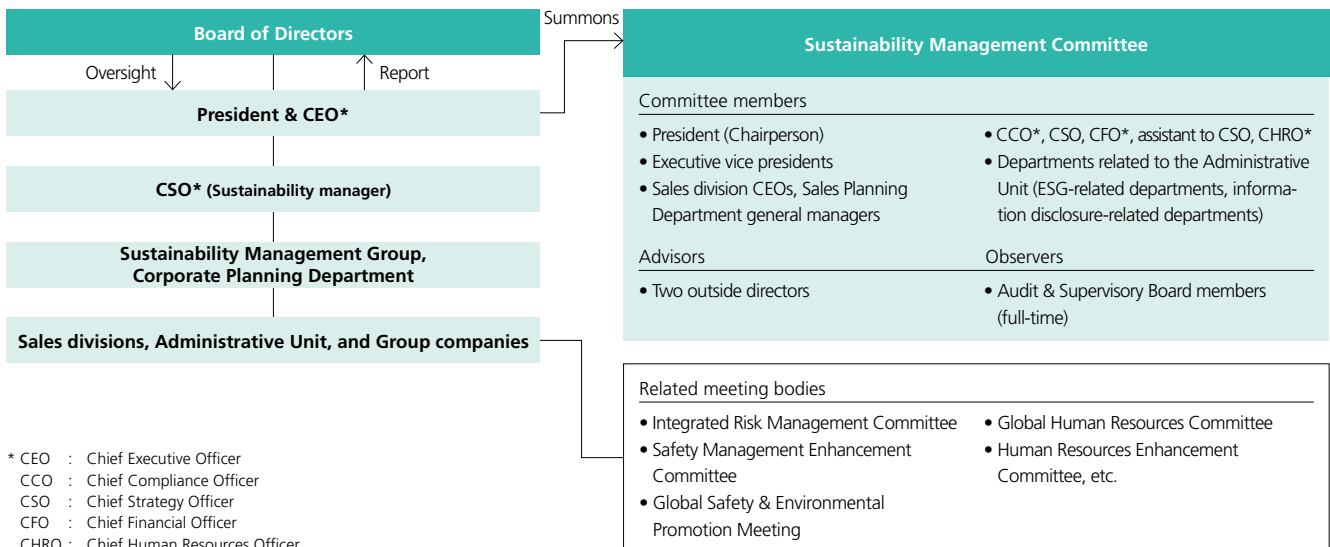


For details on our corporate philosophy, behavioral guidelines, and the Global Code of Conduct & Ethics (COCE) (10 creeds), please see page 2.

Sustainability Promotion Structure

Toyota Tsusho has conducted CSR activities under the leadership of the Corporate Planning Department based on the idea that sustainability should be linked to management strategy. To promote the further enhancement of its stance on sustainability, it established the Sustainability Management Group within the Corporate Planning Department in April 2019.

The CSR Committee has also been reorganized into the Sustainability Management Committee, which discusses, decides on, and promotes sustainability strategies. Content to be discussed by the Sustainability Management Committee and response to other issues such as climate change will be reported as appropriate to the Board of Directors and action will be taken.



* CEO : Chief Executive Officer
 CCO : Chief Compliance Officer
 CSO : Chief Strategy Officer
 CFO : Chief Financial Officer
 CHRO : Chief Human Resources Officer

Sustainability Implementation Timeline

2005	2009	2012	2017	2018	2019	2020
CSR Committee established	Corporate Planning Department takes a central role in CSR activities and strengthens initiatives in cooperation with other involved departments	Supply Chain CSR Behavioral Guidelines established	Acquisition of third-party guarantees regarding greenhouse gas emissions and water usage from Lloyd's Register Quality Assurance Ltd. (LRQA) commenced	Key Sustainability Issues (Materiality) to be addressed by the Toyota Tsusho Group with priority identified based on the SDGs	Sustainability Management Group established in the Corporate Planning Department Sustainability Management Committee established	Materiality key performance indicators (KPIs) set

Key Sustainability Issues (Materiality)

The Toyota Tsusho Group has identified the priority issues that it needs to be aware of as it pursues the realization of its corporate philosophy and Global Vision to clarify those social issues that it needs to focus on based on its management strategies. In the process of identifying those issues, we engaged in repeated discussions while taking into consideration the opinions of management and other internal and external stakeholders.

The Toyota Tsusho Group's Materialities are related to 11 of the United Nations' Sustainable Development Goals (SDGs). The company is achieving sustainable growth and contributing to solutions to social issues and the realization of the SDGs by each employee engaging in business activities with an awareness of these Materialities. To clarify the objectives, we set key performance indicators (KPIs) for respective our Materialities in 2020.

Also, we added to our employee evaluation indicators: "contribution to the development of a sustainable society and action taken

with an awareness of our Materialities" to encourage individual employees to take action with an awareness of resolving social issues. And we held lectures given by experts to enhance awareness of the Materialities and the SDGs, in which approximately 370 employees attended. Training on sustainability and the company's Materialities is also conducted for new employees.

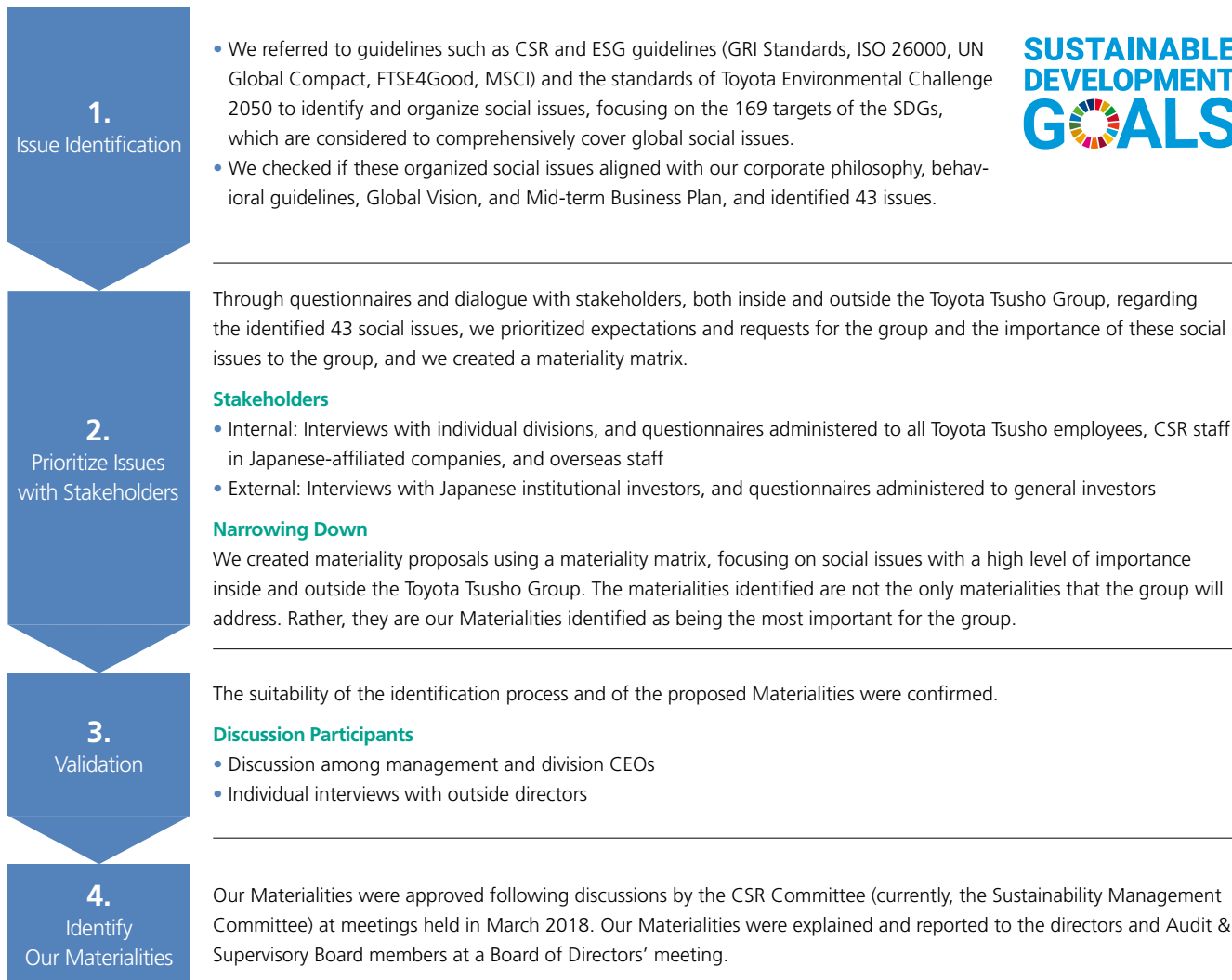
These Materialities are not intended to be unchanging. They will be reviewed periodically by the Sustainability Management Committee, taking into consideration changes in the Toyota Tsusho Group's business environment and other factors, and will be appropriately revised.

For information on initiatives relating to individual Key Sustainability Issues (Materiality), please see page 33. ➤

The Toyota Tsusho Group's Key Sustainability Issues (Materiality)



Key Sustainability Issues (Materiality)



Setting KPIs and Incorporating Them into Sales Divisions' Policies

Toyota Tsusho set Materiality KPIs in 2020 to provide concrete indicators of how the company's business activities are contributing to the SDGs. Going forward, we will apply the plan-do-check-act (PDCA) cycle to solutions to social issues and undertake business with the degree of achievement of these KPIs in mind at all times.

When setting the KPIs, repeated discussions were carried out with sales divisions including division CEOs to reflect the approaches for resolving social issues through business based on the Materialities and the SDGs in the policies of each sales division. Furthermore, the Sustainability Management Committee reflected the opinions of

management and outside directors in the KPIs. To indicate the direction that the Toyota Tsusho Group should take, we either set quantitative targets for representative themes of the our respective Materialities or identified qualitative targets with the expectation of switching to quantitative targets in the near future, making clear the actions that contribute toward resolving the issues. Going forward, we will implement the PDCA cycle based on these KPIs and confirm the degree of achievement.

Initiatives Addressing Key Sustainability Issues (Materiality)



Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society



The automobile industry has entered a once-in-a-century transformation.

The birth and evolution of advanced technologies, such as autonomous driving, artificial intelligence (AI), and the Internet of Things (IoT), are poised to greatly expand mobility potential. The Toyota Tsusho Group sees these environmental changes as business opportunities and will undertake initiatives such as improving traffic infrastructure by using material innovation, autonomous driving and advanced safe driving support technologies, and other means. Through this, we aim to reduce the number of road accidents and achieve zero traffic casualties and injuries and contribute to the development of a safe and comfortable mobility society.

KPIs

Quantitative KPIs	Sales revenues from products and services that will lead to zero traffic casualties		
		Results for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2023
	Breakdown: Apply <i>kaizen</i> (continuous improvement) to vehicle maintenance status to reduce accidents, supply collision prevention warning devices, onboard cameras, and electronic components for autonomous driving, and take other measures	83 billion yen	107 billion yen
Qualitative KPIs	Measures for the elimination of traffic casualties <ul style="list-style-type: none"> • Driving school business in India, a country with a large number of traffic accidents • Operation of safe driving training centers in Thailand 		
	Promotion of safe and comfortable mobility services <ul style="list-style-type: none"> • Trials for commercial application of truck platooning (to resolve a driver shortage and reduce CO₂ emissions) • Development of OTA* services (prevention of accidents and vehicle error) <p>* Over the Air: Function that allows remote updating of software</p>		

Pick Up

Accelerating Development in the Next-generation Connected Car Field: Creating a Safe and Comfortable Mobility Society

In conjunction with recent advances in automobile performance including autonomous driving and increased use of electronics, the software loaded on automotive electronic control units (ECUs), which are like the brain of the car, has become increasingly large and complex.

In the future, cars will communicate with various devices, and it will be important for connected cars that provide safe, secure, comfortable, and convenient services to use OTA systems to wirelessly update software from remote locations.

Toyota Tsusho, Toyota Motor Corporation, and Denso Corporation have jointly invested in Airbiquity Inc., a developer of software for connected cars.

This investment will lead to accelerated development of safe and highly reliable OTA systems and contribute to connected car development and the creation of a new mobility society.



(Concept image)



Contribute to the transition to a low-carbon society by reducing automotive, manufacturing, and energy plant construction CO₂ emissions through the use of clean energy and innovative technologies



Climate change is a major issue that affects all life on earth.

To tackle this issue, the Toyota Tsusho Group is actively increasing sales of next-generation eco-cars (HVs, PHVs, EVs, and FCVs), developing infrastructure such as hydrogen stations, reducing vehicle weights by using alternate materials, and securing lithium resources that support increased production of the automobile batteries essential for eco-cars. We are also using the knowledge we have accrued through our experience with renewable energy such as wind and solar power together with various innovative technologies to contribute to the realization of a sustainable, low-carbon society by reducing automobile CO₂ emissions, cutting CO₂ emissions through product life cycles, including the logistics business, and contributing to the elimination of CO₂ emissions from plants.

KPIs

Quantitative KPIs	Proportion of renewable energy in the company's total electric power generating capacity*¹		Proportion of electrified vehicle (EVs, HVs, and PHVs) sales in the company's global sales volume	
	Result for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2023	Result for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2025* ²
	39%	55%	6%	17%
	Expansion of renewable energy business in Africa		Sales of products and services that contribute to energy saving and CO₂ emissions reduction	
	Result for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2023	Result for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2023
	Total generating capacity	260 MW	760 MW	Breakdown: • Molten aluminum production; low power consumption electronic component (semiconductors, etc.) business • Biomass fuel sales, etc.
	Contribution to CO₂ emissions reduction	600,000 tons/year	1,700,000 tons/year	

*1 Renewable energy includes wind power (including offshore wind power), solar power, geothermal power, hydroelectric power, and wood biomass power.
 *2 A medium- to long-term target was set based on sales results and the Toyota Tsusho Group's measures for promoting the widespread adoption of EVs (20 countries around the world with a focus on all of Africa and emerging countries in Asia).

Qualitative KPIs	Sales of products and services that indirectly contribute to CO₂ emissions reduction <ul style="list-style-type: none"> • Stable supply of lithium resources that support next-generation eco-cars • Promotion of the environment-conscious transport business to reduce CO₂ emissions during transportation • Increased sales of bioplastics with high CO₂ emissions reduction effects 	Reduction of CO₂ emissions from offices and Toyota Tsusho Group plants <ul style="list-style-type: none"> • Switch to substantially 100% renewable energy for electricity used at all business sites in Japan • Install solar panels at plants and overseas offices
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For information on responses to climate change, please see the feature entitled "Climate Action—Toyota Tsusho Group: Contributing to the World of Tomorrow" on page 44. [➔](#)

Pick Up Reducing CO₂ Emissions by Supplying Recycled Aluminum in Molten Form

Aluminum is said to be the most effective replacement for iron to reduce vehicle weight. Since 1998, Toyota Tsusho has been supplying recycled secondary aluminum alloy ingots in a molten state, which has better CO₂ emissions reduction effects, and is one of the world's top suppliers.

Even though it is still aluminum, the supply of molten recycled aluminum can generally be expected to have about a 98% CO₂ emissions reduction effect compared to the use of new aluminum ingots refined using massive amounts of energy. As aluminum demand increases, we are developing technologies that can enhance the value of low-grade aluminum scrap and increase use rates, and we are creating smart factories that raise energy efficiency.

As a part of the circular recycling business that Toyota Tsusho is developing, we are reinforcing functions in the aluminum recycling value chain from upstream to downstream.



Supplying aluminum in molten form eliminates one melting process.



Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing



Natural resources are not limitless.

We must reduce our impact on the environment by efficiently using and reusing these resources. As a trading company involved in manufacturing, the Toyota Tsusho Group considers it a vital mission to consider the environment and secure and stably provide resources.

To effectively use these limited resources, we will develop recycling businesses including recovery and processing of reusable resources from scrap generated from end-of-life vehicles (ELVs) and at plants, secure resources through urban mining, and turn waste into resources such as by reusing used vehicles and parts, thereby contributing to a recycling society that promotes a circular economy by recycling waste.

KPIs			
Quantitative KPIs	Volumes handled in the resource recycling business		
		Result for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2023
	Breakdown: Business of Green Metals, Inc., molten aluminum business, ELV recovery business, industrial waste processing business, and valuable metal scrap recycling business	6,090,000 tons	7,700,000 tons
	Plastic recycling volume		
		Result for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2023
Qualitative KPIs	Measures for the Development of a Recycling-based Society		
	<ul style="list-style-type: none"> • Advance application development, aiming for the effective use of resources through the recycling of carbon fiber • Develop environment-conscious materials (recycling of airbag scraps) • Effectively use internally generated heat (hot water) from the adjacent Toyota Motor East Japan, Inc. plant to operate a paprika farm • Conduct business that contributes to the recycling of end-of-life batteries (the “3Rs” [rebuild, reuse, recycle] business for batteries) 		
	PLANIC Co., Ltd. (scheduled to commence operations in 2021)	—	Equivalent to 800,000 vehicles
	Toyotsu PET Recycling Systems (scheduled to commence operations in 2022)	—	Equivalent to 2 billion PET bottles

Pick Up Contributing to the Development of a Recycling-based Society through Plastic Recycling

Japan is an industrialized country with high plastic production and consumption volumes. In 2019, Japan’s Ministry of the Environment adopted the 3R+Renewable guidelines, a compilation of plastic resource recycling strategies. As a part of this effort, Toyota Tsusho is engaging in the plastic recycling business to contribute to the “recycle” portion of the program.

Toyota Tsusho established PLANIC Co., Ltd., which is one of Japan’s largest recycled plastic processing companies, in December 2018, with operations scheduled to commence in 2021. PLANIC will use Japan’s first advanced gravity sorting technology to use end-of-life plastic materials that are currently not effectively used from cars, consumer electronics, and other items to manufacture high-quality recycled plastic. We also established Toyotsu PET Recycling Systems in July 2020 to recycle waste PET bottles.

We will continue our efforts to contribute to the development of a sustainable recycling-based society into the future.



(Concept image)

Initiatives Addressing Key Sustainability Issues (Materiality)



Grow with developing countries, including those in Africa, and endeavor to resolve social issues through business operations



The Toyota Tsusho Group undertakes local infrastructure development, industrial development, job creation, and other measures to resolve social issues in developing countries in Africa and other regions through its automotive business and other business activities.

In Kenya, for example, we worked as a strategic business partner in a national project aimed at supporting the realization of the country's national vision. We used the results as a pilot model to promote the autonomy of local residents and to support the growth of the Toyota Tsusho Group through initiatives such as improving living environments by developing basic infrastructure and providing opportunities for occupational training.

KPIs

Quantitative KPIs	Africa Division revenue	
	Result for the fiscal year ended March 31, 2020	Target for the fiscal year ending March 31, 2023
	860 billion yen	1,170 billion yen

Qualitative KPIs	New investment in developing countries including countries in Africa
	<ul style="list-style-type: none"> • Support healthcare infrastructure including local pharmacies and hospitals (approximately 6,000 locations) through pharmaceutical wholesaling in 24 African countries and medical device manufacturing in Morocco and Algeria • Operate the international terminal business at Wattay International Airport in Laos • Contribute to improving standards of living and household incomes through the off-grid business (distributed power sources) using solar power and storage batteries in non-electrified regions of Kenya

Pick Up Supplying Electric Power in Non-electrified Regions of Kenya

In July 2019, Toyota Tsusho invested in Powerhive Inc., a U.S.-based start-up that supplies electric power in non-electrified regions of Kenya.

The development of distribution grids has not advanced in Sub-Saharan Africa, and, as a result, approximately 600 million people there live without electricity. Powerhive, the first private company to acquire a license to sell electricity in Kenya, builds and installs mini-grids that combine solar power generation systems with storage batteries, providing stable electric power to people and improving business and incomes for poultry farmers by supplying electricity, thereby contributing to the development of regional society from the aspects of both power supply and support for ancillary businesses.

Toyota Tsusho will continue to use its networks and knowledge in Africa to expand business with Powerhive in Kenya and go on to develop business in other countries.



A mini-grid installed in a non-electrified region of Kenya



Begin everything we do with ensuring safety and compliance and continue to be an organization trusted by society



All corporate activities are supported by social trust and sustained by social confidence.

The Toyota Tsusho Group does its utmost to ensure safety in related companies and the safety of all workers. We are constantly engaged in activities that earn society's trust and confidence, such as conducting safety education activities at plants and offices using our practical safety workshops and ensuring high levels of quality that guarantee safety and security.

In our day-to-day operations, we define specific codes of conduct for all sites and offices, both in Japan and overseas, and strictly comply with laws and regulations such as those concerned with preventing corruption or anticompetitive behavior. We are improving our management transparency and enhancing our corporate governance.

KPIs

Quantitative KPIs	Lost work time incident rate*: seeking zero accidents Results for the fiscal year ended March 31, 2020 <h3 style="text-align: center; margin: 0;">0.80</h3>	<p>* A calculation of the number of fatalities and injuries resulting from industrial accidents per million hours of actual work Scope: Main domestic and overseas affiliated companies</p>
Qualitative KPIs	<p>Development of occupational safety and health systems</p> <ul style="list-style-type: none"> Conduct Practical Safety Workshops and Office Safety Workshops Comprehensively disseminate information on crisis management to domestic and overseas companies in our group 	<p>Reinforcing compliance</p> <ul style="list-style-type: none"> Raise awareness of the COCE; obtain written pledges from all officers and employees Establish whistleblower systems in Japan and overseas and use IT and AI to monitor for signs of improper conduct
	<p>Reinforce internal controls</p> <ul style="list-style-type: none"> Reinforce group governance by having the Audit Department (under the direct authority of the president & CEO) conduct audits of subsidiaries and dispatching full-time auditors Create mechanisms by establishing a Toyota Tsusho Group basic computer security incident response team (CSIRT) policy and formulating guidelines 	<p>Promote internal and external communications</p> <ul style="list-style-type: none"> Conduct fair disclosure through dialogues with domestic and overseas institutional investors and briefings for individual investors

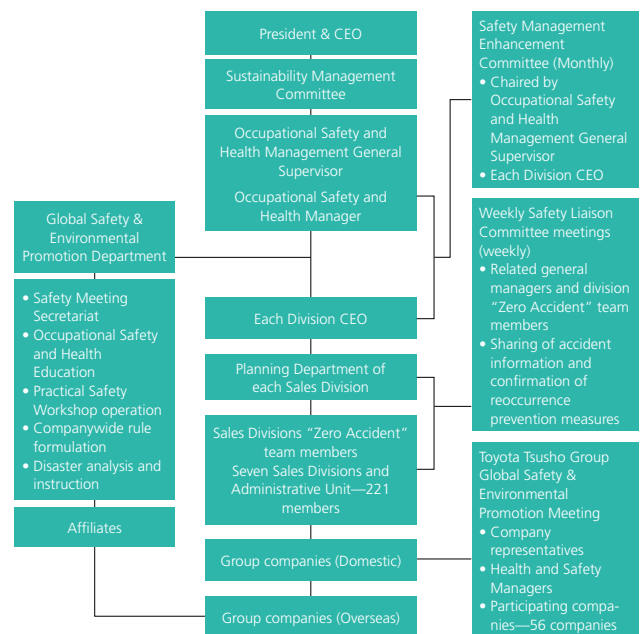
Based on the beliefs that safety and compliance are the cornerstones for all work and that safety management is a matter of human resources development, Toyota Tsusho conducts safety and health education not just for Toyota Tsusho Group employees but, upon request, also for the employees of suppliers.

We conduct rank-based safety and health training for new employees, mid-level employees, managers, and executives and are expanding the scope of education by conducting training for persons involved in operations at suppliers.

To heighten employee sensitivity to danger by having them experience hazardous work, in 2009 we established a Practical Safety Workshop at Toyota Steel Center Co., Ltd. The workshop offers simulations of 57 different types of hazards, including being squeezed between objects and dangers involving heavy items. Educational materials on predicting six types of hazards have also been prepared. Workshop attendance is also open to the personnel of suppliers who take part in Toyota Tsusho's Safety and Health Cooperation Council. The workshop serves to raise awareness regarding safety and health. In the fiscal year ended March 31, 2020, a total of 734 persons participated in these workshops, and the cumulative number of participants since their establishment reached 9,397 persons.

Taking into consideration that since Toyota Tsusho is a trading company much of its work takes place in offices, in the fiscal year ended March 31, 2017 we began conducting Office Safety Workshops and taking measures to raise awareness of safety regarding office work. More than 600 participants have attended these workshops to date.

Toyota Tsusho Group Safety Management System



For information on health and safety policies, please see "Occupational Safety and Health Management" on Toyota Tsusho's website.
<https://www.toyota-tsusho.com/english/csr/activities/social/safety-management.html>

Initiatives Addressing Key Sustainability Issues (Materiality)

Compliance

Toyota Tsusho endeavors to ensure that executives and employees perform their duties following laws, regulations, the company's Articles of Incorporation, and corporate ethics.

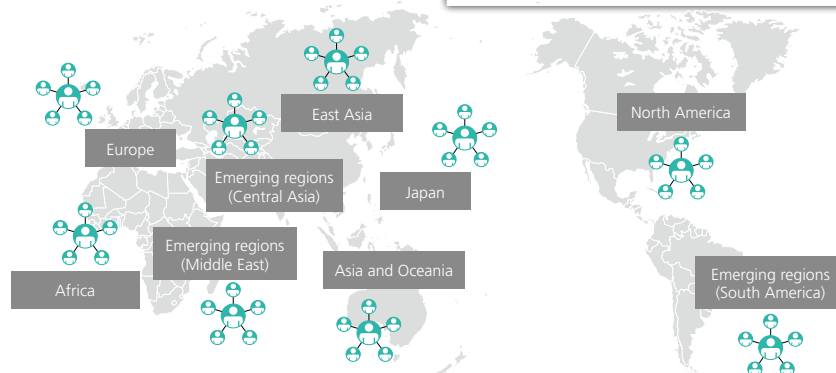
In July 2016, Toyota Tsusho enacted its Global Code of Conduct & Ethics (COCE), which defines the company's behavioral guidelines. The COCE was formulated by a team of Toyota Tsusho Group employees from Japan and overseas. The company issues the COCE Booklet in various languages (currently, 23 languages) and has made it available on the company intranet. Knowledge of the booklet has been thoroughly disseminated through the COCE global network, and both executives and employees have pledged to follow the COCE.

The whistle-blowing system was expanded and extended from its previous form, in which reporting was possible through internal reporting lines and external lawyers, by adding a dedicated external reporting line. This reporting line, created in November 2017, offers

multilingual support (currently, in more than 160 languages), and makes it easier for employees to report or consult on matters related to violation of the COCE by providing global service with greater anonymity and confidentiality. Notices or reports on all whistle-blowing information and the status of responses are directly sent to Audit & Supervisory Board members to ensure independence from management. Also, Toyota Tsusho was registered as a business making a self-declaration of conformity under Japan's Consumer Affairs Agency's Whistleblowing Compliance Management System (self-declaration of conformity registration program) on April 24, 2020. The company will continue to develop and operate whistle-blowing systems to ensure even greater reliability and effectiveness and will work to bolster compliance management and raise corporate value.

For details on the COCE, please see page 3. >

COCE Global Network



Raising Awareness of Compliance

Toyota Tsusho offers various types of training and seminars to ensure compliance with laws and regulations and the internalization of specific codes of ethical conduct in the day-to-day work of its executives and employees.

In the fiscal year ended March 31, 2020, we held training for various levels of the organization, including new employees, newly appointed managers, line managers, and executives, as well as for specific groups such as newly appointed executives at domestic Toyota Tsusho Group companies and employees soon to be stationed overseas. The company also conducts training for executives and employees to raise awareness of topics such as insider trading, bribery prevention, cartels, supply chain CSR, and the COCE via e-learning and information sessions. Also, the company provides the Laws & Ordinances Handbook for Executives to executives and a compliance manual to employees so that the entire company workforce is familiar with important laws.

Corruption Prevention

The Toyota Tsusho Group has firmly declared an anti-corruption stance in the COCE and is endeavoring to prevent bribery to ensure that there are no breaches of the bribery regulations of any country, including the Foreign Corrupt Practices Act of the United States and Bribery Act 2010 of the United Kingdom.

Specifically, each company of the Toyota Tsusho Group evaluates bribery risks every second year, and, based on the results, anti-bribery rules and related measures are implemented. Related measures include advance screenings of transactions in which governments, etc., are involved; advance screenings of invitations of public officials, etc.; reporting of entertaining and offering gifts to public officials, etc.; and the prohibition of payments to third-party countries or third parties.

Tax Governance Policy

The fundamental policy of Toyota Tsusho and the Toyota Tsusho Group is to comply with the tax laws and regulations of individual countries, under the responsibility of the CFO and following the COCE, and to appropriately satisfy global tax obligations.

We do not engage in transactions that do not conform with actual business conditions, with the aim of tax avoidance. We strive to comply with the laws, regulations, and tax conventions of individual countries, as well as with international taxation rules, appropriately reporting and paying taxes.

We build fair relationships with tax authorities in the regions in which we do business by appropriately disclosing information and engaging in constructive dialogue, to eliminate double taxation and appropriately utilize tax incentives to achieve appropriate tax costs.



Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills



The Toyota Tsusho Group promotes diversity and inclusion as a management strategy. We are striving to create work environments that bring out the strengths of diverse personnel by undertaking reforms to implement more flexible and productive ways of working.

Also, we are working to develop human resources who can create business on a global scale and who can achieve success in the global market, and we are providing occupational training opportunities to local communities and actively developing human resources within and outside the company who are valuable to and contribute to society.

In our supply chain, we are taking measures to eliminate child labor and forced labor, thereby improving the labor environment from various perspectives as a company that values and protects people.

KPIs

Qualitative KPIs

Reinforcement of human resources development

- Through the provision of opportunities, optimal personnel assignment, and global networking, accelerate the development of aspiring human resources around the world who can take the initiative in management and engage in joint creation with others

Creation of workplaces that offer meaningful work

- Promote new work styles and workplace innovations
- Invigorate communications within organizations and shift to flexible and highly productive organizations

Respect for human rights

- Reinforce diversity and inclusion (D&I) so that everyone can trust and acknowledge one another and learn from each other

Active external activities

- Provide functions and global networks for problem-solving based on *Genchi, Genbutsu, Genjitsu* (on site, hands on, in touch) (For the health and safety of employees, their families, and members of the community)
- Activities and growth with deep ties to local communities through participation in volunteer activities and other programs
- Support the development of future generations of human resources through the company's foreign study scholarship program



For the Toyota Tsusho Group's basic policy on human rights, please refer to the Personnel Systems page on Toyota Tsusho's website. <https://www.toyota-tsusho.com/english/csr/activities/social/hr-activity.html>



Be the Right ONE

Human Resources Development Principle

We seek to "Be the Right ONE" by undertaking business with awareness by each individual of resolving social issues and by providing value unique to Toyota Tsusho. To do this, we identify and nurture individuals with strengths representative of Toyota Tsusho, regardless of nationality. We practice the optimal assignment of personnel and build optimal and powerful teams by enabling each person to become a strong individual.

Pick Up Toyotsu Inno-Ventures Project

The Toyotsu Inno-Ventures Project (TIVP) is a companywide project with the mission of identifying and enhancing the seeds of new business to create new businesses. Ideas for new business are solicited from within the company and proof of concept (PoC) verification is performed, ultimately leading to business developing within a sales division. Starting in the fiscal year ending March 31, 2021, ambitious employees have taken management initiative with an awareness of coordinating ideas with our Key Sustainability Issues (Materiality) and sought to contribute to resolving social issues. This project instills a strong sense of ownership among participants and develops strong individuals who exhaustively pursue customer needs.

Toyotsu Inno-Ventures Project



Sustainability Management

Initiatives Addressing Key Sustainability Issues (Materiality)

Basic Approach

Toyota Tsusho practices the Toyota Tsusho Group Way, which adopts as its keywords “*Shokon*” (a passion for business), “*Genchi, Genbutsu, Genjitsu*” (on site, hands on, in touch), and “Team Power” (teamwork). We conduct various educational and training programs and strive to enhance employee skills to develop human resources who can independently and dynamically think and take action. We make use of diverse human resources who can respond

flexibly to the company's changing business environment and look ahead to a better future, and we prioritize the development of human resources capable of creating global-scale business and human resources able to interact with their counterparts at other leading global companies to continuously achieve active value creation with our global partners.

Educational Programs

Our educational programs, which serve as development forums for strong individuals capable of independent thought, action, and continuous growth are made up of three parts: on-the-job training, off-the-job training (seminars and courses), and self-improvement. Every year, each employee develops a future career plan and discusses with a supervisor how to achieve the plan through business assignments and the use of training programs for skill development. In recent years, the programs have been shifting to e-learning.

1) On-the-job Training

On-the-job training (OJT) is actively and systematically incorporated into human resources development from the perspective that *Genchi, Genbutsu, Genjitsu* (on site, hands on, in touch) leads to individual growth. Young employees are dispatched overseas as interns, representative employees or seconded to group companies to gain experience, and programs for personnel exchanges outside the group and among departments are actively implemented.

2) Off-the-job Training

For various training programs, participants' awareness is raised by developing an understanding of the importance of training based on a mindset that takes into consideration the values expected by top management, officers, and accounts of their experiences. At the same time, the effects are enhanced by conducting post-training follow-ups including interviews and counseling.

3) Self-improvement

We are expanding programs that subsidize online education and schools (for business and language) and that encourage employees to acquire qualifications as measures that support self-improvement

so that employees can raise their skills from the minimum necessary to professional expertise.

Development of Global Management Talent

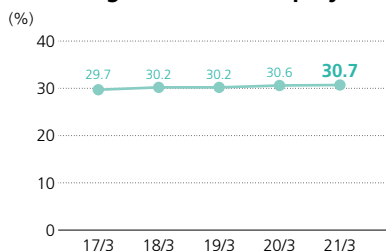
With globalization in recent years, we need respected and talented people who can interact with global partners on an equal footing. To develop such global management talent, we have created several selective training programs. Under the Global Advanced Leadership Program (GALP), our highest level of training, we are implementing programs in collaboration with top business schools in Japan and overseas. Toyota Tsusho employees and employees from domestic and overseas group companies participating in this program spend approximately six months in training to hone their multicultural leadership skills.

The Leadership Development Program (LDP) is a subsidiary program that seeks to foster talented people that will be responsible for future group management with the theme of resolving regional as well as national issues. The global networks developed through this training become lasting and irreplaceable assets, and by conducting periodic web seminars for alumni we strengthen our relationships and encourage knowledge sharing.

Also, we established the Overseas Language Intern Program for junior employees in order to develop talented people who can handle the operations of a trading company that conducts the majority of its business overseas. Participants in this program undergo language training for approximately six months at an overseas university or language school and then spend up to a year in practical training at an overseas group company under the guidance of expatriates from Japan. This program not only provides language skills but also familiarizes participants with local culture, customs, and business practices, and promotes active career development and job rotations.

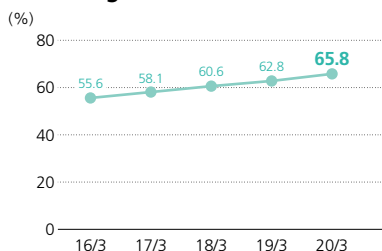


Percentage of Female Employees



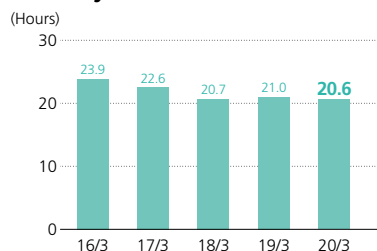
Scope of calculation: Toyota Tsusho Corporation
For every year, as of April 1

Percentage of Paid Leave Used



Scope of calculation: Toyota Tsusho Corporation

Monthly Overtime



Scope of calculation: Toyota Tsusho Corporation

Promotion of Diversity and Inclusion (D&I)

As the business environment undergoes continuous change and customer needs diversify, Toyota Tsusho respects and acknowledges differences such as gender, age, and nationality, based on a confidence that actively using those differences will enhance the dominance of the entire group, we promote D&I as a management strategy. We reviewed existing job categories based on the details of work and introduced programs that allow all employees to select from among diverse career paths. In 2020, we also received Platinum Kurumin certification from the Ministry of Health, Labour and Welfare as a company that supports childcare, and we are working to enhance work-life balance by encouraging employees to take paid vacation leave and urging male employees to take childcare leave. We are also introducing reforms, such as flextime, morning work schedules, and telework, as well as on-site measures for the *Ikiwaku* Project (Organization Development), which reviews work practices, to shift toward having a flexible and highly productive organization, foster an environment and corporate culture in which diverse

personnel can work with passion, and raise individual awareness.

In addition to these efforts, the CEOs of each sales division set targets for diversity and inclusion initiatives, report on progress and results at the Executive Officers Meeting and the Board of Directors, and introduce systems that reflect assessments according to the results.



Labor Union and Global Human Resources Department Hold Panel Discussion with the CHRO to Consider Work Perspectives and Careers

The Chief Human Resources Officer (CHRO) and employees participated in a panel discussion to reconsider the future direction of their own jobs and independent careers while exchanging a variety of ideas.



Health and Productivity Management

Toyota Tsusho actively undertakes health management with the president & CEO as the person with ultimate responsibility and was recognized by the Ministry of Economy, Trade and Industry as one of the companies in the 2020 Certified Health & Productivity Management Outstanding Organizations Recognition Program. Health and productivity management is the strategic management of health from a business perspective, based on the idea that measures aimed at maintaining and promoting the health of employees provides them with greater vitality and invigorates the organization, ultimately contributing to greater productivity for the companies that employ them. In October 2017, Toyota Tsusho's top

management issued the Toyota Tsusho Group Health Declaration, announcing the company's commitment to promoting health and productivity management both within and outside the company.

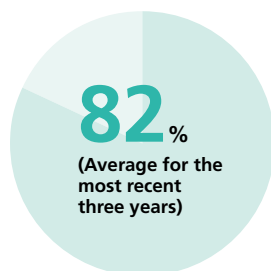
Going forward, the entire Toyota Tsusho Group will undertake health management while focusing on its vision for the future to create workplaces where each individual can work with vitality, leading to sustainable corporate growth.



Toyota Tsusho Group Health Declaration

We, the Toyota Tsusho Group, recognize that the physical and mental health of our employees is our most important asset. Thus, we welcome and respect the diversity of our employees and declare that we will strive to achieve work environments that provide peace of mind and opportunities for active participation by all. We also declare that we will unwaveringly adhere to our corporate philosophy and strive to become a "value-generating corporation" by contributing to society through ever-better ways of doing business.

Average Rate of Overseas Experience in the Eighth Year after Hiring



Average Annual Training Time per Employee



Environment Management/Supply Chain CSR

■ Toyota Tsusho Group's Environmental Policy

1. As a responsible corporate citizen, we strive to reduce the following impact on the environment by eliminating environmental pollution, while placing a high priority on not disturbing the global environment in conducting business.

- Address climate change issues, including reducing greenhouse gas emissions
- Preservation of forests and biodiversity
- Effective use of resources and energy
- Effective use of water and reduction of the amount of use in water stressed regions

2. We promote environment-related businesses, such as the efficient use of waste and the preservation of natural resources, and contribute to the realization of a recycling-oriented economy and society in collaboration with our affiliates and business partners.

3. We comply with all environmental requirements, including environmental laws and regulations and industry guidelines.

4. We participate in activities to reduce impact on the environment by establishing an environmental management system and implement *Kaizen* (continuous improvement) of these activities through periodic review and the application of creative ideas.

5. We enhance environmental awareness among employees by providing environmental training and promoting a thorough understanding of our environmental policy.

Structure for Promoting Environmental Management

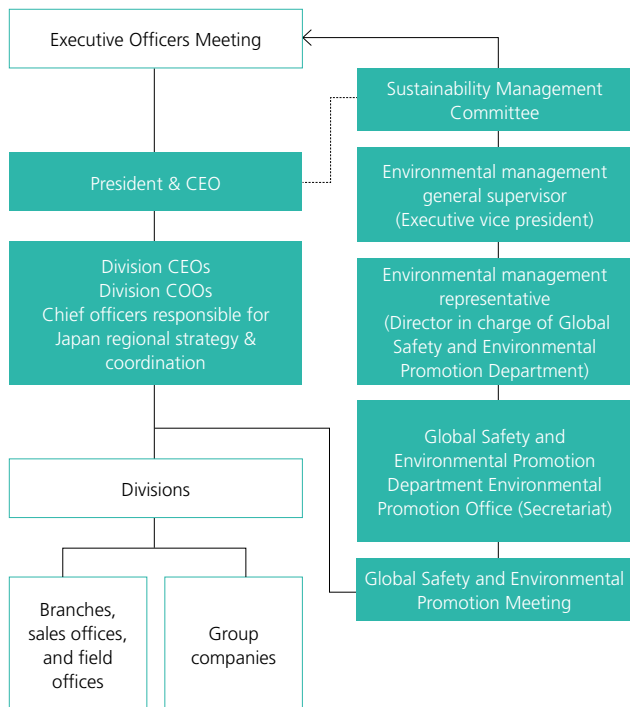
The Toyota Tsusho Group's environmental management systems conform to the ISO 14001 standards in Japan and are managed following the Environmental Management Rule Books (independent standards) overseas. Both in Japan and overseas, we perform periodic internal audits to raise the level of environmental management.

The Global Safety and Environmental Promotion Meeting is held each year to report on Toyota Tsusho Group environmental preservation programs and provide notice and share information on statutory amendments. The Safety Management Enhancement Committee

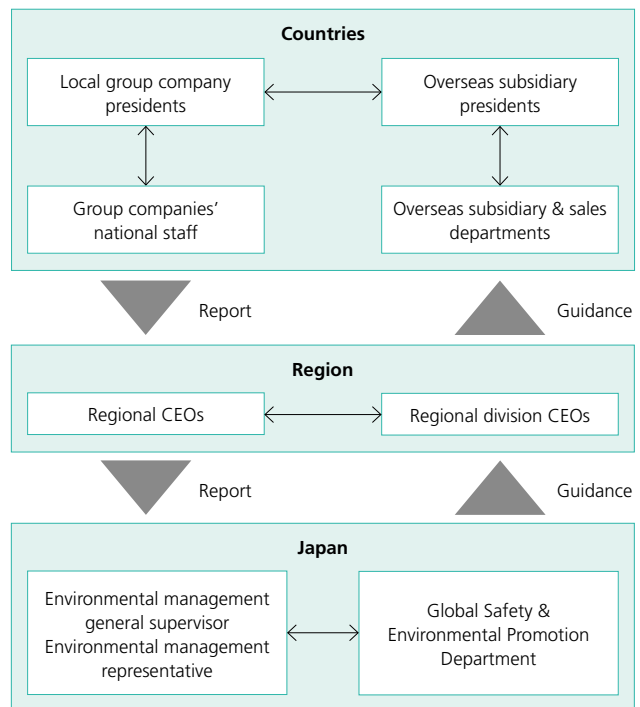
meets monthly, with attendance by corporate officers, to report on environmental accidents, to share information on countermeasures, and to take preventive measures.

In 2018, the Toyota Tsusho Group underwent ISO 14001:2015 certification renewal screening, and its certification was renewed until December 31, 2021. ISO 14001 certification has been acquired by 59 domestic subsidiaries and 134 overseas subsidiaries.

Toyota Tsusho Group's Environmental Management



Construction of Environmental Management Systems Overseas



Initiatives to Reduce Our Impact on the Environment

For our current business framework, we quantitatively evaluate the degree of risk of environmental pollution caused by us including all equipment and the level of worksite control to reduce our risk of environmental pollution. We also evaluate our adherence to environmental laws and regulations every six months and implement double checks on legal observance for key issues through internal and external audits.

For any new investment projects, we make efforts to conserve the environment and reduce our impact on it by investigating and evaluating the possible environmental effects of such investment in advance.

ISO 50001

Toyota Tsusho acquired ISO 50001:2018 (energy management systems) certification in 2020. The scope of the certification covers business sites in Japan (18 sites in 11 prefectures) subject to notification requirements as specified businesses under the Energy Conservation Act as well as employee benefit facilities. We created energy management standards for each site and periodically confirm their implementation status by conducting energy-saving audits to encourage energy-saving measures.



Supply Chain CSR

The Toyota Tsusho Group has constructed a globally diverse value chain, and we believe that sustainability and CSR that take into consideration human rights, labor environments, and the natural environment must be promoted throughout the entire supply chain in each region.

In 2012, we formulated the Supply Chain CSR Behavioral Guidelines to foster a common understanding of CSR, coordinate CSR initiatives, and realize mutual sustainable growth with suppliers. To clarify common recognition with our suppliers, these guidelines were revised in January 2019 in response to increased awareness of human rights and environmental issues as well as in response to the identification of the Toyota Tsusho Group's CSR materialities.

In 2019, in response to the aforementioned revision, we implemented an e-learning course on supply chain management for all Toyota Tsusho employees that more than 3,000 employees took. After learning about the importance of supply chain management, in 2020, sales personnel distributed the Supply Chain CSR

CDP

Toyota Tsusho has been participating in CDP since the fiscal year ended March 31, 2017. CDP is an international NPO that was established in London in 2000. CDP calls on participating companies to disclose strategies on climate change and specific figures on the amounts of greenhouse gases emitted. As a representative of institutional investors with a total operational amount exceeding U.S.\$100 trillion, CDP sends questionnaires to companies, analyzes and evaluates their responses, and discloses scores. Scores are ranked according to eight levels: A, A-, B, B-, C, C-, D, and D-.

CDP Evaluation Results for the Fiscal Year Ended March 31, 2020

- Climate change: A-
- Water security: B
- Forests (Palm oil): B-
- Forests (Timber): B
- Forests (Soy): B-



For information on management and initiatives regarding the environment, please refer to the Approach to ESG section on Toyota Tsusho's website.

<https://www.toyota-tsusho.com/english/csr/activities>

Behavioral Guidelines to suppliers with which the company does continuous business of more than a certain amount and requested their commitment to comply with the guidelines. As of the end of July 2020, the Toyota Tsusho Group has received responses from approximately 1,100 companies.

The course aims to improve employee awareness of considering the environment and human rights throughout the overall supply chain. Toyota Tsusho is also promoting the spread of sustainability CSR throughout the entire supply chain with initiatives such as supplying uniforms made from fair trade-certified cotton under its framework for trade that improves the lifestyles and independence of producers and workers in developing countries.



For additional information on the Supply Chain CSR Behavioral Guidelines, please refer to the Supply Chain CSR page on Toyota Tsusho's website.

<https://www.toyota-tsusho.com/english/csr/activities/social/supply-chain.html>

Climate Action



Toyota Tsusho Group: Contributing to the World of Tomorrow

Contributing to a sustainable society has become the norm for today's companies. We are entering an era in which all companies are strongly aware of the need to proactively use renewable energy and to contribute to the realization of a sustainable low-carbon society.

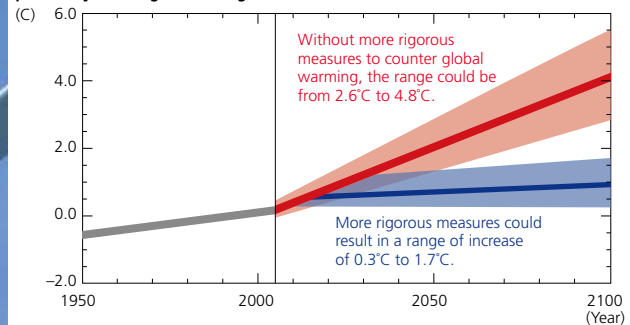
The Toyota Tsusho Group has led environmental protection efforts through its renewable energy businesses, such as wind power generation, and investment activities in the mobility field. Aiming to continue to sustainably grow with society, we position sustainability as "management itself."

Climate Change and the SDGs

The United Nations' Sustainable Development Goals (SDGs), which consist of 17 global goals, specify Goal 7 as "Affordable and Clean Energy" and Goal 13 as "Climate Action." Also, the Paris Agreement, which has been in the implementation stage since 2020, aims to keep the global average temperature rise below 2°C compared to before the Industrial Revolution and to make efforts to keep it down to 1.5°C.

To achieve these, there is an urgent need to develop and disseminate renewable energy alternatives to oil and coal, and mechanisms that enable efficient use of energy. Companies are also required to contribute to the creation of a sustainable society by grasping changes in environment (E) and society (S) and implementing appropriate governance (G).

Changes in the Global Average Surface Temperature
Global temperature increases this century are expected to have a strong possibility of being in the range of 0.3°C to 4.8°C.



Diverse Changes Are Required

A significant reduction in greenhouse gas emissions is important for solving the problem of climate change. The utilization of renewable energy instead of oil and coal is being promoted as one measure. In terms of share by energy type, power generation from wind power, solar power, geothermal power, and others is expected to continue to increase and to account for approximately 20% of total energy by 2040.

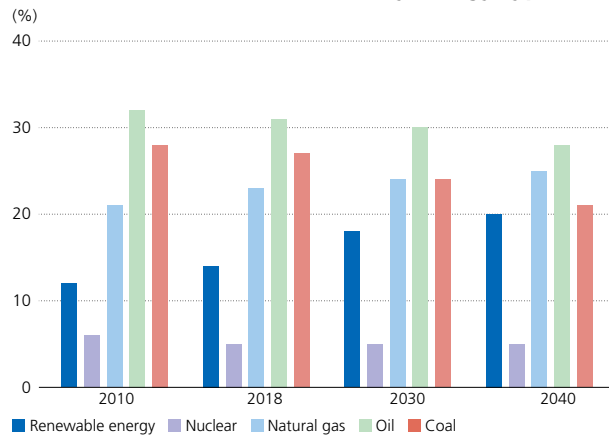
To increase the share of renewable energy as predicted, it is necessary to strengthen the supply of renewable energy and diversify energy resources. To resolve regional differences in the energy situation, global measures to popularize renewable energy are also necessary.

Meanwhile, the automobile industry is said to have entered a once-in-a-century period of profound transformation, and one of the reasons for this is climate change. Problems are expected to be solved by the popularization of next-generation environment-friendly vehicles that use new forms of energy such as electricity, hydrogen, and natural gas to reduce CO₂ emissions.

Also, movements for reducing greenhouse gas emissions and for decarbonizing are accelerating in all fields.

Toyota Tsusho is striving through its businesses in various fields, such as renewable energy, mobility, and others, to solve the social problem of climate change.

Forecast of Global Market Share by Energy Type



Source: World Energy Outlook 2019

A Renewable Energy Business with a Total Capacity of More than 3,000 MW

The SDGs are a collection of global goals that seek to realize a more sustainable future for all. In the electric power field, Toyota Tsusho is expanding its business globally centering on various types of renewable energy power generation, such as wind power generation, solar power generation, biomass power generation, and hydroelectric power generation as a business that contributes to resolving global environmental issues, and we are engaged in initiatives aimed at stabilizing energy supplies and improving cost efficiencies.

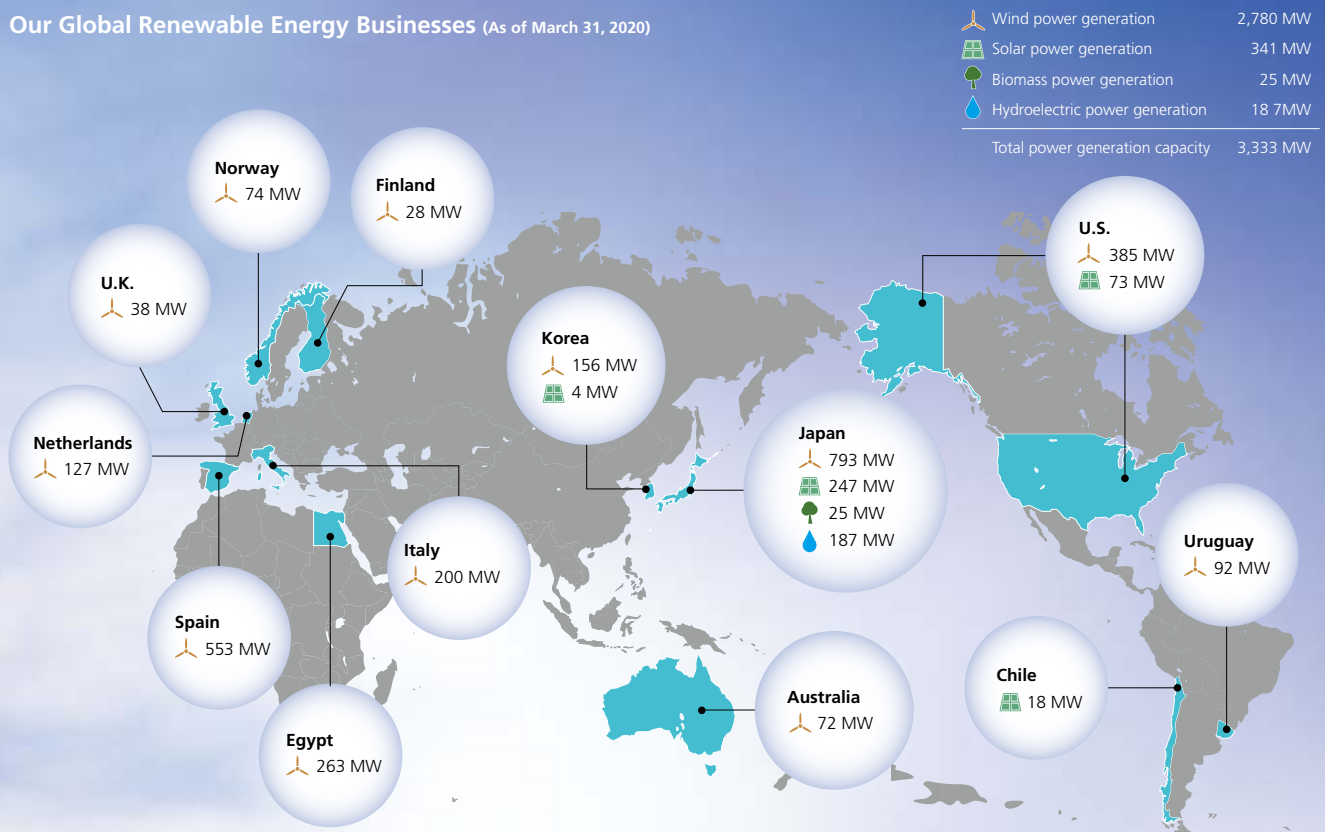
The Toyota Tsusho Group, which entered the renewable energy business ahead of the times, started its wind power generation business in the United States in 1987. Utilizing the expertise we gained along the way, we have since expanded to the United Kingdom, Italy, Spain, and other European countries, as well as to Asia, Japan, and Africa. Wind power generation is the largest part of our renewable energy business. In October 2019, we started the very first independent power producer (IPP) business in Egypt. Meanwhile, in Japan, we have been promoting our business since we built a wind farm in Hokkaido in 1999, and have grown to be the No. 1 wind power generator in Japan. Furthermore, in Hokkaido, we are scheduled to complete the construction of a power transmission grid in 2022, which consists of both power generation facilities and one of Japan's largest storage batteries. This is a new initiative of the Toyota Tsusho Group that uses storage batteries to solve the problem of not being able to stably transmit generated electricity.

Our renewable energy business is also expanding to encompass

alternative energy sources. For example, Eurus Energy Holdings Corporation, which managed the Toyota Tsusho Group's first-ever wind power generation business, launched a solar power generation business in South Korea in 2008. In 2011, it constructed one of the United States' largest solar power generation facilities in California. In 2017, it also commenced operations at one of Hawaii's largest power facilities on Oahu Island, where fossil fuel resources are scarce and energy resources have heavily relied on imports.

In Japan, we started our solar power generation business in 2013. We have been promoting large-scale solar power plant (mega solar) projects in Hokkaido and the Tohoku and Kinki regions. Our group company Ene-Vision Co., Ltd. commenced wood biomass power generation in 2015. The power it generates is distinctive for its lower environmental impact because it uses thinned wood from forest conservation and maintenance activities. Biomass power generation is less susceptible to weather conditions than wind power and solar power generation are enabling a stable supply of electricity. Furthermore, in 2018, we invested in The Tokyo Electric Power Generation Company, Inc., a subsidiary of Tokyo Electric Power Company Holdings, Inc., that operates small and medium-sized hydroelectric power generation businesses in Japan. Through the diversification of energy sources, our renewable energy power generation capacity has now grown to a level that is 600 times more than the 5,000 KW of wind power we started with more than 30 years ago.

Our Global Renewable Energy Businesses (As of March 31, 2020)



Note: Only operational projects are displayed.

Business Strategies that Leverage the Strengths and 30-year-plus History of the Toyota Tsusho Group

The Toyota Tsusho Group's renewable energy business has a history that stretches back more than 30 years, starting in 1986, which was even more than 10 years before the adoption of the Kyoto Protocol. Since engaging in the wind power generation business in California in the United States, which was undertaken by the then electric power division of Tomen Corporation (now Eurus Energy Holdings, a group company in which Toyota Tsusho has a 60% share), we have been one of the first companies to engage in the resolution of global environmental issues. We have endeavored to popularize various types of renewable energy around the world, including in Japan.

To contribute to the creation of a sustainable environment, Toyota Tsusho is promoting businesses for which we can identify domains of global growth and that enable us to maximumly leverage our strengths. For example, in Africa, where we have strived to become

the No. 1 presence, environmental problems are urgent, while energy demand is on the rise along with the economic growth of various countries. To comply with such demand, we have already started environment-friendly renewable energy businesses such as wind power generation and mini-grid businesses in the region. Behind this is our strength of leading the wind power generation business in Japan and overseas, and the development and operation know-how of the power generation business accumulated through diversified experiences in other regions.



Renewable Energy after 2030

The renewable energy strategy of the Toyota Tsusho Group has been centered on two key pillars. The first pillar is global expansion. Our renewable energy business already extends across Europe, Asia, and Japan. Going forward, we intend to leverage our global network to accelerate the expansion of our renewable energy businesses into African nations—where we have a strong corporate presence—and in other emerging countries.

In Africa, we already operate an IPP wind power generation facility in Egypt. In 2019, we invested in Powerhive Inc., a U.S. start-up that operates mini-grids (distributed energy systems constructed in areas that have insufficient electrical power infrastructure) combining solar power generation systems with storage batteries in non-electrified regions of Kenya. In this way, we are supporting a higher quality of life and economic development for people who live in Sub-Saharan areas of Africa without access to electricity.

The second pillar is the expansion of our business domains. In addition to continually enhancing our energy sources, we also intend to proactively expand into new business domains, such as vehicle-to-grid (V2G), virtual power plants (VPPs), and the retail of clean electricity.

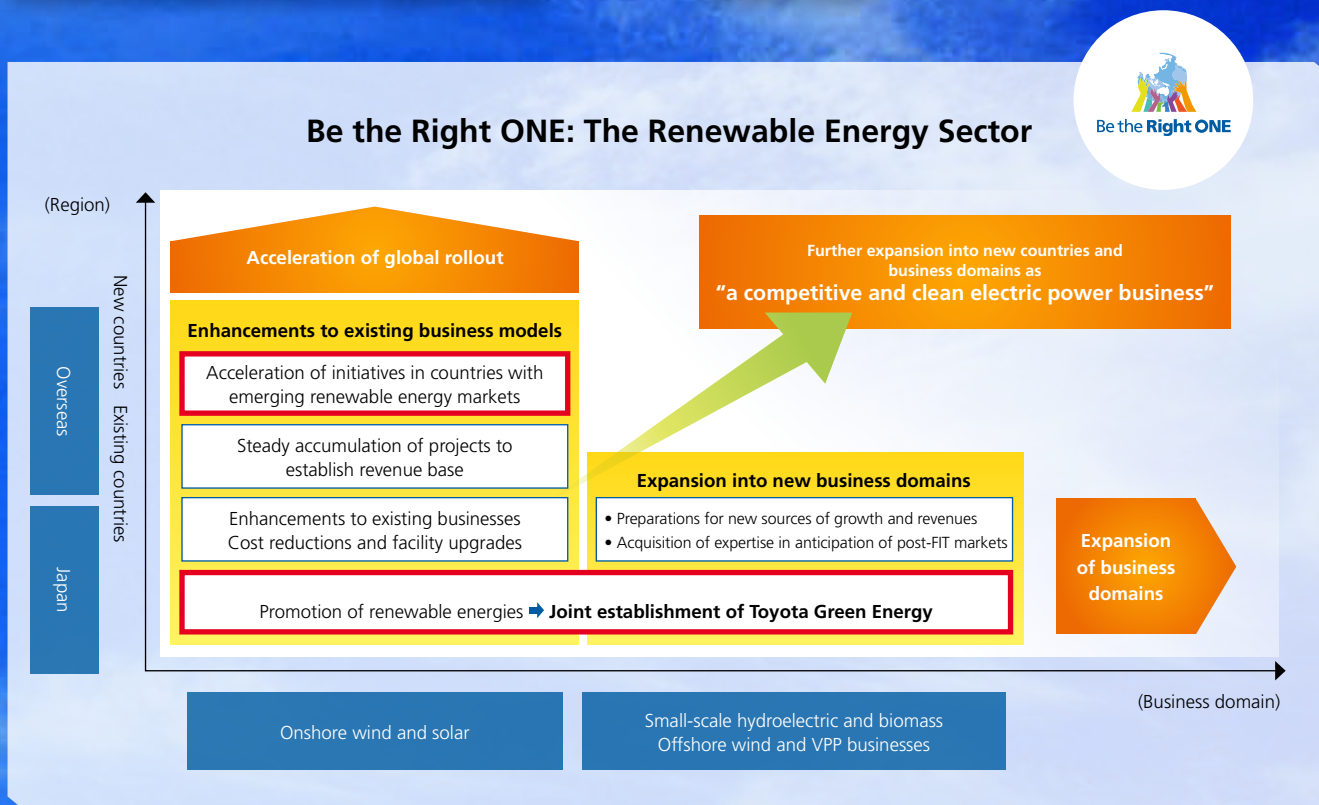
V2G refers to a new type of system in which in-vehicle batteries of electrified vehicles are connected to smart grids (next-generation electricity transmission networks that identify and control electrical supply and demand). The power output of renewable energy sources is subject to change depending on the amount of sunlight or wind, and other natural conditions. However, in-vehicle batteries can be used as storage batteries to serve as infrastructure that adjusts electrical power supply and demand by storing excessive electricity and providing electricity when supply is deficient.

VPPs seek to aggregate V2G systems, power-generation facilities, and storage batteries found in corporations, homes, and plants across the country, and thereby establish environments in which renewable energies can be used efficiently and without waste. As one of these initiatives, in 2019 we collaborated with a major housing manufacturer to begin a service that purchases excess electricity generated by households whose feed-in tariff (FIT) contracts have expired.

V2G and VPPs are set to become established as examples of a new generation of electricity infrastructure, and it is thought that they will give rise to new markets and business models. In anticipation of such developments, in 2017 the Toyota Tsusho Group invested in Nuvve Corporation, which operates V2G businesses in Europe and North America. In 2018, we also carried out verification tests of a V2G control system that utilizes EV batteries as storage batteries.

The Toyota Tsusho Group is also engaged in a variety of other businesses in the renewable energy sector aimed at helping to resolve global environmental issues. In 2020, virtually all of the electricity used at all of our offices in Japan will be generated using renewable energy sources. Specifically, by utilizing J-Credits derived from renewable energy power generation and making the electricity used at 18 offices in 11 prefectures CO₂-free, we have achieved a 100% transition to renewable energy.

In 2020, together with Toyota Motor Corporation and Chubu Electric Power Co., Inc., we also established Toyota Green Energy LLP to obtain and manage renewable energy sources in Japan. In the future, the company will seek to supply clean energy to the Toyota Group and to eliminate CO₂ emitted by the group's production plants.



Other Business Activities to Combat Climate Change

Contributing to the Stable Supply of Battery Materials for Next-generation Eco-cars through the Production of Lithium



Salar de Olaroz
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From the perspective of mobility, the widespread uptake of new energy vehicles is a key factor to reduce CO₂ emissions and combatting climate change. As a result, the production of lithium-ion batteries is increasing around the world. Toyota Tsusho takes part in the upstream domain of such to ensure a stable supply of lithium, which is one of rare resources.

In 2014, before new energy vehicles became popular, Toyota Tsusho commenced full-scale production of lithium carbonate, which is the raw material for rechargeable batteries. With lithium in short supply, as the result of a feasibility study, we chose Salar de Olaroz in Argentine Republic as the production base due to its having high-quality lithium resources, to be the production base. Although companies from around the world vied to secure mining rights at the salt lake, the rights owner viewed Toyota Tsusho as a sustainable partner who had access to the targeted supply chain. In 2012, Toyota Tsusho acquired a 25% interest of the production project at Salar de Olaroz. It acts as the exclusive sales agent for the lithium produced there.

In 2018, we invested in Orocobre, which is one of our partners in this project. In 2021, we plan to commence a lithium hydroxide production business in Japan with Orocobre.

By strengthening our alliances and by ensuring a stable supply of lithium resources, we intend to contribute to the realization of a sustainable society.

Anticipating the Future of Electrification

The popularization of electrified vehicles will bring with it unprecedented social issues, and the process of disposing of next-generation eco-cars will raise an as yet unanswered question how to process batteries for end-of-life vehicles (ELVs).

In the 1970s, the Toyota Tsusho Group launched a proper processing business for ELVs. Our initiatives in this field are accelerating globally, including in Thailand and India, and our business domain is expanding to cover iron, non-ferrous metals, precious metals, resins, and other materials. At Toyota Tsusho, we see applying such mechanisms to the lifecycles of next-generation eco-cars and responding to the needs of resource recovery—which was not required in the age of gasoline-engine vehicles—as a new challenge.

Within our group, we have already commenced the recovery and proper processing of used nickel-metal hydride batteries and lithium ion batteries for hybrid vehicles (HVs). We are also focused on battery-to-battery resource recovery and expanding other battery utilization markets. By contributing to the comprehensive recycling of in-vehicle batteries and the establishment of sustainable automotive industry processes, we intend to link the Upstream (Arterial) businesses (production of battery materials, initiatives aimed at new materials and technologies, etc.) and Downstream (Venous) businesses (proper

processing and recycling of automotive resources) of next-generation eco-cars and construct a kind of reverse supply chain.

At Toyota Tsusho, we believe it is our mission to support the popularization of next-generation eco-cars through such initiatives.



Materials with Lower CO₂ Emissions than Petroleum-derived Products

In the materials sector, Toyota Tsusho and Toyota Tsusho Group company Toyotsu Chemiplas Corporation handle bio-polyethylene produced by Braskem, South America's largest chemicals manufacturer.

Bio-polyethylene is polyethylene that has been derived from plants, and in January 2011 Braskem became the first commercial producer of the material in the world. Toyota Tsusho has collaborated with Braskem from the development stages of the product to the present, and, as an official partner, it sells the product widely across Asia and Oceania.

Bio-polyethylene is made from sugarcane-derived ethanol. In Brazil, this bioethanol is mainly consumed as a gasoline substitute. Sugarcane fields are primarily located in regions more than 2,000 kilometers away from the Amazon rainforest.

Also, because its raw material is a CO₂-absorbing plant, even if a bio-polyethylene product is incinerated, based on the approach of carbon neutrality, it is expected to have a CO₂ reduction effect of approximately 70% compared to petroleum-derived polyethylene.

Bio-polyethylene is already used in shampoo bottles, supermarket and convenience store plastic shopping bags, shopping baskets, municipal-designated garbage bags, PET drink bottle caps, and other food and drink containers.



Toyota Tsusho Group Contributes to the World of Tomorrow

The Toyota Tsusho Group has established as one of its Materialities: "Contribute to the transition to a low-carbon society by reducing CO₂ emissions at automotive, manufacturing, and plant construction through the use of clean energy and innovative technologies." To this end, we have positioned our renewable energy business as one of our four priority business domains.

We intend to engage in a variety of unique initiatives aimed both at combating climate change and at growing the company at the

same time. These include our renewable energy business; the stable supply of lithium—which is a key material for next-generation eco-cars—and the rebuilding, reusing, and recycling (the so-called "3Rs") of batteries in the mobility field; and increased sales of products, such as bioplastics and recycled aluminum, that contribute to reductions in CO₂ emissions in other fields.

Disclosure Based on TCFD Recommendations

The Financial Stability Board established the Task Force on Climate-related Financial Disclosures (TCFD) to examine how climate-related information should be disclosed, and how financial institutions should respond. The TCFD published its final report in June 2017. The final report recommends that corporations and organizations disclose to stakeholders their climate-related risks and opportunities in four areas: governance, strategy, risk management, and metrics and targets.

At Toyota Tsusho, we believe climate change to be a key management issue and, in May 2019, expressed our support for the TCFD. Based on TCFD recommendations, we intend to disclose more information related to the influence that climate change has on our business activities.

Governance

At Toyota Tsusho, we deliberate upon risks, business opportunities, and action plans related to the environment—including climate change—at the Global Safety & Environmental Promotion Meeting, which is held regularly once a year. Our PDCA improvement cycle is also checked at the meeting. The content of these deliberations is incorporated into our business activities via the representatives of the sales divisions and group companies who make up the meeting.

Business opportunities tied to climate change have been identified as one of our Materialities. The action plans for our Materialities are deliberated by the Sustainability Management Committee, which also meets regularly once a year, then reported to the Board of Directors as appropriate. The content of these deliberations is incorporated into our business strategies via the representatives of the sales divisions who make up the committee. From 2020, the committee has also been tasked with setting KPIs and reviewing their progress.

Overview of Climate Change-related Governance

Representative officers	CSO Hiroshi Tominaga	Executive Vice President Takahiro Kondo
Committee	Sustainability Management Committee	Global Safety & Environmental Promotion Meeting
Representative department	Corporate Planning Department Sustainability Management Group	Global Safety & Environmental Promotion Department Environmental Promotion Office

Global Safety & Environmental Promotion Meeting

Members: Environmental management representative (an executive vice president), related officers, planning department general managers, Officers of A subsidiaries

Sustainability Management Committee

Members: President & CEO (chairperson), executive vice president, sales division CEOs, sales planning department general managers, CCO, CSO, CFO, assistants to the CSO, CHRO, departments related to the Administrative Unit (ESG-related departments, information disclosure-related departments)

Advisors: Two outside directors

Observers: Audit & Supervisory Board members (full-time)

Strategy

At Toyota Tsusho, we seek to comprehensively analyze and understand short-, medium-, and long-term business opportunities and risks related to climate change. Going forward, we intend to implement our initiatives and disclose information based on TCFD recommendations. To this end, we are currently discussing the use of both scenario analysis and internal carbon pricing.

At Toyota Tsusho, we believe that the shift to a low-carbon society represents a business opportunity. In particular, our renewable energy business and lithium business for eco-cars overlap with our priority strategies. Also, the move from using virgin materials to using recycled materials—which is intended to improve carbon efficiency—is also an opportunity for our metal recycling business.

Our group operates just one coal-related business—a coal-fired power plant in the Philippines. We are not engaged in any other coal-related businesses.

Risks and Opportunities

Risks include stricter regulations. In the mobility field, the acceleration of electrification is also a risk. More specifically, there is a risk

that distribution volumes will fall due to a decrease in the number of parts used, and there is a risk our existing assets will become obsolete due to changes in material composition. However, electrification will also give rise to new business opportunities. These include opportunities stemming from Next Mobility Strategy, which is one of our priority areas, and opportunities based on new materials due to the need for weight reductions.

The shift to renewable energy also entails a risk that businesses based on fossil fuel resources will shrink. However, our expansion in onshore wind and solar power generation—which centers on Eurus Energy Holdings—is a major business opportunity. Regulatory risks such as fuel efficiency regulations, carbon tax, and other national policies must also be counted as risks of the shift to a low-carbon society.

Physical Risks

Regarding natural disasters and other physical risks, our policy is to implement risk management based on insurance.

Risk Management

Given the characteristics of our businesses, we ensure that we manage environmental risks—which include climate change—to a high standard. Business opportunities and risks related to climate change are deliberated by the Global Safety & Environmental Promotion Meeting and the Sustainability Management Committee, and their members and responsible departments incorporate the contents of these deliberations into our business strategies and activities.

Investments and Loans

At Toyota Tsusho, our officers participate in various meetings to see the impacts that our investment activities have on ESG: the CSO takes part in the Investment and Loan Committee; the assistant to the CSO in the Investment and Loan Meeting; and the CSO, the assistant to the CSO, and general manager of the Sustainability Management Group in the Investment Strategy Meeting.

Environmental risks number among the evaluation items at the

Investment and Loan Committee and the Investment and Loan Meeting. We identify risks—regardless of their size—that exceed certain condition thresholds set by either the Investment and Loan Committee or the Investment and Loan Meeting. Should there be any concerns, we are required to address them and to report subsequent improvement measures.

At Toyota Tsusho, we have acquired ISO 14001, an international standard related to environmental management systems. The Head Office monitors any investments that have manufacturing workplaces by carrying out internal environmental audits once every three years.

Going forward, we are considering using our six Materialities for evaluating projects in which we intend to newly invest or provide loans or increase our current investments. By comparing these projects against our climate change-related Materialities, we intend to evaluate the extent of both positive and negative influences.

Metrics and Targets

One of our Materialities is “Contribute to the transition to a low-carbon society by reducing automotive, manufacturing, and energy plant construction CO₂ emissions through the use of clean energy and innovative technologies.” We have set the following KPIs for this, and also use them as metrics and targets.

		Results for FY2019	Goals for FY2022
Quantitative Target 1	Percentage of total power generation capacity accounted for by renewable energy	39%	55%
Quantitative Target 2	Expansion of renewable energy business in Africa	Total power generation capacity 260 MW	760 MW
		Contributions to CO ₂ reductions 600,000 tons/year	1,700,000 tons/year
Quantitative Target 3	Sales of products and services that contribute to energy savings and reductions in CO₂ emissions	177.0 billion yen	230.0 billion yen
		Results for FY2019	Goals for FY2024
Quantitative Target 4	Global market share of electrified vehicles (EVs, HEVs, and PHEVs)	6%	17%
Quantitative Target a	Sales of products and services that contribute indirectly to the reduction of CO₂ emissions		
Quantitative Target b	Reductions in CO₂ emissions from group offices and plants		

* The Toyota Tsusho Group, as a member of the Japan Foreign Trade Council, Inc., expresses support for Keidanren (the Japan Business Federation)'s Commitment to a Low Carbon Society. As such, we are engaged in initiatives aimed at reducing electrical power intensity (which is defined as the amount of electric power used for a unit of the floor area of an entire company) in 2030 by 15.7% compared to 2013 levels; by FY2019, we had achieved a reduction of 9.7%.

For further details on Materialities and KPIs, please see page 34. [➤](#)

At a Glance



Metals Division

P.54 >



Automotive Metal Sheet Products	Processing and distribution of metal sheets used in automobile production (automotive steel sheets and non-ferrous metals)
Metal Products	Processing and distribution of metal products used for various applications including automobile production, energy and infrastructure-related metal businesses
Non-ferrous Metals	Processing and distribution of non-ferrous metal ingots, materials and products, price hedging, development of rare metal and rare earth resources
Resources Recycling	Molten aluminum production, compliant collection and recycling of waste metal from factories and markets, end-of-life vehicles (ELVs), and other materials

Market Environment

Responding to the United Nations' Social Development Goals (SDGs) as social issues and to CASE (connected, autonomous, shared & services, and electric) in the automotive field is an ongoing trend, and the needs of diverse products and functions that address these issues are expected to expand.



Global Parts & Logistics Division

P.56 >



Global Parts	Provision of optimally integrated logistics (vendor to vendor) with mixed loading and supply-and-demand management functions in export/import and global procurement of automotive parts
Logistics and Module	Logistics services linked to customer production activities, overseas tire and wheel assembly, and other automotive parts assembly services, and operation of technopark businesses to support the overseas expansion of small and medium-sized businesses
Automotive Materials and Accessories	Provision of integrated functions ranging from planning, development, and materials procurement to production and sales of automotive interior and exterior parts and accessories

Market Environment

As we enter the era of CASE and the automobile industry—the primary target for the division—undergoes change, we need to provide more competitive new technologies, products, and services created for next-generation mobility.



Automotive Division

P.58 >



Automotive Distributors	Operation of an automotive distributor business to import and sell products on behalf of manufacturers
Automotive Dealers	Operation of an automotive dealer business under its distributors in which dealers provide comprehensive retail services including after-sales services
Value Chains Related to Automotive Sales	Building of comprehensive automotive value chains, primarily in countries in which the division operates distributors, with value chains including spare parts supply and after-sales services, as well as small- and medium-scale vehicle assembly, vehicle installation and conversion, used car sales, and captive finance and lease

Market Environment

The division's primary markets are emerging countries, where progress in motorization is expected to generate automobile demand. The automotive industry as a whole is undergoing a wave of technological innovation exemplified by CASE. It is imperative for the industry to meet expanding needs for new mobility services while also addressing society's challenges, and we are accelerating our efforts targeting new fields including Mobility as a Service (MaaS) and the drone business.



Machinery, Energy & Project Division

P.60 >



Machinery	Domestic and international trading in manufacturing and distribution equipment, parts, and tools primarily for the automotive industry as well as construction equipment and provision of related design, repair, and installation services
Electricity	Electricity-related business development and operation with a focus on renewable energy including wind, solar, hydroelectric, geothermal, and biomass energy
Energy and Plants	Domestic and international trading of crude oil, natural gas, petroleum, and other products and development and operation of infrastructure including electric power facilities, airports, and ports

Market Environment

In conjunction with the increasing adoption of digital technologies including artificial intelligence (AI) and the Internet of Things (IoT) and the emergence of next-generation mobility societies, paradigm shifts are expected to occur across industries. At the same time, the Paris Agreement reached at COP21 and the Toyota Environmental Challenge 2050 are expected to spur even greater need to resolve environmental problems and demand for renewable energies.



Chemicals & Electronics Division

P.62 >



Automotive Materials

Global implementation of integrated functions ranging from the procurement of raw materials to parts processing, sales, logistics, and molding

Chemicals

Production and sales of a wide range of products from detergent materials, sanitary materials, and packaging materials to solvents, iodine, and fine chemicals

Electronics

Sales of electronics components incorporated into vehicles, consumer electronics, information communications equipment, and industrial equipment, development and sales of software, and global rollout of information and communication technologies (ICT) services

Market Environment

As ICT services are being fully integrated into a wide range of industries, chemicals and electronics demand is increasing and needs are diversifying, particularly in emerging countries. Moreover, rising environmental awareness around the world is expected to increase the demand for technology and related products. The automotive industry is developing new technologies and materials to make vehicles electrified, more lightweight, and environment friendly, and is also accelerating innovation in autonomous driving and other next-generation mobility technologies.



Food & Consumer Services Division

P.64 >



Food

Grains: Contribution to the stable supply of grains based on expertise gained from a leading volume of grain handling in Japan, and development of produce collection businesses overseas
Foods: Meet diversifying needs for foods and develop businesses that help resolve social issues in the agriculture and aquaculture fields

Lifestyle

Insurance: Operating property and casualty insurance and life insurance agencies in Japan and overseas, expanding overseas operations by establishing insurance brokerages, and brokering insurance for foreign companies
Textiles: Planning, production, distribution, and sale of products from raw materials to textiles and fiber products
Living environment: Development of rental condominiums and apartments, development and sale of housing materials, and operation of overseas hotel residences
Medical: Operation of overseas healthcare-related, rehabilitation, and nursing care product businesses

Market Environment

Demographics and social structures in Japan are undergoing major changes, and consumer needs continue to diversify. Outside Japan, consumer demand is increasing and quality of life is improving amid population growth and economic expansion, mainly in emerging countries, and solving problems through the application of new business models that use digital and other technologies is needed.



Africa Division

P.66 >



Mobility

Vehicle sales and after-sales services, used car sales, small- and medium-scale vehicle assembly, and construction and agricultural machinery import, wholesale, and leasing throughout Africa, and automobile production support, local parts production, distributor business in South Africa, and next-mobility/MaaS business through investment in start-ups

Healthcare

Wholesale of pharmaceuticals, mainly in western Africa, production of pharmaceuticals in North Africa, and remote diagnosis and treatment in Nigeria and Ghana

Consumer Goods

Manufacture and wholesale of consumer goods (beverages, cosmetics, etc.), shopping mall and supermarket development and operation, and agricultural businesses including fertilizer production and sales

Technology & Energy

IT business including system development, integration, and maintenance and infrastructure business including port development and renewable energy

Market Environment

The African market, which is the focus of the division, experienced accelerated growth from 2018 into 2019, with sustainable growth expected to continue in the future. In the medium term, Africa is expected to post a growth rate higher than the global average. This expansion is projected to increase the middle class from 350 million people in 2010 to about 500 million people by 2030.

Metals Division



While firmly grasping the changes in the core domain of Mobility, we will accelerate innovation in fields such as recycling and resource development.

Division Chief Executive Officer Metals Division **Naoji Saito**



Business Model and Mid-term and Long-term Strategies

The Metals Division views steel and non-ferrous metals as products with unique properties and functions rather than simple materials. This approach allows us to provide optimal products and logistics matching the needs of both suppliers and users.

Furthermore, through restructuring our SBUs* into four—Automotive Metal Sheet Products, Metal Products, Non-ferrous Metals, and Resources Recycling—we have made possible swift and specialized responses to a broad range of customer needs from both the “arteries” and the “veins,” with such responses being suited to each industry and product.

Specifically, in order to respond to the dramatic changes in the world, the division continues to create and offer new business values in both automotive and non-automotive industries, synergizing functions, technologies, and markets, as well as procurement capabilities with the global network we have developed and our diverse processing and logistics functions available in and outside Japan.

In its mainstay automotive-related field, the division is developing its existing functionalities in response to changing needs in readiness for an era of profound transformation in the automotive industry, and it is striving to create new functions and businesses to lead the revolution in vehicle weight reduction and electrification. Armed

with these functionalities, the division is also expanding sales channels outside the Toyota Group to further grow business.

In its non-automotive businesses, the division is generating synergies with its automotive-related businesses. At the same time, because of the breadth of the non-automotive business field, the division is developing new markets and businesses in areas in which Toyota Tsusho is strong, such as recycling and materials development, focused on areas that lead to the solution of social issues, including the transition to a society of low carbon emission and resource recycling.

Furthermore, initiatives targeting the division’s management base include more than just the introduction of digital tools in the digital transformation (DX) field. We are also focusing on measures that lead to new value creation through the leveraging of digital technologies. The division will further deepen its efforts to implement the work-style reforms that it has been advancing over the past several years, and it will strive to realize work environments receptive to diverse ways of working and thinking.

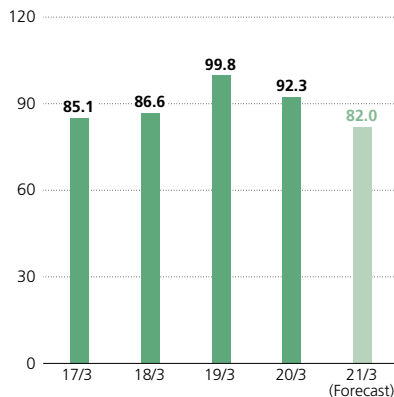
Through these wide-ranging initiatives, the division is developing existing businesses while exploring new businesses, and it has established a well-balanced business structure that is resilient to change, with the aim of achieving its mid to long-term goals.

* SBU: Strategic Business Unit

Business Performance and Forecast

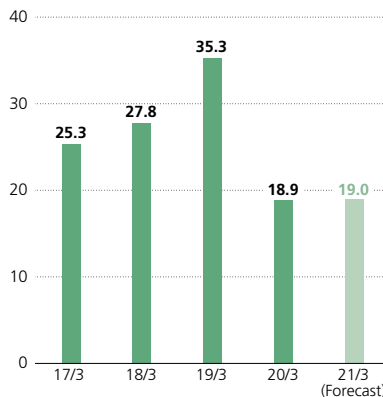
Gross Profit

(Billion yen)



Profit for the Year Attributable to Owners of the Parent

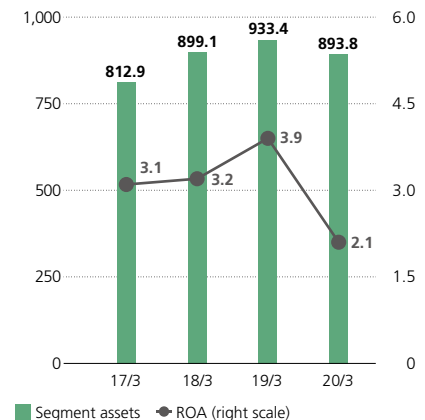
(Billion yen)



Segment Assets/ROA*

(Billion yen)

(%)



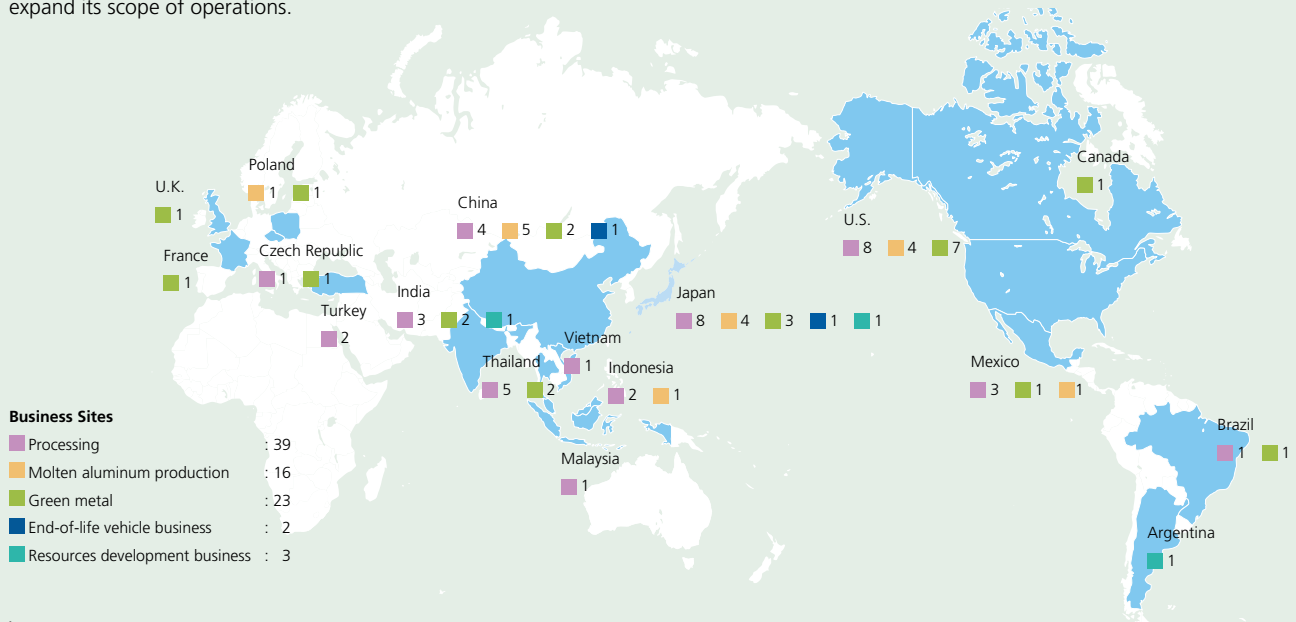
* For the fiscal year ended March 31, 2017, total assets at the fiscal year-end are presented as the denominator for ROA as the total assets at the beginning of this fiscal year have not been calculated according to the current segment classification. Regarding ROA for the fiscal year ended March 31, 2018, and thereafter, the average between total assets at the beginning of the fiscal year and total assets at the fiscal year-end is presented as the denominator.

Priority Materialities

- Contribute to the transition to a low-carbon society by reducing automotive, manufacturing, and energy plant construction CO₂ emissions through the use of clean energy and innovative technologies
- Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing

► **Metals Division's Business Portfolio**

As a multi-materials organization, the division now has a total of 83 highly functional business sites in 17 nations and plans to continue to expand its scope of operations.



► **Access a Wide Range of Markets by Leveraging Businesses and Functionalities, from Both the "Arteries" and the "Veins."**



Feature 1

We are developing our businesses in response to comprehensive logistics needs, including the processing of each product in Japan and abroad in the automotive and other fields. In addition, we support our customers' day-to-day production activities with the handling of multi-materials. Furthermore, we are also advancing efforts in the resource development business (lithium, rare earth resources), which supports the future electrified society.

Feature 2

We are accelerating collaboration with strategic partners in each region around the globe while expanding our company's unique businesses and simultaneously reducing our environmental burden, as called for by society. We are also advancing our contribution to the future of society through the construction of a sustainable resource recycling business.

Global Parts & Logistics Division



We will realize sustainable growth through the creation of a next-generation mobility society together with our customers.

Division Chief Executive Officer Global Parts & Logistics Division **Jun Eyama**



Business Model and Mid-term and Long-term Strategies

The Global Parts & Logistics Division has 165 sites operated by 76 subsidiaries in 39 countries around the world. The division has approximately 15,600 members worldwide including in Japan.

The division has established a global automotive parts supply chain by setting up an optimally integrated logistics system using these sites and related networks.

Other operations include tire and wheel assembly and other assembly businesses, a production business for airbag cushions and other parts, as well as an interior and exterior parts and accessories business covering all aspects of operations from planning and development through raw materials procurement and processing.

The division successfully serves the diverse needs of its customers by combining its global logistics network, supply-and-demand management functions, and unique manufacturing functions into a multifunctional service.

As medium- to long-term initiatives, within the Toyota Tsusho core domain of Mobility, the company is developing and maximizing its integration functions, including product development, raw materials procurement, processing, supply-and-demand management, logistics, and assembly functions, while promoting DX and globalization.

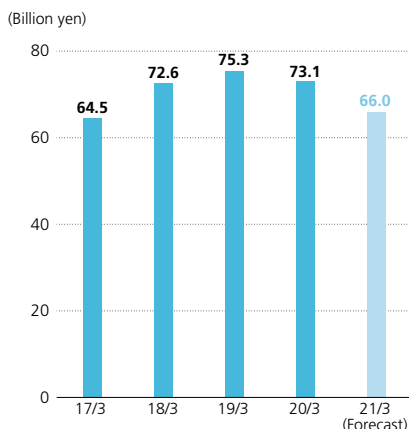
Specifically, we will pursue the advancement of systems for managing global supply chains tailored to changes in customer vehicle production methods such as the integration of vehicle platforms.

The division is also developing a module business in which it combines parts procurement, consolidated logistics, processing, and assembly functions to assemble parts into modules for delivery. The division will also provide new services including global development of the logistics business in response to the electrification of vehicles and overseas expansion of sales. In addition, initiatives for expanding the value chain will focus the division's continuing efforts on developing and strengthening cutting-edge technologies and materials. In new fields, the division will leverage its expertise and strengths in existing businesses to create new businesses in fields such as aviation and environmental parts and to acquire new customers and business partners.

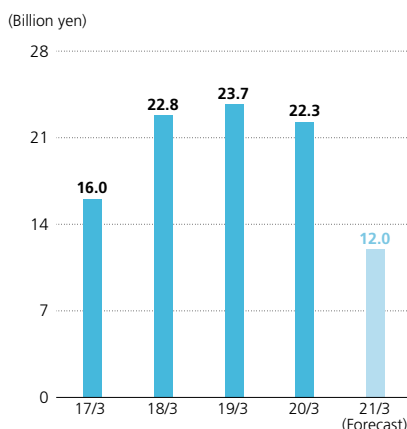
The division will demonstrate its strengths—its integration functions, including its global network, logistics infrastructure, supply-and-demand management, and assembly, exceeding the expectations of our customers to create a next-generation mobility society, with the aim of being a problem-solving division that grows together with its customers.

Business Performance and Forecast

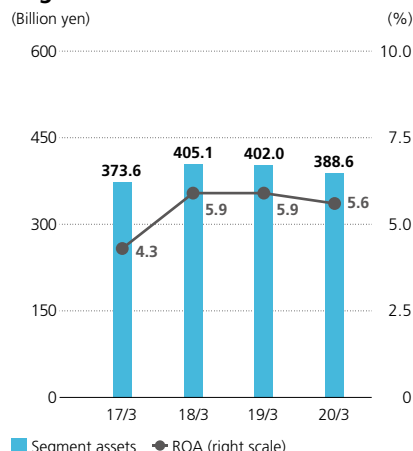
Gross Profit



Profit for the Year Attributable to Owners of the Parent



Segment Assets/ROA*



* For the fiscal year ended March 31, 2017, total assets at the fiscal year-end are presented as the denominator for ROA, as the total assets at the beginning of this fiscal year have not been calculated according to the current segment classification. Regarding ROA for the fiscal year ended March 31, 2018, and thereafter, the average between total assets at the beginning of the fiscal year and total assets at the fiscal year-end is presented as the denominator.

Priority Materialities

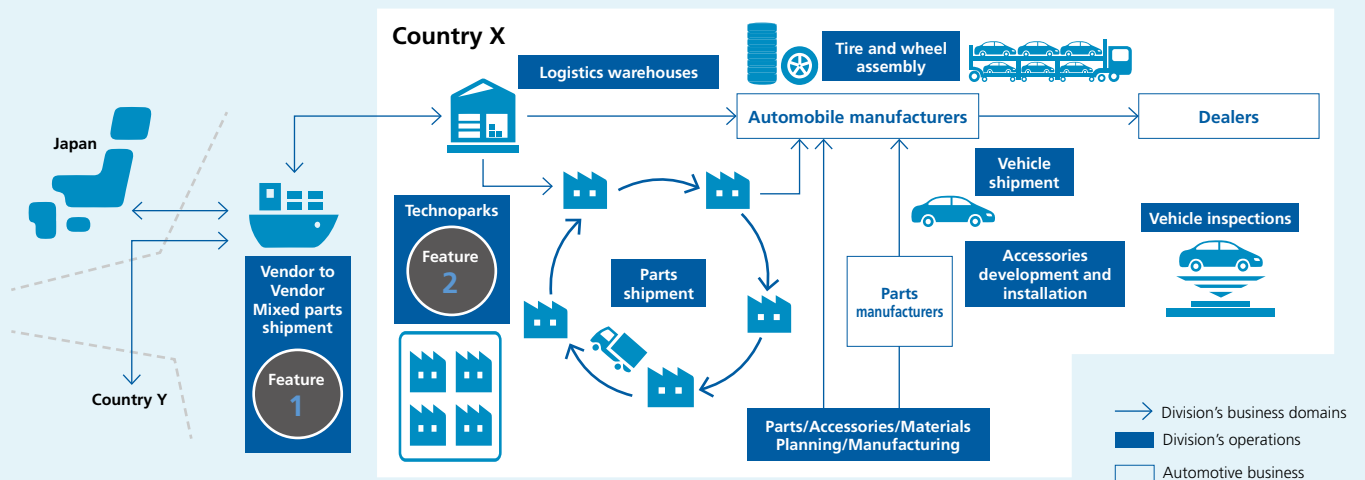
- Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society
- Contribute to the transition to a low-carbon society by reducing automotive, manufacturing, and energy plant construction CO₂ emissions through the use of clean energy and innovative technologies

► Automotive Value Chains Provided by the Global Parts & Logistics Division



► Business Lines of the Global Parts & Logistics Division

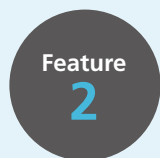
Automotive Businesses



Non-automotive Businesses



By using its logistics sites in countries around the world and combining the provision of optimal, integrated logistics with order-and-inventory management and other supply-and-demand management functions, the division offers parts logistics services that contribute to stable parts supply, reduce transportation costs, shorten delivery lead times, and minimize inventories. In its accessories and materials business, the division provides various forms of added value in areas ranging from product planning, design, and development to product supply, production preparation, and quality control.



The division has established systems to optimize manufacturers' supply chains through operations in the technopark, tire and wheel assembly, vehicle transport, accessory-and-conversion, and other businesses. As market needs change, the division continually creates new value by combining these various functions for customers in innovative ways.

Automotive Division



The Automotive Division aims to become the most reliable mobility service provider in the world, possessing the strategies, expertise, and human resources needed in today's market of accelerating innovation.



Division Chief Executive Officer Automotive Division **Masato Yamanami**

Business Model and Mid-term and Long-term Strategies

The Automotive Division exports passenger cars, commercial vehicles including trucks and buses, industrial vehicles, and spare parts produced by automobile and transport equipment makers, primarily in the Toyota Group, in Japan and overseas to countries around the world, and we also operate a

distributor business and dealer businesses through a global network that spans 146 countries. By building integrated and community-based "3S" (sales, spare parts, and after-sales service) operations, and after-sales service, the division seeks to raise product and brand loyalty from customers and create a safe and reassuring mobility society.

In emerging regions such as Asia and Latin America, where further growth is expected, we are deeply involved in broad automotive value chains from upstream to downstream including small- and medium-scale vehicle assembly, sales, captive financing and leasing, after-sales service, and used vehicle distribution and sales. By providing services with a high degree of added value, we seek to contribute to the development of these societies and economies.

To address recent changes in types of usage such as the development of a sharing economy and rising awareness regarding environmental and social issues including the creation of a low-carbon society by the electrification of automobiles (hybrid vehicles (HVs), electric vehicles (EVs), plug-in hybrid vehicles (PHVs), and others) for we are expanding our business fields so that we can provide means of mobility and services that meet the increasingly diverse needs and lifestyles of customers.

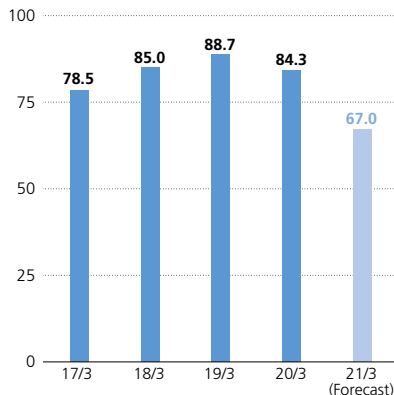
In this manner, we are providing value in four areas—mobility value (the pursuit of safety, security, and comfort), social value (creation of employment), environmental value (consideration for the environment and ecosystems), and economic value (revitalization of local economies)—to contribute to the realization of a sustainable society.

The division serves as a good business partner across countries and regions and as the vanguard for identifying non-automotive business opportunities with the aim of driving expansion of business fields for Toyota Tsusho as a whole.

Business Performance and Forecast

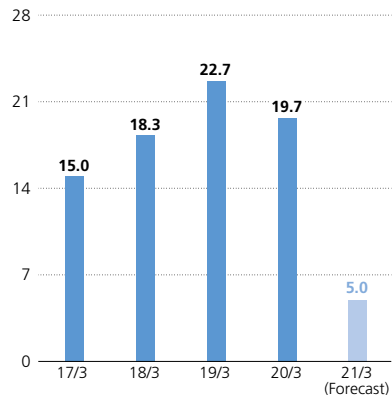
Gross Profit

(Billion yen)



Profit for the Year Attributable to Owners of the Parent

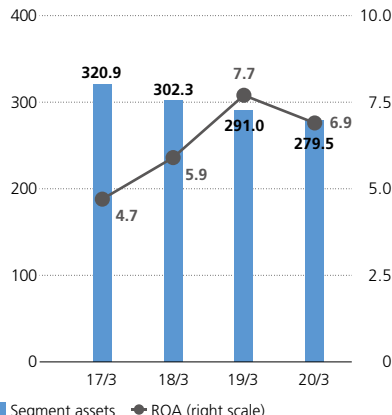
(Billion yen)



Segment Assets/ROA*

(Billion yen)

(%)



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Priority Materialities

- Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society
- Contribute to the transition to a low-carbon society by reducing automotive, manufacturing, and energy plant construction CO₂ emissions through the use of clean energy and innovative technologies

► **Worldwide Operations and Regional Strategies**

Feature 1

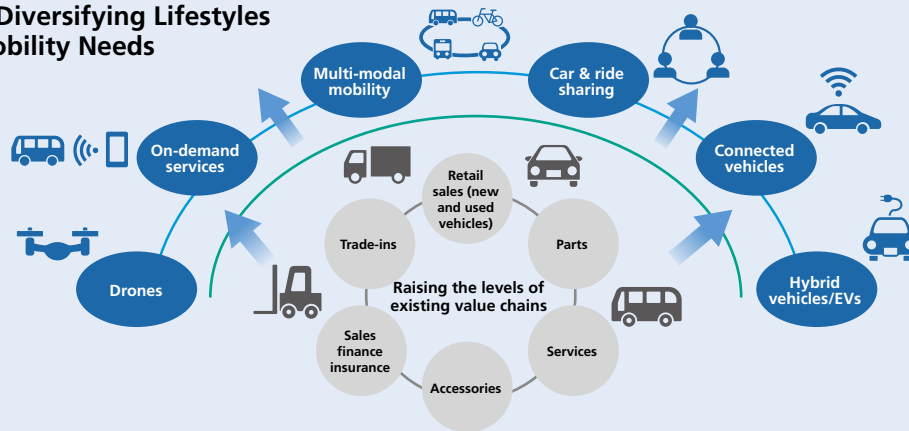


► **Build and Expand the Mobility Value Chain**

Feature 2



► **Respond to Diversifying Lifestyles and New Mobility Needs**



Feature 1

The division is currently operating distributors, dealers, and other related businesses and enhancing operations in 46 countries and regions with a focus on emerging countries that are expected to experience full-scale motorization in the future. The division will continue to actively develop markets in which business opportunities can be expected.

Feature 2

We are increasing our added value and developing business opportunities within broad-ranging value chains from upstream to downstream including the “3S” operations of dealers. We are also acquiring knowledge in new mobility service areas and working to help solve various problems related to the transportation of people and goods.

Machinery, Energy & Project Division



Through enhanced competitiveness and continuously improved efficiency, we will realize a highly productive organization, while accelerating our response to the next-generation mobility society and a low-carbon society.



Division Chief Executive Officer Machinery, Energy & Project Division **Toshiro Hidaka**

Business Model and Mid-term and Long-term Strategies

The Machinery, Energy & Project Division is engaged in the machinery business, primarily in the automotive industry, the electric power business, and the energy and plant business.

In the machinery business, the division provides integrated support capabilities for production equipment, mainly for the wide-ranging automotive industry. In its non-automotive business, the division sells textile machinery, construction, and other equipment around the world. We are striving to create new businesses through the establishment of a new business foundation leveraging digital technology, and from the promising CASE fields.

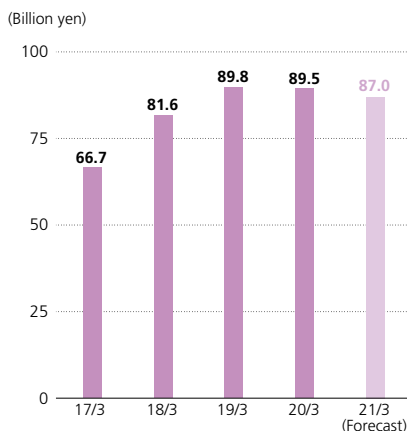
In the electric power business, the division contributes to helping resolve global environmental issues by focusing on wind, solar, hydroelectric, geothermal, biomass, and other renewable energy power generation projects. It offers solutions in countries around the world, contributing to energy supply stabilization and improved cost efficiencies. The division is bolstering its power generation business in countries around the world, mainly around renewable power, while introducing innovations that meet the needs of its customers. These solutions include electric power adjustment functions using storage batteries, the supply of electric power to areas that have yet to be electrified, and renewable energy sales.

In the energy and plant business, the division is contributing to the reduction of our customers' environmental burden. As an example, it is leveraging its long-established trading function to realize stable supplies of high-quality fuels in the biomass market. We will shift our focus from coal and petroleum to gas and biomass, while also proposing environmentally friendly energy solutions. Also, in areas where we have a strong presence—the Middle East, Africa, and emerging countries—we contribute to economic development through infrastructure improvement, with engineering, procurement, and construction (EPC), from business proposals and fundraising to engineering, procurement, and plant construction, while also providing high-quality operation of infrastructure, including airports, ports, and water-related businesses.

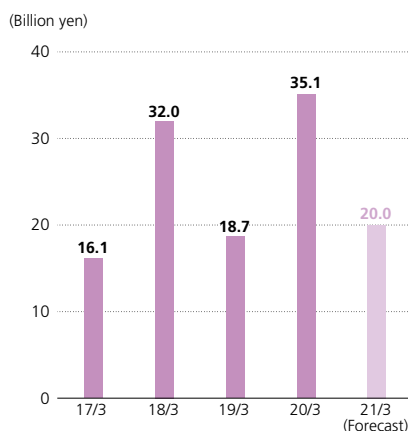
The division is engaged in further strengthening the revenue base of its existing business in response to major changes to the external environment, including structural changes in the automotive industry as a result of the transition to a next-generation mobility society, structural shifts in energy demand stemming from heightened environmental consciousness, and the diversification of needs in the Middle East, Africa, and other regions. At the same time, we are responding to feedback from our customers, undertaking self-transformation, and engaging in changing the structure of our business to accelerate growth.

Business Performance and Forecast

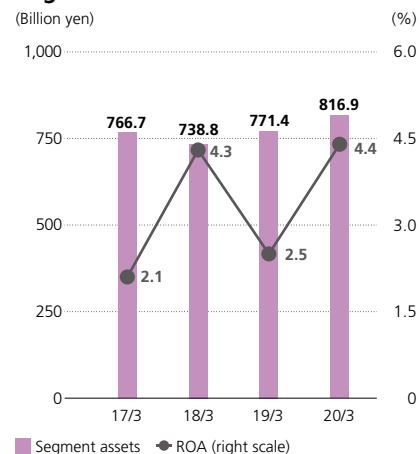
Gross Profit



Profit for the Year Attributable to Owners of the Parent



Segment Assets/ROA*



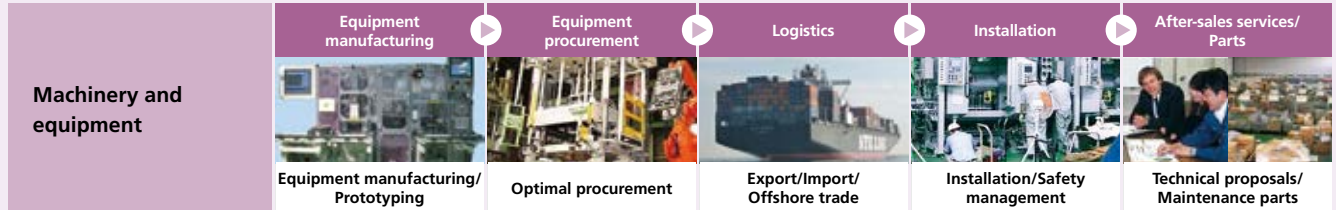
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Priority Materialities

- Contribute to the transition to a low-carbon society by reducing automotive, manufacturing, and energy plant construction CO₂ emissions through the use of clean energy and innovative technologies
- Grow with developing countries, including those in Africa, and endeavor to resolve social issues through business operations

► A Uniform Support Function for Machinery and Equipment

Feature 1



► Strengthening the Renewable Energy Business

Feature 2

Example of Power Generation, Transmission, and Storage Business in Northern Hokkaido, Japan

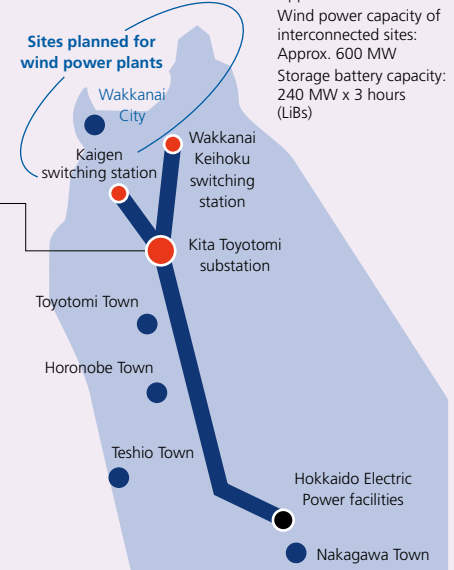
Wind power station



Storage battery system

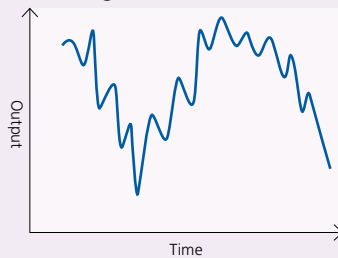


Overview of transmission routes

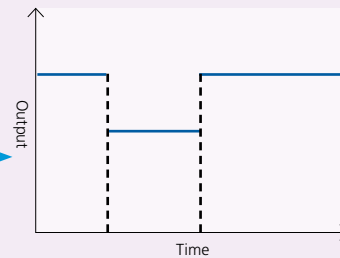


Transmission distance: Approx. 78 km
 Wind power capacity of interconnected sites: Approx. 600 MW
 Storage battery capacity: 240 MW x 3 hours (LIBs)

Before output shaping using storage batteries



After output shaping using storage batteries



- Despite favorable wind conditions, the region's power transmission network is vulnerable. The construction of new power transmission lines is contributing to the spread of renewable energy.
- Storage battery systems providing charging and discharging supplement the unstable power generation from wind power stations. This enables the steady supply of renewable energy without burdening the electric power system.

Feature 1

The division not only procures and sells various types of machinery and equipment but also provides comprehensive support services from planning, proposals, and technological development to quality control, efficient logistics, installation, and after-sales services, significantly contributing to the building of customers' production systems.

Feature 2

A wealth of operational data from wind power stations is analyzed to conduct efficient maintenance, which raises operation rates and lowers operating costs. The division aims to leverage its ability to deliver stable, cost-effective solutions to become the No. 1 wind power station operator in other regions as well.

Chemicals & Electronics Division



The Chemicals & Electronics Division keeps a watchful eye on every field, recognizing changes as business opportunities and boldly taking on new challenges. The division provides customers with further value by creating new functions.



Division Chief Executive Officer Chemicals & Electronics Division **Mitsuhiro Tsubakimoto**

Business Model and Mid-term and Long-term Strategies

The Chemicals & Electronics Division takes an integrated approach to its three main businesses—automotive materials, chemicals, and electronics—to respond to diversifying needs in developed and emerging countries. We work to demonstrate our comprehensive capabilities in all three areas and generate

synergies between them to further expand business.

In its automotive materials business, the division manufactures and sells automotive-use plastics and rubber, as well as supplies materials and parts for use in applications such as vehicle batteries, through its global network. The division is laterally extending the functions it has developed through its core business across new regions and markets as it strives to transform automotive technologies by proposing materials and parts for use in next-generation vehicles.

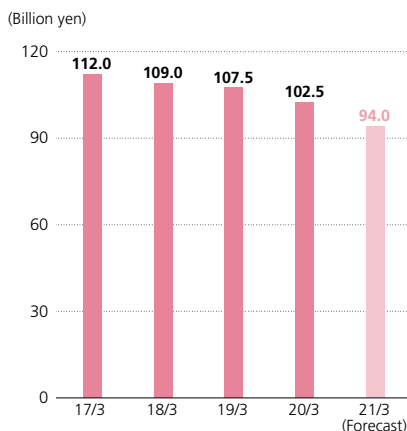
In its chemicals business, the division handles chemical products in a wide range of fields, including detergent raw materials, hygiene materials, and packaging materials used for consumer goods. We maintain strong sales capabilities and networks across Asia, through which we continue to expand business. The division is engaged in global production and sales of iodine, an important resource, and is strengthening value chains through activities such as the

manufacture and sale of iodine compounds. The division is reinforcing and expanding distinctive businesses where it has high shares of global markets. It nurtures businesses that can serve as earnings pillars for the future while establishing new businesses in response to social and environmental changes, such as plastic resource recycling, which is a global issue, and encouraging the handling of plant-derived bio-plastics.

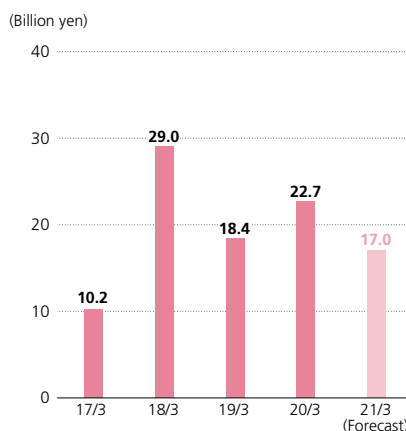
In its electronics business, the division is Japan's largest trader of electronic devices. We handle a wide range of electronic components and software incorporated into vehicles, consumer electronics, and industrial machinery. The division anticipates changes in the automotive industry and in technologies. We also develop technologies for environmentally friendly vehicles such as HVs, PHVs, and EVs, along with devices and services for more intelligent and information-oriented connected vehicles. For the future automated driving society, we are developing advanced infrastructure in tandem with efforts to develop and commercialize new services. The division promotes network business that globally links people and things, and it is strengthening its businesses within and outside Japan by enhancing and combining the know-how and functions of leading affiliates in anticipation of information society changes and mobility society transformations in which data speeds and volumes continue to grow.

Business Performance and Forecast

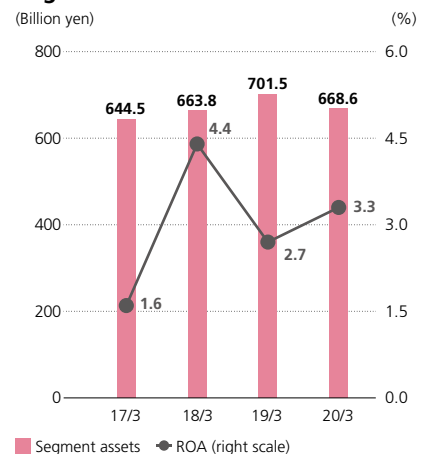
Gross Profit



Profit for the Year Attributable to Owners of the Parent



Segment Assets/ROA*



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Priority Materialities

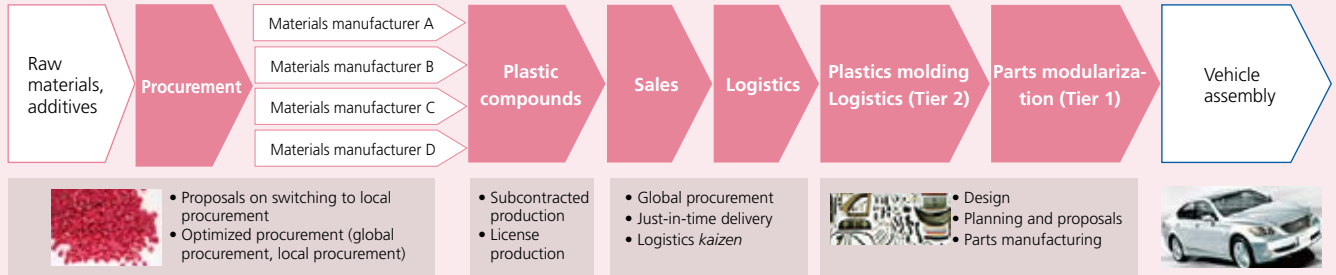
- Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society
- Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing

► Automotive Materials Business and Chemicals Business Value Chains

Feature 1

Automotive Materials Business

Note: The colored portions of the value chain represent our business domains.



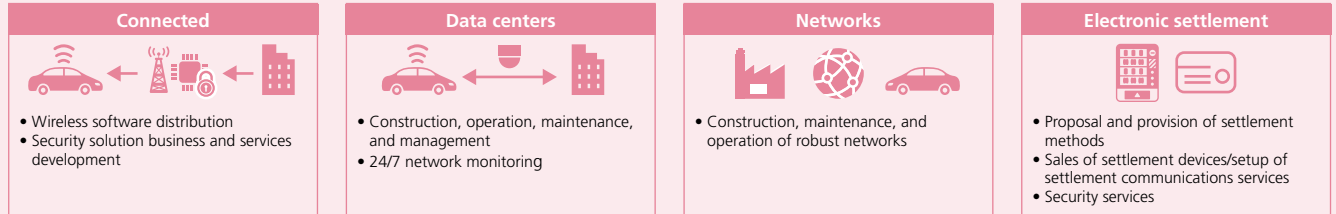
Chemicals Business (Detergent value chain)



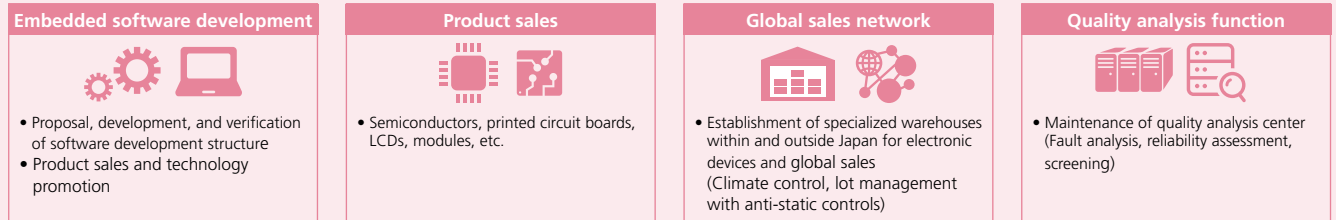
► Electronics Business Domain

Feature 2

Information Industry Business Domain



Electronic Devices Business Domain



Feature 1

In the automotive materials business, the division is globally developing integrated functions ranging from procurement of raw materials to plastic compounds, inventory and logistics, and parts processing. In the chemicals business, the division has constructed value chains that span a wide range of products from upstream to midstream and downstream fields.

Feature 2

In the electronic devices business, the division stably supplies electronic devices through domestic and overseas sites while making new technical proposals and carefully managing factors relating to quality, costs, delivery, and after-sales services. In the information industry business, the division provides ICT services around the world and throughout various business domains.

Food & Consumer Services Division



As the Food & Consumer Services Division is in charge of leading the Life & Community domain, we offer customers and societies healthy, prosperous living environments and create new business models.

Division Chief Executive Officer Food & Consumer Services Division **Hiroshi Yonenaga**



Business Model and Mid-term and Long-term Strategies

The Food & Consumer Services Division is developing diverse business through its Food & Agribusiness SBU and Life Style SBU in the grain, food, insurance, textile, living environment, and medical fields. Considering that business is connected to hints to resolving many social issues, the division will continue

to create new value and business models that contribute to healthy and prosperous lifestyles.

In the grain business, the division's strengths are its long history of operating the grain silo business in Japan and its expertise. The division will continue to link its expertise with its assets, functions, and global network in order to further expand business in emerging consumer countries.

In the food business, the division conducts safety management unique to Toyota Tsusho at manufacturing and processing centers and food service companies in Japan and overseas to supply high-quality products. We seek to enhance the functions of existing businesses and provide products and services suited to social needs including an aging population and rising health consciousness. In the agriculture and aquaculture businesses, the division is using agri-tech and so on to bolster development and technological capabilities.

In the insurance business, the division's strengths are

class-leading sales agencies in Japan and its insurance brokerage business overseas. The division will strengthen existing businesses while expanding its areas of activity to include the provision of new insurance services including the development of unique insurance products and services tailored to diversifying risks.

In the textile business, the division is using its strength as a comprehensive supplier that handles everything from materials development to production and sales with the aim of expanding business in Japan and overseas by specializing in manufacturing based on sustainable, proprietary materials.

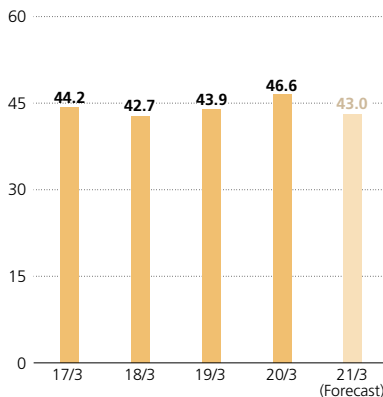
In the living environment business, the division conducts the hotel residence and other businesses to support companies that are expanding operations overseas and will seek to provide infrastructure with an emphasis on differentiated services that support the lives of consumers and the activities of businesses in Japan and overseas while developing communities where people can lead secure, comfortable, and healthy lifestyles.

In the medical business, the division is reinforcing the rehabilitation business, nursing care products business, and other businesses intended to help resolve social issues in Japan while contributing even more to the development of local healthcare in emerging countries by developing the hospital business and building peripheral businesses to provide Japanese healthcare technologies and services.

Business Performance and Forecast

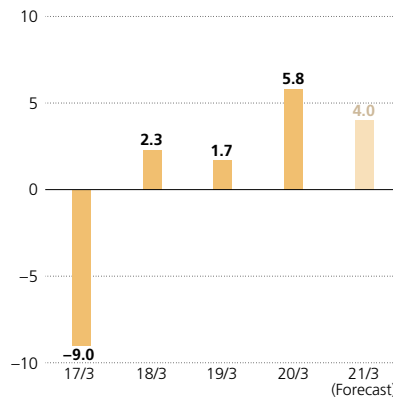
Gross Profit

(Billion yen)



Profit (Loss) for the Year Attributable to Owners of the Parent

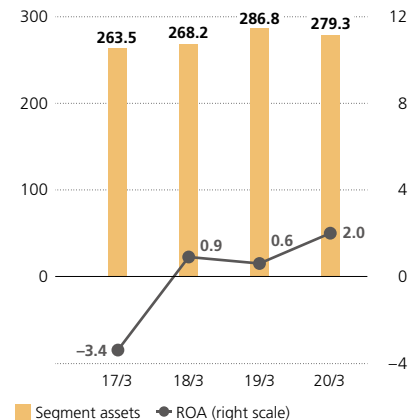
(Billion yen)



Segment Assets/ROA*

(Billion yen)

(%)



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► **Providing Products and Services that Support Healthy and Prosperous Lifestyles in a Wide Range of Business Fields**



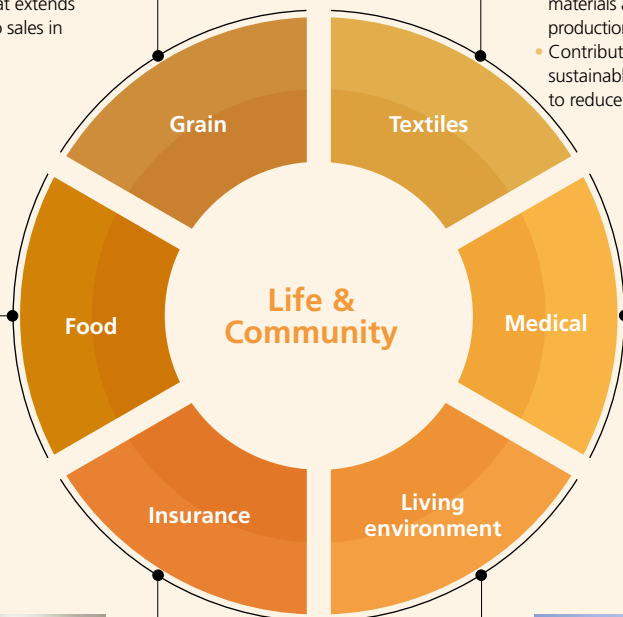
- Own a grain infrastructure company in the leading producing regions of Brazil and build a value chain that extends from grain procurement to sales in Japan and overseas



- Build a global value chain extending from the development of textile raw materials and functional textiles to production and sales of apparel products
- Contribute to the development of a sustainable future by actively working to reduce environmental impact



- Provide safe and reassuring food adapted to diversifying needs
- Contribute to resolving social issues through agriculture and aquaculture businesses



- Develop rehabilitation and nursing care product businesses in Japan
- Contribute to the development of local healthcare through total hospital management in emerging countries



- Provide peace of mind and security as a trusted general insurance consultant
- Provide advance insurance solutions that respond to diversifying risks
- Contribute to the development of a sustainable society through insurance arrangements for renewable energy



- Develop rental condominiums and apartments with an emphasis on services
- Develop communities where people can lead secure, comfortable, and healthy lifestyles through the overseas hotel residence business

The division provides a wide range of products and services that support people's lives. As the division responsible for the Life & Community domain, it conducts business with the consumer always in mind. In response to social changes including an aging population, rising health consciousness, and increased emphasis on social contribution measures, the division will respond to rapid market changes by undertaking business for which there are high social needs.

Africa Division



The Africa Division was established in 2017 as Toyota Tsusho's first region-focused division. The division positions CFAO, France's largest trading company, as its regional headquarters and seeks to establish the No. 1 presence in Africa based on the philosophy "WITH AFRICA FOR AFRICA."



Division Chief Executive Officer Africa Division **Richard Bielle**

Business Model and Mid-term and Long-term Strategies

With a rapidly growing middle class and a demographic composition centered on the younger generation, Africa has been called the "final frontier" and is attracting global attention for its potential growth. Although there are some regions struggling with political instability, financial difficulties, and other

hurdles, stable economic growth is expected, and in recent years interest in Japan has been rising, evidenced by the increasing number of private companies participating in the Tokyo International Conference on African Development (TICAD).

In 2006, Toyota Tsusho merged with Tomen Corporation, a company that had been conducting business in Africa, and now seeks to focus even more of its efforts on the region. CFAO has increased its presence in Africa, particularly in Francophone regions, and Toyota Tsusho acquired a capital stake in CFAO in 2012 and made it into a wholly owned subsidiary in 2016. In April 2017, Toyota Tsusho integrated its Africa-related businesses and established the Africa Division, the first companywide region-based organization. Toyota Motor Corporation transferred all of its sales and marketing operations in the African market to Toyota Tsusho in January 2019 in accordance with its "home and away" strategy. Toyota Tsusho currently has a network encompassing all 54 countries in Africa with

a total of approximately 22,000 employees and engages in a diverse range of businesses.

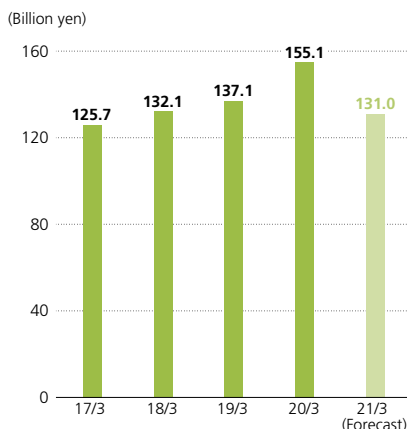
The Africa Division has established the following two medium-to long-term business strategies in the automotive, healthcare, consumer goods, and technology & energy business fields.

1. Strengthen partnerships with leading global brands: Anticipate local needs and lay the seeds for reinforcing collaboration with strong brands that customers want.
2. Integrate value chains: In upstream segments, the division will focus on expanding local production business including increasing countries where assembly production is performed in the automotive field and enhancing production of merchandise in the consumer goods field and look into licensed pharmaceutical production. In downstream segments, the division will expand the lineup of consumer products in the automotive field, reinforce collaboration with Unitrans Motor Holdings (Pty) Ltd., South Africa's largest automobile dealer, and develop business in the next mobility/MaaS field through Mobility 54 Investment SAS. In the healthcare field, the division will expand networks and develop new services. In the consumer goods field, the division will develop more retail stores.

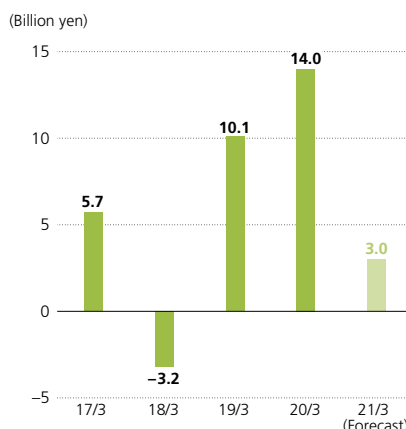
In line with the "WITH AFRICA FOR AFRICA" philosophy, the Africa Division will contribute to economic growth, participate in industrialization, and respond to the rise of the middle class.

Business Performance and Forecast

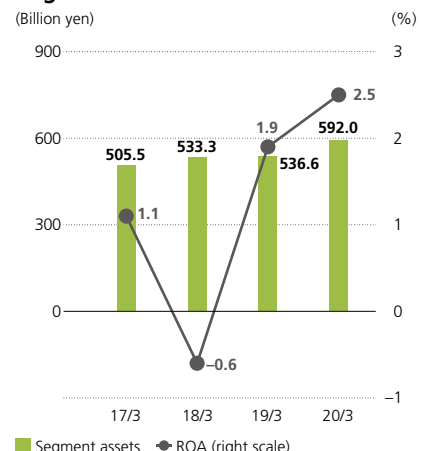
Gross Profit



Profit (Loss) for the Year Attributable to Owners of the Parent



Segment Assets/ROA*



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Priority Materialities

- Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society
- Grow with developing countries, including those in Africa, and endeavor to resolve social issues through business operations

Toyota Tsusho's Group Vision for Africa

Feature 1

Businesses



Mobility SBU



Healthcare SBU

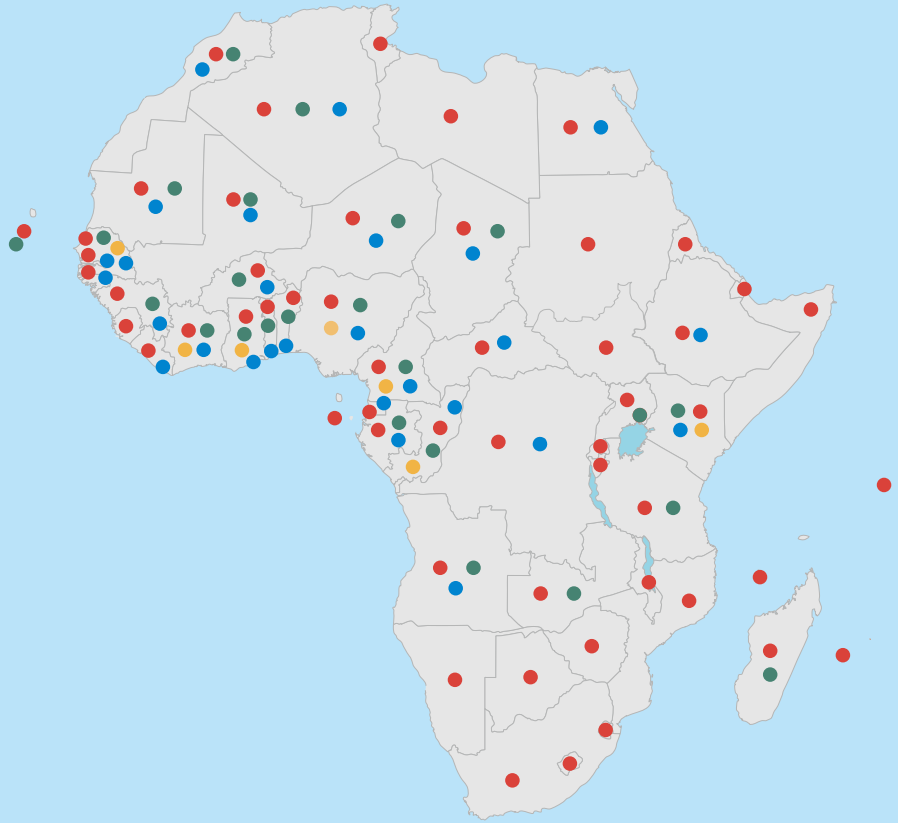


Consumer Goods SBU



Technology & Energy SBU

WITH AFRICA FOR AFRICA



Network Covering All of Africa

Feature 2

- Mobility SBU
- Healthcare SBU
- Consumer Goods SBU
- Technology & Energy SBU

Feature 1

Based on the "WITH AFRICA FOR AFRICA" philosophy, the Toyota Tsusho Group seeks to grow with the people and communities of Africa while further reinforcing and expanding business foundations. Aiming to be a true leading group, we are looking beyond business creation to contribute to the autonomous growth of the continent through proactive measures to develop human resources and make social contributions.

Feature 2

Through the alliance between Toyota Tsusho, which has created a network based on the automobile distributor business, primarily in southeast Africa, and CFAO, which has a history of more than a century and a solid presence in western and Francophone Africa, we will conduct efficient and strategic business throughout the African continent.

Management Structure

Board of Directors * Representative Directors



Chairman of the Board
Jun Karube



Member of the Board*
President & CEO
Ichiro Kashitani



Member of the Board*
Hideki Yanase



Member of the Board*
Takahiro Kondo



Member of the Board
(Outside Director)
Kumi Fujisawa



Member of the Board
(Outside Director)
Kunihito Koumoto



Member of the Board
(Outside Director)
Didier Leroy



Member of the Board
(Outside Director)
Yukari Inoue

Senior Executive Officers

President & CEO
Ichiro Kashitani

**Executive Vice President,
Regional CEO**

Hideki Yanase
Assistant to President, Chief Officer
Responsible for Tokyo Head Office,
Chief Officer Responsible for
Global Strategy and Management,
Officer Responsible for Japan Regional
Strategy & Coordination,
North America, Europe, Emerging Regions

**Executive Vice President,
CCO**

Takahiro Kondo
Assistant to President, Officer Responsible
for Tokyo Head Office, Chief Officer
Responsible for Japan Regional Strategy &
Coordination, Officer Responsible for Global
Strategy and Management

Division CEO
Toshiro Hidaka

Machinery, Energy & Project Division,
Officer Responsible for Global Strategy and
Management

Division CEO, Regional CEO
Richard Bielle

Africa Division,
Africa,
President of CFAO

Regional CEO
Shizuka Hayashi

Asia Pacific,
President of Toyota Tsusho Asia Pacific Pte. Ltd.

Division CEO
Mitsuhiro Tsubakimoto

Chemicals & Electronics Division

Division CEO
Jun Eyama
Global Parts & Logistics Division

CSO, CDTO
Hiroshi Tominaga

CFO
Hideyuki Iwamoto

Division CEO
Masato Yamanami
Automotive Division

Division CEO
Naoji Saito
Metals Division

Division CEO
Hiroshi Yonenaga
Food & Consumer Services Division

Regional CEO
Tatsuya Watanuki
East Asia, Representative of East Asia
Region, President of Toyota Tsusho (China)
Co., Ltd.,
Chief Representative of Beijing Office

* CEO : Chief Executive Officer
CCO : Chief Compliance Officer
CSO : Chief Strategy Officer
CDTO : Chief Digital & Technology Officer
CFO : Chief Financial Officer
COO : Chief Operating Officer
CHRO : Chief Human Resources Officer

Audit & Supervisory Board Members



Audit & Supervisory Board Member (Full-Time)

Yasushi Shiozaki



Audit & Supervisory Board Member (Full-Time)

Kazumasa Miyazaki



Audit & Supervisory Board Member

Shuhei Toyoda



Audit & Supervisory Board Member

Yuichiro Kuwano



Audit & Supervisory Board Member

Tsutomu Takahashi

Executive Officers

Kiyoyoshi Oba

Regional Officer, Company President
Asia Pacific, President of Toyota Tsusho (Thailand) Co., Ltd., President of Toyota Tsusho Thai Holdings Co., Ltd.

Yasuhiro Nagai

Division COO, Regional Officer
Machinery, Energy & Project Division, Emerging Regions

Hideyuki Inazumi

Company President
President of Eurus Energy Holdings Corporation

Toshimitsu Imai

Division COO, Regional Officer
Africa Division, Africa

Kazumasa Kimura

Africa Division New Business Development COO, Regional Officer
Africa

Satoshi Suzuki

Regional Officer, Company President
North America, President of Toyota Tsusho Mexico, S.A. de C.V.

Motoya Hayata

Regional Officer, Company President
Emerging Regions, Chairman & CEO of NovaAgri

Naoyuki Hata

Division COO
Metals Division

Atsushi Aoki

Company President
President of NEXTY Electronics Corporation

Haruyuki Hattori

Division COO
Food & Consumer Services Division

Shigeki Maeda

Division COO
Global Parts & Logistics Division

Akihiro Sago

Regional Officer, Company President
North America, President of Toyota Tsusho America, Inc.

Kazuyuki Urata

Division COO
Chemicals & Electronics Division

Yasuhiro Kakiwara

Division COO, Assistant to CDTO
Chemicals & Electronics Division

Hiroki Nakayama

Division COO
Global Parts & Logistics Division

Shiro Irikawa

Division COO
Automotive Division

Tetsuya Ezumi

Division COO
Automotive Division

Yuichi Kanazawa

Regional Officer, Company President
Asia Pacific, President of Toyota Tsusho India Private Ltd., Chief Representative of Colombo Office

Michael T. Lavender

Regional Officer
North America,
Senior Vice President of Toyota Tsusho America, Inc.

Kosuke Kunihiro

Division COO
Machinery, Energy & Project Division,
Branch Manager of Toyota Branch

Shigeru Harada

Division COO
Automotive Division

Akio Hamada

Regional Officer, Company President
East Asia, President of Toyota Tsusho (Shanghai), Co., Ltd.

Koji Minami

Division COO, Regional Officer
Africa Division, Africa,
Vice President of CFAO

Masaharu Katayama

Division COO
Metals Division

Makiko Hamase

Assistant to CSO
CHRO

Futoshi Horisaki

Division COO
Global Parts & Logistics Division

Kazunori Sato

Company President
President of Toyotsu Chemiplas Corporation

Toshiyuki Azeo

Division COO
Food & Consumer Services Division

Jun Karato

Assistant to CDTO

Tatsuya Hirata

Division COO
Machinery, Energy & Project Division

Takashi Hirobe

Regional Officer, Company President
Europe, President of Toyota Tsusho Europe S.A.,
President of Toyota Tsusho U.K. Ltd.

Hiromasa Ishii

Division COO
Metals Division

Akinori Saito

Assistant to Executive Vice President

Eiji Matsuzaki

Assistant to CDTO

Masato Ozaki

Assistant to CSO

Nobuaki Yahiro

Division COO
Chemicals & Electronics Division

Note: Company names and titles are as of June 23, 2020.

Corporate Governance

Basic Approach

The corporate philosophy of Toyota Tsusho is, “Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies.” The Toyota Tsusho Group has established behavioral guidelines as a fundamental code of conduct for realizing this philosophy in a legally compliant and appropriate manner as a good corporate citizen.

In keeping with its corporate philosophy, the company has set forth the Basic Policies on Establishing Internal Control Systems to pass on and add depth to The Toyota Tsusho Group Way (Toyotsu Group Way), which articulates the unique values, beliefs, and bedrock principles of the Toyota Tsusho Group, implementing value creation from a customer perspective, and fulfilling our social mission by establishing systems that ensure proper business processes are followed.

Reflecting these basic policies, the company is actively driving forward the further improvement of management efficiency and transparency, full-fledged compliance, and the health of its financial position. Also, while the company is in full compliance with the various principles in Japan’s Corporate Governance Code, we are seriously addressing further enhancement to make the content of our actions more substantive, as well-rounded corporate governance is essential for continued corporate growth and raising our corporate value in the medium and long term.

The company believes that providing all its stakeholders with satisfactory added value and contributing to society through its businesses will accelerate the sustainable growth of the Toyota Tsusho Group and thereby lead to corporate value enhancement.

Corporate Governance Structure

Toyota Tsusho has adopted the system of a company with an Audit & Supervisory Board to ensure transparent and sound management, and it has also introduced an executive officer system to improve management efficiency and strengthen internal control.

The company carries out consolidated management based on a divisional organization that comprises seven sales divisions under the leadership of divisional CEOs, organizations under the direct control of executive vice presidents, and the Administrative Unit.

Although the company has been advancing the separation of management and operations for some time, it has now taken a step further by deciding that, from April 2020, a non-executive director is to serve as chairman of the Board of Directors as well as chairperson of the Executive Compensation Committee and the Executive Appointment Committee. Furthermore, the number of executive officers who also serve as directors is to be limited to three officers. The Board of Directors, of which half are outside directors, aims to

further strengthen the soundness of management and the functioning and quality of the Board of Directors, which serves to make decisions on top-priority management issues and monitor the execution of business. Appointing CEOs of each sales division and the heads of Administrative Units to the position of executive officer is meant to enable fast-paced management that is in close contact with frontline operations. The company is further enhancing its diversity, and currently has four outside directors with highly specialized knowledge. Included among these directors are foreign nationals and individuals from a research organization, two of whom are women.

The company aims to boost its expertise and the speed of its decision-making by having established CCO, CDTO, CSO, and CFO positions as the persons with ultimate responsibility for their respective functions to facilitate the exercise of high levels of specialization and to reinforce governance functions, as well as to clarify roles and responsibilities.

As a measure to further fortify the supervisory functions of

Corporate Governance Transformation Trends

	2014	2015	2016
Number of directors and percentage of independent outside directors	<p>16 people 19%</p>		
Improve the transparency and objectivity of management	Introduced outside directors (three directors, of which two are women)		Started evaluating the effectiveness of the Board of Directors
Separation of management and operations		Appointed CIO*	
Human resources and compensation		Established the Executive Appointment Meeting (currently, Executive Appointment Committee) and the Executive Compensation Meeting (currently, Executive Compensation Committee)	

* As of April 2020, CCO, CDTO, CSO, and CFO were established as chief officer positions.

outside directors, dialogue is carried out between the executive officer of each sales division and outside officers. This serves as an opportunity for outside directors to deepen their understanding of the respective business as well as a chance to provide advice from

the perspective of an external party. In addition, a meeting for outside officers is scheduled to be implemented three times a year so that outside officers can freely and openly exchange opinions among themselves (outside directors to outside auditors).

Corporate Governance Meetings

In the fiscal year ended March 31, 2020, corporate governance meetings were held several times by members of the Board. Based on the Practical Guidelines for Corporate Governance Systems, which were revised by the Ministry of Economy, Trade and Industry (METI) in September 2018, the following was decided as a result of discussions held on the direction of the corporate governance for which the company should aim.

- The number of internal directors will be reduced and the ratio of independent outside directors on the Board of Directors will be raised to higher than 1/3.

- The chairman of the Board will not be appointed to the position of representative director. A non-executive director will serve as chairman of the Board.
- A non-executive director will serve as chairperson of the Executive Compensation Committee and the Executive Appointment Committee, rather than the President & CEO.
- The company will introduce a transfer-restricted stock compensation program for providing medium- and long-term stock incentives.

Leveraging the Power of Governance



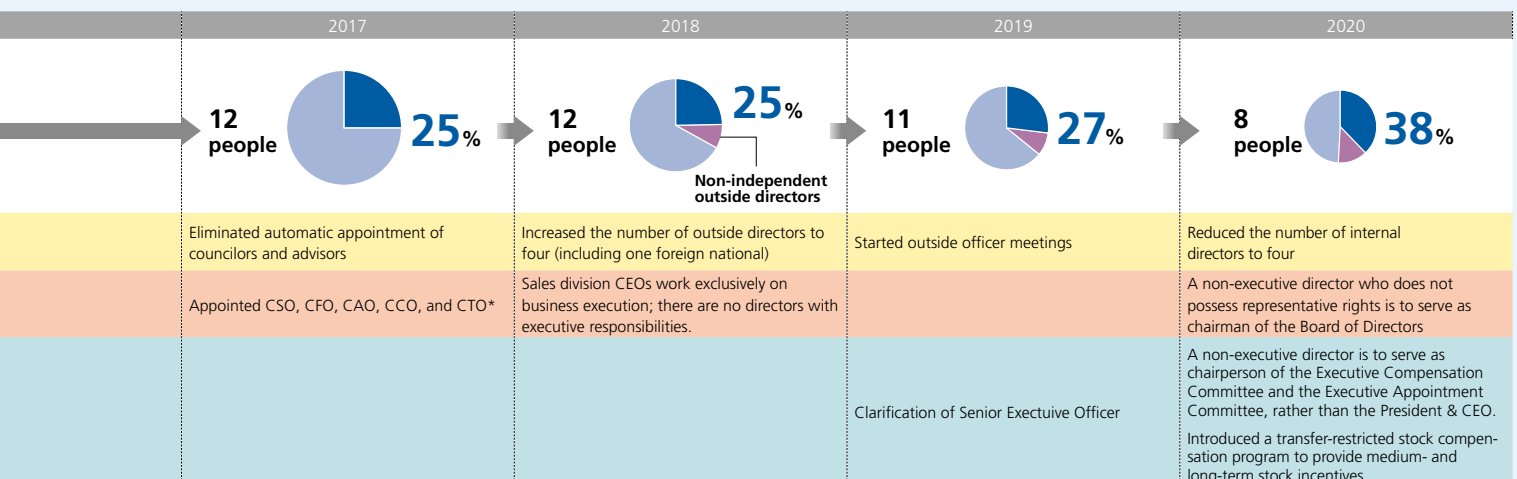
Yoriko Kawaguchi

I served as an outside director for six years, starting in 2014. During that time, while there were surely difficulties, I felt it was an extremely worthwhile job.

During this period, governance rules at Toyota Tsusho took a major step forward. The composition of outside directors, which was highly diverse, to begin with, became even richer in variety. The Board of Directors is holding brisk discussions on selection and concentration. The length of Board meetings is three times longer than before. Even with these longer meetings, there is frequently not enough time to cover all matters. In the current fiscal year and beyond, the system will further contribute to an improvement in corporate value, including having the same number of seats on the Board of Directors for internal and outside directors and having a non-executive, non-representative director serve as chairman of the Board. The strength of Toyota Tsusho is that the company from within, particularly among its leaders, was the ultimate force behind this transformation in governance, making this transformation genuine and authentic.

I came away with another strong impression from my six years of service. That is, employees at Toyota Tsusho seem to have a true mission when undertaking their jobs, which creates an abundance of energy. I believe that although the economy and society are changing due to the COVID-19 pandemic, and risks are becoming larger, Toyota Tsusho can use this energy to undertake a transformation that is ahead of its time.

Governance rules are the foundation that underpins corporate development, and steadfast governance means that daring challenges can be tackled. As such, Toyota Tsusho will likely be able to turn risks into opportunities. The dynamic actions of Toyota Tsusho and other companies will not only be the impetus for Japan's economy and a transformation of society but will also drive the development of the sustainable world for which we aim.



Continuing Progress in Upgrading Corporate Governance

Toyota Tsusho posted a fourth consecutive year of record earnings in the fiscal year ended March 31, 2020. Over the two decades to the latest fiscal year, our after-tax profit increased to 135.5 billion yen, from 8.2 billion yen. Over the same period, our share price rose more than six-fold, to 2,546 yen, from 417 yen. That reflects our continued emphasis on the automotive business and a combination of proactive measures for broadening our horizons and internal measures for reinforcing our corporate groundwork. Our proactive moves included expanding business beyond the automotive sector and undertaking large corporate acquisitions. Internally, we registered further progress in upgrading corporate governance.

A series of measures has fortified the neutrality and independence of our Board of Directors. The measures have clarified the role of the Board in overseeing operational management and have heightened transparency in corporate governance. In the past fiscal year, we reduced the number of Board members to 8, from 11. That increased the ratio of outside directors, whose number remained at 4. Additionally, the chairman of the Board became a non-representative, non-executive director. Those two measures followed three important additions to our corporate governance framework made since 2006: the executive officer system, the ERM (Enterprise Risk Management) Committee, and the outside director system (three members, of whom two are female). Our outside directors and outside auditors bring diverse backgrounds and capabilities to their work at Toyota Tsusho. And they have fulfilled a vital role in upgrading our corporate governance. Changes that originated from their proposals included the appointment of non-executive directors as the chairpersons of the Executive Appointment Committee and the Executive Compensation Committee, the holding of meetings of outside directors and outside auditors (outside officer meetings), and the lengthening of Board meetings to permit more in-depth discussion of important matters.

We remain focused on fulfilling our mission of contributing to social vitality. That mission shapes our commitment to achieving continued growth and to maximizing our corporate value. We are reinforcing that commitment by establishing a clear separation between management responsibility and operational responsibility, by nurturing and maintaining a healthy tension in our management team, and by further strengthening the functioning and quality of the Board of Directors.

Jun Karube
Chairman of the Board



Board of Directors

The Board of Directors comprises eight directors, four of whom are outside directors. The Board makes important management decisions, supervises the execution of business by directors, receives regular reports from division CEOs, and monitors execution conditions at each sales division. Furthermore, the Board periodically receives reports from division CEOs on the status of execution of business by the sales divisions and performs monitoring. The company has submitted notification that three of the four outside directors satisfy the criteria for independence as specified by securities

exchanges. Moreover, we are raising the independence of the Board of Directors by having a non-executive director serve as chairman of the Board. Directors are appointed for a one-year term, and the Board of Directors in principle meets once a month. The company has established a support framework so that outside directors can satisfactorily fulfill their management and supervisory functions. The Board of Directors' Secretariat sends out materials earlier than in the past and provides preliminary explanations along with the proposing department to enhance understanding of business details.

Board of Directors' Advisory Bodies

(Executive Compensation Committee and Executive Appointment Committee)

Toyota Tsusho has established the Executive Compensation Committee and the Executive Appointment Committee as advisory bodies to the Board of Directors. Both committees are chaired by the non-executive director chairman of the Board. In addition, each committee comprises five members—three independent outside directors and two internal directors. Given that independent outside directors make up a majority of each committee, the objectivity and transparency of each committee are being enhanced.

The Executive Compensation Committee investigates executive compensation programs, decision-making policies, and other important matters related to executive compensation, deliberates proposed executive compensation plans, and reports to the Board of Directors.

The Executive Appointment Committee deliberates policies regarding the appointment and dismissal of directors, Audit & Supervisory Board

members, and top management. It also deliberates proposed executive personnel plans, as well as the formulation and operation of CEO successor plans and other important matters relating to executives. After deliberating such, the committee reports to the Board of Directors.

<Members Comprising Both Committees> As of June 23, 2020

Jun Karube (Chairman of the Board, committee chair)
Ichiro Kashitani (President & CEO)
Kumi Fujisawa (Independent outside director)
Kunihito Koumoto (Independent outside director)
Yukari Inoue (Independent outside director)

Evaluating the Effectiveness of the Board of Directors

1. Overview of Evaluation of the Effectiveness of the Board of Directors

Toyota Tsusho evaluates the effectiveness of the Board of Directors annually to continue to maintain and improve the effectiveness of its corporate governance. Specifically, the company administers questionnaires to all members of the Board of Directors, and then the results on the Board's effectiveness are reported to the Board of Directors after the questionnaire responses are analyzed and evaluated. An overview of the fiscal year ended March 31, 2020 and the evaluation results are as follows.

Overview of Evaluation Results for the Fiscal Year Ended March 31, 2020

For issues extracted from the effectiveness evaluation in the previous fiscal year, based on the results of the tabulation and analysis of questionnaire results, the ratings for all evaluation items were positive overall, owing to *kaizen* (continuous improvement) measures. This confirmed the Board of Directors is properly functioning and securing effectiveness.

Looking at operations of the Board of Directors, the schedule for items that should be deliberated or reported is being adequately

Overview of Evaluation Implementation

Individuals evaluated	All members of the Board of Directors (11 people) and all Audit & Supervisory Board members (5 people)
Implementation method	Administer questionnaires to members of the Board and Audit & Supervisory Board members
Priority themes	Further improve the effectiveness of the Board of Directors
Evaluation items	1) Composition of the Board of Directors 2) Operation of the Board of Directors 3) Agenda and deliberation processes of the Board of Directors 4) Support system for the Board of Directors 5) Evaluation of members of the Board and Audit & Supervisory Board members

managed, and the Board of Directors' Secretariat is providing appropriate support, including at the time of the proposal of agenda items and submission of materials. Also, the Board of Directors is rich with diversity and a system is in place that facilitates brisk discussions among all members of the Board. In the event of unclear points in discussions, if the members of the Board deem it necessary, there are ample opportunities for the Board of Directors to request additional information from the company.

Issues	Fiscal year ended March 31, 2020 measures taking into account issues in the fiscal year ended March 31, 2019	Evaluation results for the fiscal year ended March 31, 2020 questionnaire
Provide opportunities to enrich discussions and further deepen understanding of businesses	Accelerated timing for sending out convocation notices and to deploy final materials to secure time for preliminary considerations	Evaluated as being improved from the previous fiscal year and properly functioning
	Provided opportunities to outside directors for the in-depth understanding of businesses	Evaluated as being improved from the previous fiscal year and appropriate overall
	Narrowed down matters that should be discussed by the Board of Directors	Evaluated as being improved from the previous fiscal year and appropriate overall
Effective use of independent outside directors	In-depth discussions on the composition of the Board of Directors and roles of outside directors	Evaluated as being improved from the previous fiscal year and properly functioning
	Regularly held meetings consisting only of outside directors and outside auditors and established opportunities to exchange and share information from an independent stance	Held once in the fiscal year ended March 31, 2020 Plan to continue to hold meetings regularly in and after 2020
Promote dialogue with investors and shareholders	Details of IR activities were reported at Board of Directors' meetings	Evaluated as being improved from the previous fiscal year and appropriate overall

2. Undertake Further Improvement of the Board of Directors' Effectiveness in the Fiscal Year Ending March 31, 2021

The company will continue to discuss the three evaluation items and seven issues extracted from the results of the questionnaire, and will implement *kaizen* measures to further improve the effectiveness of the Board of Directors.

1. Composition of the Board of Directors

Issues

Boost the soundness of management, accelerate decision-making, and fortify governance functions

Undertake further *kaizen*

- 1) Increase the ratio of independent outside directors to one out of three or higher
- 2) Continue deliberations on the Toyota Tsusho governance system and the skills of members of the Board

2. Operation of the Board of Directors

Issues

Enrich discussions by the Board of Directors

Undertake further *kaizen*

- 3) Lengthen Board of Directors' meeting time to encourage richer discussions
- 4) Enhance preliminary explanations to outside directors
- 5) Further enrich reporting details for IR activities

3. System to Support the Board of Directors

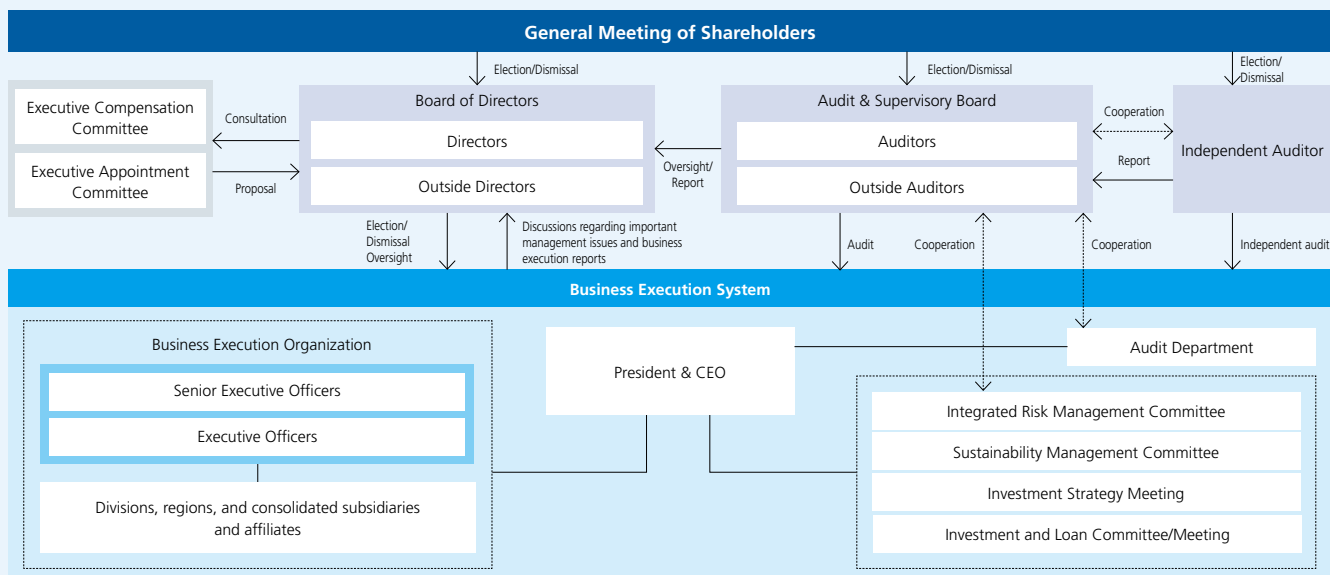
Issues

Effectively utilize independent outside officers

Undertake further *kaizen*

- 6) Continue to promote dialogue between outside directors/outside auditors and the CEO/COO of each sales division
- 7) Share issues and deepen understanding by increasing the frequency of outside officer meetings

Corporate Governance Structure (As of April 2020)



Audit & Supervisory Board

The Audit & Supervisory Board is made up of five members (three of whom are part-time outside Audit & Supervisory Board members) who perform a checking function from an external viewpoint. All Audit & Supervisory Board members regularly exchange opinions with directors, including outside directors, executive officers, and the independent auditor, as well as the Audit Department and other organizations. In this way, Audit & Supervisory Board members strive to ensure the legality, appropriateness, and efficiency of business execution. The Audit & Supervisory Board in principle meets once a

month. Audits conducted by Audit & Supervisory Board members are approved by the Audit & Supervisory Board. Per the audit policies and plans reported to the Board of Directors, Audit & Supervisory Board members implement audits and the execution of duties by directors, emphasizing internal controls, mainly focusing on compliance and risk management. Also, an audit is conducted regarding the appropriateness of the results of an accounting auditor audit. A full-time staff is assigned to assist with the duties of Audit & Supervisory Board members, including outside auditors.

Functions and Roles of Committees and Meetings

Toyota Tsusho has established a variety of committees and meetings to strengthen its corporate governance. The company has created a companywide meeting system to deal with issues that affect the entire company; directors and executive officers consider countermeasures for each management issue and, where appropriate, consult the Board of Directors.

Integrated Risk Management Committee

For details, please see page 78. ➤

Sustainability Management Committee

For details, please see pages 14 and 30. ➤

Investment Strategy Meeting

For details, please see pages 15, 26, and 51. ➤

Investment and Loan Committee/Meeting

For details, please see pages 15, 26, and 51. ➤

Other Key Meetings

Committee	Role	Frequency of meeting
Mid-term Business Plan Meeting/Executive Budget Meeting	Discusses management plans	Once a year
Executive Officers Meeting	Information is exchanged, shared, and reported between Senior Executive Officers and Executive Officers	Once a month
Senior Executive Officers Meeting	Sharing information across sales divisions and overseas markets	Once a month
NEXT Technology Fund Council	Discusses projects that develop new markets through new technologies, products, and services from a medium- and long-term perspective	Once a month

Corporate Management Committees

Committee	Role	Frequency of meeting
Global Human Resources Committee	Shares information on the succession plan and human resources candidates, both of which hold a key position in divisional and regional business strategies, and discusses measures to fortify training	Once a year
HR Strategy Meeting	Discusses various human resources systems and measures that are connected with the realization of companywide strategies	Four times a year
IT Strategy Committee	Discusses companywide policies on IT strategies	Once a year
Safety Management Enhancement Committee	Discusses measures for enhancing safety management	Once a month
Specified Import & Export Control Committee	Decides on the overall direction regarding transaction management, export, and import of articles subject to import/export controls	Once a year
Global Safety & Environmental Promotion Meeting	Promotes improvements to occupational safety and health activities and undertakes environmental management throughout the company and domestic group companies	Once a year
Kaizen & Cost Reduction Promotion Committee	Promotes reductions in costs, and shares and develops improvement case studies throughout the company	Once a year

Appointed Outside Officers

Some of the essential elements in the appointment of outside directors are knowledge of governance and accounting, risk discovery capabilities, wide-ranging business-related insight, insight gained from global experience, and contributing to promoting diversity.

Within this framework, the company appoints outside directors with an emphasis on candidates who possess a wealth of knowledge and experience.

Outside directors	Major concurrent positions (As of July 1, 2020)	Reason for selection	Frequency of attendance at Board of Directors' meetings
Kumi Fujisawa	Representative Director, SophiaBank Co. Director, The Shizuoka Bank, Ltd. Director, Creek and River Co., Ltd.	In addition to having founded and served as representative director of an investment trust evaluation company, Ms. Fujisawa participated in establishing SophiaBank and serves as its representative director, and she has held numerous government-related positions in organizations such as the METI and the Financial Services Agency. Ms. Fujisawa was selected to continue to serve as an outside director due to the neutral, objective perspective to the advice regarding the company's management and oversight over business execution she is providing based on her wealth of experience and specialized insight regarding investment, international finance, and diversity.	13/13
Kunihito Koumoto	—	Mr. Koumoto is a noted researcher. He served as a professor at the Nagoya University Graduate School of Engineering before becoming a Toyoda Physical and Chemical Research Institute fellow. Mr. Koumoto was selected for his ability to provide advice regarding company management from an advanced academic perspective to handle the high-level technical innovations the company will implement in the future.	11/13
Didier Leroy	Chairman of the Board, Toyota Motor Europe S.A./N.V.	Mr. Leroy has served as CEO of the Europe Region and president, member of the board, executive vice president, and in other roles for Business Unit Toyota No. 1 of Toyota Motor Corporation. He currently serves as chairman of the board at Toyota Motor Europe S.A./N.V. Mr. Leroy was selected to serve as an outside director due to the neutral, objective perspective to the advice regarding the company's management and oversight over business execution he can provide based on his wealth of management experience and global, specialized insight regarding the automotive industry, which is in a period of major transformation.	13/13
Yukari Inoue	President and CEO, Kellogg Japan G.K. Director, Suntory Beverage & Food Limited	Ms. Inoue is president and CEO of Kellogg Japan G.K. Ms. Inoue was selected to serve as an outside director because the company believes that she is capable of providing advice on the company's management and performing oversight of business execution from a neutral, objective perspective based on a wealth of management experience and global expertise, particularly in the B2C business field.	—

Message from the Newly Appointed Outside Director



Outside Director
Yukari Inoue

Brief personal history

Apr. 1985 Joined Proctor & Gamble Far East Inc.
Oct. 1995 Marketing Director of P&G North America
Oct. 1998 Feminine Care Marketing Director, P&G Northeast Asia
Mar. 2000 Feminine Care General Manager, P&G Northeast Asia
Mar. 2003 Marketing Director, Jardine Wines & Spirits K.K. (currently, MHD Mōet Hennessy Diageo K.K.)
Nov. 2005 President and Representative Director, Cadbury Japan Ltd. (currently, Mondelez Japan Ltd.)
Jul. 2013 Managing Director, Japan/Korea (currently, Vice President & Managing Director Japan, Korea, Taiwan & Hong Kong, Kellogg Japan G.K.)

I accepted this appointment to the position of independent outside director because I was impressed by Toyota Tsusho's vision to become an irreplaceable and one-and-only presence for society and its customers.

I worked at a foreign consumer goods manufacturer for 35 years. Half of this time was spent as president of the Japanese unit. I hope to observe and make decisions from global, regional, and local perspectives. Based on my rich experience as a representative of general shareholders, I aim to contribute to the improvement of Toyota Tsusho's corporate value from an independent stance.

Every month, before the Board of Directors' meeting has taken place, the outside directors and senior management meet to exchange information and share opinions. Outside directors also participate in the Executive Review Meeting, which is attended by all company executives, and actively share their views on management issues. Additionally, outside directors take part in and provide advice to such committees as the Sustainability Management Committee.

Governance

Corporate Governance

Outside Audit & Supervisory Board members	Reason for selection	Frequency of attendance at Board of Directors' meetings	Frequency of attendance at Audit & Supervisory Board meetings
Shuhei Toyoda	Mr. Toyoda has served as a director of Toyota Motor Corporation and president of Toyota Boshoku Corporation. Since June 2015, he has been the chairman of Toyota Boshoku Corporation. He was selected as an outside director due to his many years of involvement in company management, and the wealth of management experience and specialized insight he possesses, which will enable him to provide appropriate oversight over the Board's performance of its duties.	12/13	14/14
Yuichiro Kuwano	Mr. Kuwano has worked as an attorney-at-law for many years and was selected to provide appropriate oversight over the Board's performance of its duties from an independent perspective based on his wealth of experience and expertise in corporate law and compliance.	13/13	14/14
Tsutomu Takahashi	Mr. Takahashi has worked as a certified public accountant for many years and was selected to provide appropriate oversight and restraint for the execution of duties by directors from an independent perspective based on his extensive experience and expertise in corporate accounting, auditing, and compliance.	10/10*	10/10*

* After assuming position on June 25, 2019, and attendance as of the end of March 2020.

Executive Compensation

Fiscal Year Ended March 31, 2020

Executive compensation comprises fixed compensation and performance-linked compensation in the form of bonuses. The ratio of the two forms of compensation is roughly 50:50. For fixed compensation, a fixed amount is determined for each executive, while bonuses are determined by the Board of Directors by broadly taking into consideration the company's financial performance based on key management indicators such as consolidated profit for the year attributable to owners of the parent during the fiscal year ending March 31, 2021 (in the fiscal year under review, the result was 135.5 billion yen compared to a forecast of 150.0 billion yen), measures to carry out the Mid-term Business Plan based on our long-term vision, the company's business environment, and other factors as well as reports on the results of deliberations on the method of calculating bonuses and the appropriateness of amounts by the Executive Compensation Committee, of which a majority of the members are independent outside directors.

Compensation of outside directors comprises only fixed compensation, and no bonuses are paid from the perspective of maintaining independence from the execution of business.

The upper limit of director compensation is 70 million yen per month (set by resolution at the June 23, 2017 ordinary General Meeting of Shareholders), and amounts are determined by the Board of Directors within this limit. Bonuses paid to directors other than outside directors are set by resolution at the ordinary General Meeting of Shareholders for each fiscal year.

Compensation of Audit & Supervisory Board members comprises only fixed compensation, and no bonuses are paid from the perspective of maintaining independence to properly conduct audits. The upper limit of Audit & Supervisory Board member compensation is 16 million yen per month (set by resolution at the June 20, 2014 ordinary General Meeting of Shareholders), and amounts are determined by the Audit & Supervisory Board within this limit.

Directors and Audit & Supervisory Board members are not paid severance bonuses.

The Executive Compensation Committee, of which a majority of members are independent outside directors, was established to investigate director compensation, and determinations are made by resolution of the Board of Directors taking into consideration the result of the committee's investigations.

Executive category	Total amount of compensation and other remuneration (Millions of yen)	Total amount per type of compensation (Millions of yen)			Number of executives
		Basic remuneration	Stock options	Bonuses	
Directors (excluding outside directors)	614	320	—	293	10
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	83	83	—	—	2
Outside Directors and Audit & Supervisory Board members	100	100	—	—	8

*1 Included above are three directors and one outside officer who retired as of the end of the 98th General Meeting of Shareholders, which was held on June 25, 2019.

*2 At the 96th General Meeting of Shareholders, which was held on June 23, 2017, the upper limit for the compensation of directors in total was set at 70 million yen per month.

*3 At the 93rd General Meeting of Shareholders, which was held on June 20, 2014, the upper limit for the compensation of Audit & Supervisory Board members in total was set at 16 million yen per month.

Changes in and after the Fiscal Year Ending March 31, 2021

The upper limit of director compensation was revised by resolution at the June 23, 2020 ordinary General Meeting of Shareholders in tandem with the reduction in the number of members of the Board to within an annual 600 million yen. The amount is to be determined by the Board of Directors within this limit.

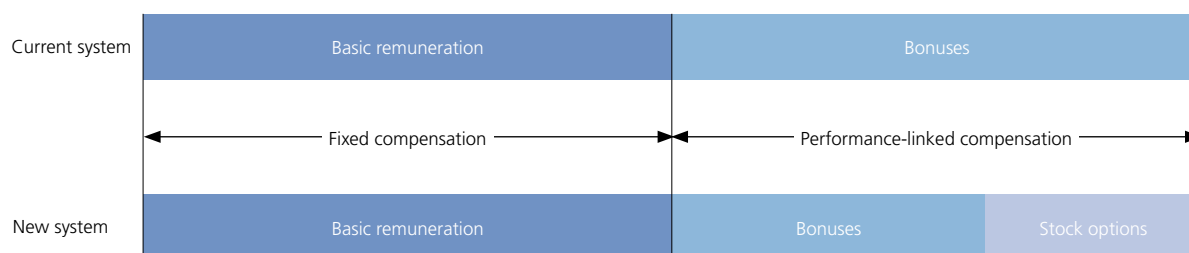
As of the resolution at the June 23, 2020 ordinary General Meeting of Shareholders, as compensation for members of the

Board, excluding compensation for outside directors, incentives will be provided to enhance medium- and long-term performance and corporate value. Also, a transfer-restricted stock compensation program was introduced to encourage further sharing of value with shareholders. Under this program, members of the Board, excluding outside directors, will receive compensation in kind for all monetary receivables paid by the company based on the issuance or retirement of common shares. The main details are as follows.

Stock compensation limit	Up to 200 million yen in total awarded to eligible directors per year
Stock compensation per individual director	Determined each year based on the company's performance, etc.
Class of shares to be allocated and allocation method	Issuance or disposal of common stock (with transfer restrictions set out in allocation agreement)
Total number of shares to be allocated	Up to 200,000 shares per year in total to eligible directors
Amount paid in	To be set at an amount that is not advantageous to eligible directors by the Board of Directors based on the closing price of the company's common stock on the Tokyo Stock Exchange on the business day before the date of the relevant Board of Directors' resolution
Transfer restriction period	From the allocation date to the date of retirement or resignation of each director
Conditions for lifting transfer restrictions	Restrictions are to be lifted at the end of the transfer restriction period
Acquisition of allocated stock by the company without consideration	The company may acquire without consideration all or part of the allocated stock during the transfer restriction period in the case of violation of laws or regulations or any other reason stipulated by the Board of Directors
Process of determining allocation to each director	To be determined by the Board of Directors after deliberation by the Executive Compensation Committee
Adjustments associated with reorganization	Transfer restrictions will be lifted on a number of shares calculated on a reasonable basis in the case of reorganization such as a merger in which the company is the absorbed company or becomes a wholly owned subsidiary

The above transfer-restricted stock compensation program also applies to members of top management who do not concurrently hold a position as a director. Toyota Tsusho plans to issue or retire some of its common stock.

Compensations for Each Director



Policies on Retention and Reduction of Crossholdings

Maintaining and strengthening business and collaborative relationships with a variety of companies is essential for sustainably increasing Toyota Tsusho's corporate value. Toyota Tsusho maintains limited and strategic holdings of publicly traded shares of key trading and cooperative partners that it has determined are valuable and necessary from a medium- to long-term perspective. When making these determinations, we comprehensively consider profitability using

unique indicators based on capital costs as well as the business relationship with the partner and other factors. We conduct reviews of whether holdings can be maintained and how many shares should be held and report once each year to the Board of Directors. Within that process, we reduce holdings of shares for which ownership is no longer meaningful.

Information Disclosure (Communications with Stakeholders)

IR Activities

Toyota Tsusho believes in the importance of sincere and fair information disclosure, and fulfills its responsibilities of accountability to investors, analysts, and other stakeholders. The company also understands the necessity of establishing long-term relationships of trust, and of earning the trust and esteem of its stakeholders via two-way communication. To achieve these goals, the company continuously provides all information it deems essential and, at the same time, develops IR activities that make use of third-party opinions to improve management.

Toyota Tsusho holds financial results briefings for domestic analysts and institutional investors four times each year to communicate with shareholders and investors. Also, to promote greater understanding of its business activities the company holds business briefings and facility tours as appropriate. (In the past four years, for example, the company has conducted electronics business briefings, renewable energy business briefings, and facility tours in the Tokai region.)

For overseas investors, Toyota Tsusho visits Europe, Asia, and the Middle East and is continuing to hold individual meetings. The company also participates in conferences for foreign investors held by securities companies and creates opportunities for dialogue, including holding telephone conferences.

In the fiscal year ended March 31, 2020, for private investors, the company participated in IR fairs hosted by securities exchanges, held seven company presentation meetings, mainly in major cities, and also newly launched online presentation meetings in which approximately 3,000 investors participated.

In the fiscal year ending March 31, 2021, given the COVID-19 pandemic, Toyota Tsusho aims to fortify its materials disclosure, including increasing its disclosure materials and expanding the scope of English translations to further improve the degree of understanding investors have of the company by continuing to secure contact points with investors, mainly online presentation meetings.

General Meeting of Shareholders

Toyota Tsusho wishes to encourage as many shareholders as possible to attend its General Meeting of Shareholders and, as such, avoids holding the meeting on dates commonly used by other companies for shareholder meetings. The company also strives to provide shareholders with sufficient time to examine the details of proposals. For this reason, it sends its convocation notice in advance, uploads an English translation of the notice on its website, and participates in platforms for shareholders to exercise their voting rights.



Risk Management System

Toyota Tsusho defines "risk" as "an event with the potential to cause unexpected losses in business operations, or cause damage to the Toyota Tsusho Group's assets and trust, etc." as laid out in the Risk Management Basic Policy. The company's fundamental approach is to identify and consider the various risks that occur in the course of business operations, ensure management safety, and increase corporate value by exposing itself to risk only within an appropriate and controlled range.

To accomplish the above, the company has established the Enterprise Risk Management Department, the role of which is to comprehensively manage the risks of the Toyota Tsusho Group. Regarding risks faced by the group as a whole, the company works closely with each department and group company to establish and strengthen its consolidated risk management system. Regarding the

management of financial risks, the company regularly measures its risk assets, and endeavors to ensure that the total amount of its risk assets is balanced by risk tolerance on a consolidated basis. Also, management rules or guidelines are established concerning business investment risks, credit risks, market risks, and occupational safety & health and environmental risks, and appropriate risk assessment and management are carried out.

The previous ERM Committee was expanded from the fiscal year ending March 31, 2021, and Integrated Risk Management Committee was launched. Members from Corporate departments and officers in charge participate in ERM Committee meetings. Quantitative and qualitative risks are widely taken up at the meetings. Efforts are made to grasp companywide risks and identify problems. The committee then deliberates on and carries out necessary measures.

Main Financial Risks

Risk Management Policy

Toyota Tsusho's basic risk management policy is as follows:

1. Limit the total amount of risk assets to no more than the amount of risk buffer
2. Assess and ensure risk-return

Risk Asset Management

Business Investment Risk Management

For information on Investment Cycle Operation, please see pages 25, 26, and 51.



Credit Risk Management

Toyota Tsusho rates suppliers on eight levels based on their financial position using independent criteria and specifies limits for each type of transaction, such as accounts receivable or advance payments. For suppliers who receive low ratings, the company endeavors to prevent losses by reviewing transaction conditions, establishing transaction policies such as protection of accounts receivable or withdrawal, and conducting individually focused management.

Market Risk Management

Product Risk

Toyota Tsusho sets position limits for market product transactions that are exposed to the risk of commodity price fluctuations, such as non-ferrous metals, crude oil, petroleum products, rubber, food-stuffs, and textiles; regularly monitors whether these limits are being applied; and takes measures to mitigate price fluctuation risks.

Foreign Exchange Risk

Toyota Tsusho implements hedge measures, including using forward exchange contracts, for transactions denominated in foreign currencies, as they are exposed to the risk of fluctuations in foreign exchange rates. In the event we are unable to hedge a transaction, we implement measures that mitigate foreign exchange rate

fluctuation risks by setting position limits and regularly monitoring the results of these limits.

Overseas Crisis Management

In response to a major terrorist attack in Algeria in January 2013, the Security Management Group was established as a specialist organization within the Global Human Resources Department in April of that year. In April 2017, the group was integrated with the BCM Promotion Group from the General Administration Department, and in April 2019 the Enterprise Risk Management Department. Education and training includes pre-assignment seminars for employees (and their families) stationed overseas and hands-on training that enables them, in a controlled environment, to learn about and to experience the risks unique to their country or region.

- 1) A seminar on basic precautions while on business trips abroad is held for young employees with little overseas experience.
- 2) Hostile Environment Training, which includes topics such as terrorism, is conducted for personnel assigned to high-risk countries.

We have stepped up our monitoring and analysis of security information and have developed a website through which we share information with Toyota Tsusho Group employees all around the world. We have also established a 24/7 response system offering medical consultation with a physician by telephone and emergency medical transport for employees stationed overseas.

COVID-19 Pandemic

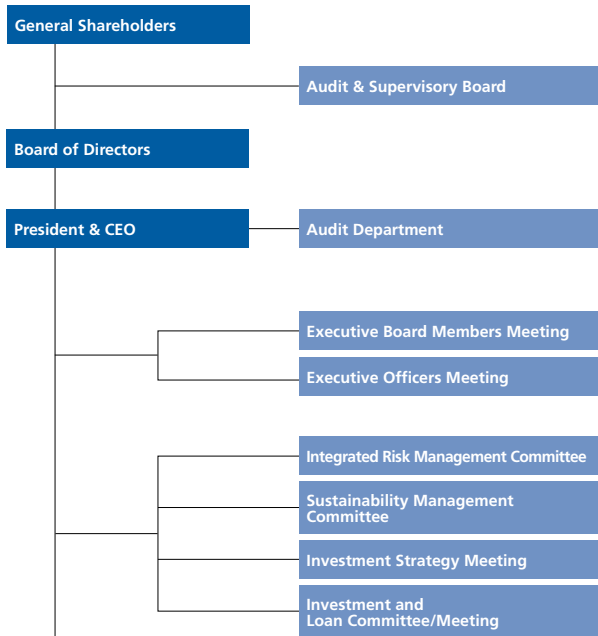
In January 2020, we set up the Emergency Headquarters and in March declared our own state of emergency. We have linked our major sites in Japan and abroad and are sharing the following information and determining policy.

- 1) Employee safety
- 2) Regional/social safety
- 3) Impact on business operations



Organizational Chart

(As of April 1, 2020)



Overseas Branches and Offices

Overseas Affiliates

Domestic Branches

- Head Office (Nagoya)
- Tokyo Head Office
- Hokkaido Branch
- Sapporo Office
- Tohoku Branch
- Niigata Branch
- Hamamatsu Branch
- Shizuoka Office
- Toyota Branch
- Osaka Branch
- Shikoku Branch
- Hokuriku Branch
- Hiroshima Branch
- Kyushu Branch
- Nakatsu Office

Number of Domestic Sites	
TTC HQ	: 2
Branches	: 9
Sub-branches	: 1

Number of Overseas Sites	
Branches and Offices	: 22
Overseas Affiliates	: 28

Metals Division

- Metal Planning Department
- Automotive Metal Sheet Products SBU**
 - Automotive Metal Sheet Products Department 1
 - Automotive Metal Sheet Products Department 2
 - Automotive Metal Sheet Products Department 3
 - West-Japan Steel Products Department
- Metal Products SBU**
 - Bar, Wire Rod & Pipe Products Department
 - Steel Products Department
 - Metal Products Trading Department
- East-Japan Steel Products Department
- Non-ferrous Metals SBU**
 - Non-ferrous Metals Business Department
 - Resources Development Department
- Resources Recycling SBU**
 - Resources Recycling Department 1
 - Resources Recycling Department 2

Global Parts & Logistics Division

- Global Parts & Logistics Planning Department
- Business Development Department
- SCM Functional Department
- Global Parts SBU**
 - Global Parts Department 1
 - Global Parts Department 2
 - Global Parts Department 3
 - Global Parts Department 4
 - Global Parts Business Management Department
- Logistics and Module SBU**
 - Logistics Business Department
 - Module Business Department
 - Techpark Business Department
- Materials & Auto Parts/Accessories SBU**
 - Accessory Business Development Department
 - Automotive Parts Department
 - Functional Materials & Safety Business Department

Automotive Division

- Automotive Planning Department
- Toyota SBU**
 - Americas & Europe Automotive Department
 - Asia, Oceania & Middle East Automotive Department
 - China Automotive Department
- Multi Brands SBU**
 - Material Handling Machinery Department
- Hino Automotive Department
- Motor Brands Development Department
- Value Chain SBU**
 - Automotive Customer Service Department
 - Automotive Value Chain Business Department
 - KD Business Department

Machinery, Energy & Project Division

- Machinery, Energy & Project Planning Department
- Machinery SBU**
 - Power & Drive Train Machinery Department
 - Automotive Body Machinery Department
 - Industrial Machinery Department
 - Next Mobility Machinery Department
- Power Project SBU**
 - Power Project Development Department
 - Power Project Planning & Asset Management Department
 - Power Solution Development Department
- Energy and Plant SBU**
 - Energy Solutions Department
 - Energy Infrastructure Project Department

Chemicals & Electronics Division

- Chemicals & Electronics Planning Department
- Automotive Materials SBU**
 - Automotive Materials Project Development Department
 - NEXT Mobility Chemical Materials Department
 - Global Automotive Materials Department
- Chemicals SBU**
 - Organic Chemical Strategy & Management Department
- Sustainable and Basic Chemical Department
- Industrial Chemicals Department
- Inorganic Chemicals Department
- Electronics & ICT SBU**
 - Electronics Department
 - NEXT Mobility Electronics Business Department
 - Information Technology Business Department
 - Connected Business Department

Food & Consumer Services Division

- Food & Consumer Services Planning Department
- Life and Community Strategy Department
- Food & Agribusiness SBU**
 - Agribusiness Department 1
 - Agribusiness Department 2
 - Osaka Food and Agribusiness Department
- Food Business Department
- Agriculture & Aquaculture Business Development Department
- Life Style SBU**
 - Textile Department
 - Living Environment & Real Estate Department
 - Insurance & Life Solution Department

Africa Division

- Africa Planning Department
- Mobility SBU**
- Africa Automotive Department
- TOYOTA Africa Automotive Department
- Healthcare SBU**
- Consumer Goods SBU**
- Technology & Energy SBU**
- Overseas Affiliate**

Corporate Data

(As of March 31, 2020)

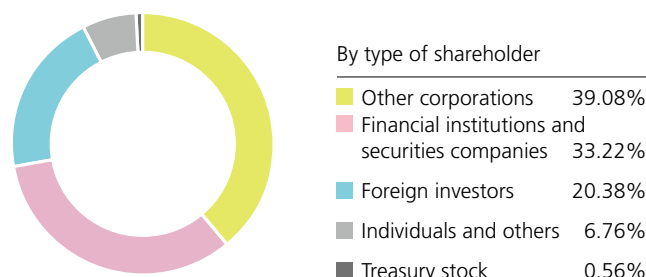
Name	TOYOTA TSUSHO CORPORATION
Head Office	9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan
Established	July 1, 1948
Number of Employees	Parent company: 3,439 Consolidated: 66,067
Paid-in Capital	64,936 million yen
Common Stock	Authorized: 1,000,000,000 Issued: 352,059,595 (excluding 1,996,921 treasury stock)
Number of Shareholders	39,018
Stock Listings	Tokyo, Nagoya (Ticker code 8015)
Independent Auditors	PricewaterhouseCoopers Aarata LLC
Transfer Agent for Shares Special Management of Accounts	Mitsubishi UFJ Trust and Banking Corporation
Address	Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, Japan Phone (free dial within Japan): 0120-232-711 (Tokyo) 0120-094-777 (Osaka)
Handling Offices	All branches nationwide of Mitsubishi UFJ Trust and Banking Corporation All branches nationwide of Nomura Securities Co., Ltd.
Website	https://www.tr.mufg.jp/english/

Major Shareholders

Name	Number of shares (Thousands)	Shareholding (%)
Toyota Motor Corporation	76,368	21.69
Toyota Industries Corporation	39,365	11.18
The Master Trust Bank of Japan, Ltd. (Trust account)	35,517	10.09
Japan Trustee Services Bank, Ltd. (Trust account)	15,580	4.43
The Bank of Mitsubishi UFJ, Ltd.	8,098	2.30
Japan Trustee Services Bank, Ltd. (Trust account 9)	4,937	1.40
Japan Trustee Services Bank, Ltd. (trust account 5)	4,475	1.27
Sumitomo Mitsui Banking Corporation	4,249	1.21
Mitsui Sumitomo Insurance Co., Ltd.	4,200	1.19
JPMorgan Chase Bank 385151	3,910	1.11

Note: The percentage of shareholding is computed excluding 1,996,921 shares of treasury stock.

Breakdown of Issued Shares



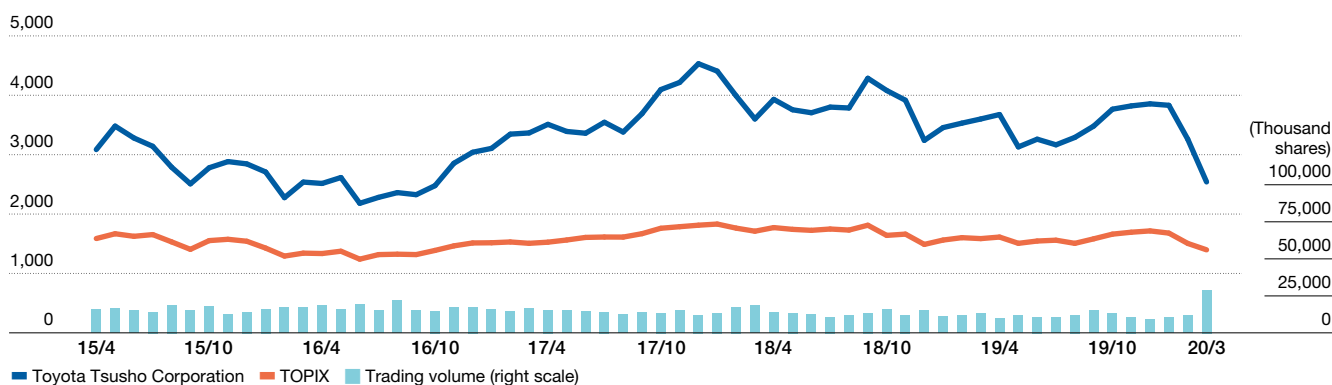
Credit Ratings

(As of May 28, 2020)

	Long-term	Short-term
Rating and Investment Information (R&I)	A+ (Stable)	a-1
Standard & Poor's (S&P)	A (Negative)	A-1
Moody's	A3 (Stable)	-

Stock Price Range and Trading Volume

(Yen / Point)





Be the **Right ONE**

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