



Be the **Right ONE**

(IR Large Briefing – Part 2) **ESG Briefing Session**

1. Sustainability and our Focused Businesses

President & CEO
Ichiro Kashitani

2. Priority Areas Linked to Materiality

**Next Mobility/Battery/Hydrogen and
Alternative Fuels/Africa**

Executive Vice President
Toshimitsu Imai

Recycling Business

Executive Vice President
Akihiro Sago

Renewable Energy/Energy Management

Division COO
Toshiyuki Ishikuro

**Human Capital Initiatives/Safety and
Compliance**

CHRO
Makiko Hamase

Sustainability and our Focused Businesses

Maximize the two values of “value created together with our customers” and “value for society and the environment” by promoting initiatives for Key Sustainability Issues



Sustainability is synonymous with good management

Sustainability and our Focused Businesses

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

Contribute to the creation of a safe and comfortable mobility society

Contribute to the transition to a carbon-free society

Contribute to the development of a recycling-based society

Key Sustainability Issues (Materiality)

Solve social issues in developing countries

Ensure safety and compliance

Respect human rights and develop human resources

Top-priority Issues that will become Foundations for Corporate Growth

Identify six priority issues in sustainable management

Sustainability and our Focused Businesses

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

Contribute to the creation of a safe and comfortable mobility society

Contribute to the transition to a carbon-free society

Next Mobility

Battery

Renewable Energy/
Energy Management

Hydrogen/
Alternative Fuels

Contribute to the development of a recycling-based society

Recycling Business

Key Sustainability Issues (Materiality)

Solve social issues in developing countries

Africa

Ensure safety and compliance

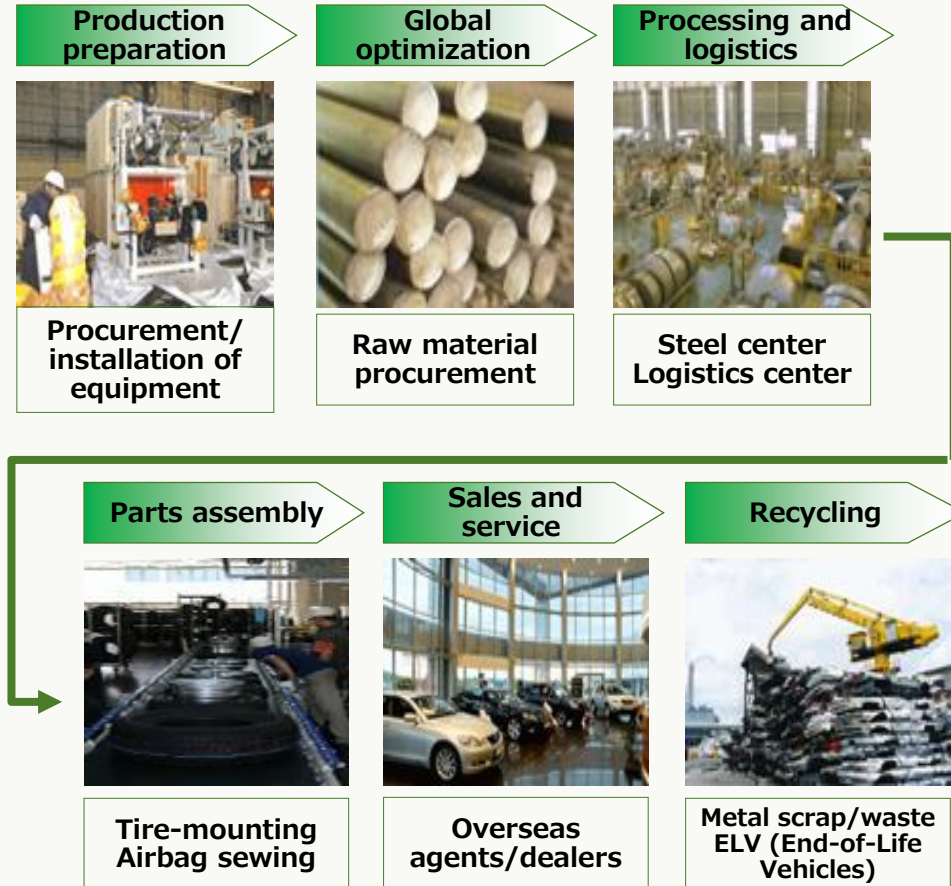
Respect human rights and develop human resources

Top-priority Issues that will become Foundations for Corporate Growth

Solving social issues itself leads to our growth



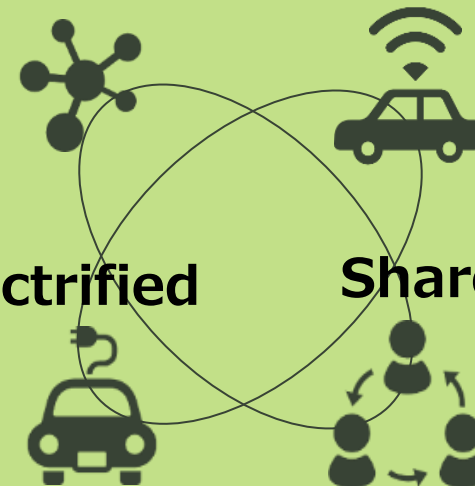
Foundation Business Mobility



Next Mobility



Connected Autonomous



Electrified Shared

Establish superiority from Foundation Business to Next Mobility

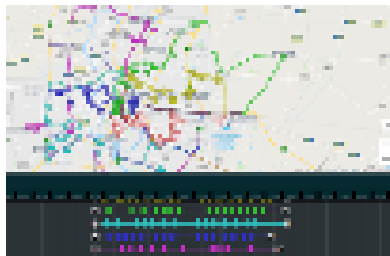
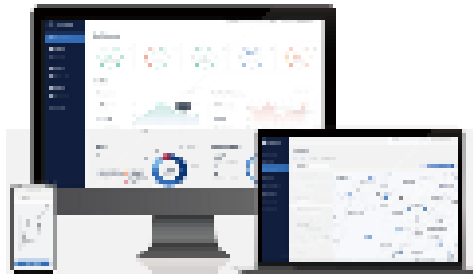


Toyota Tsusho
Mobility Informatics

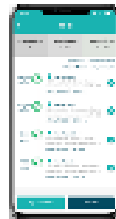
Singapore

Improvement of operator services based on various sensing data

Vehicle management service
(Name: Fleeamo)



Optimal delivery plan
(Name: SAAN Plan)



Driver assistance app
(Name: SAAN GO)



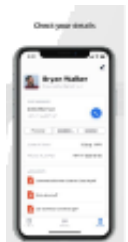
TOYOTA TSUSHO
CONNECTED MIDDLE EAST

UAE

Provide Toyota users with telematics and connected services utilizing genuine Toyota and third parties

TOYOTA TSUSHO
Connected Service Platform

TOYOTA
Smart Center



Business development of connected cars = connectivity

Next Mobility: Diversification

Priority Areas Linked
to Materiality



Sora-iina

(Goto, Nagasaki)

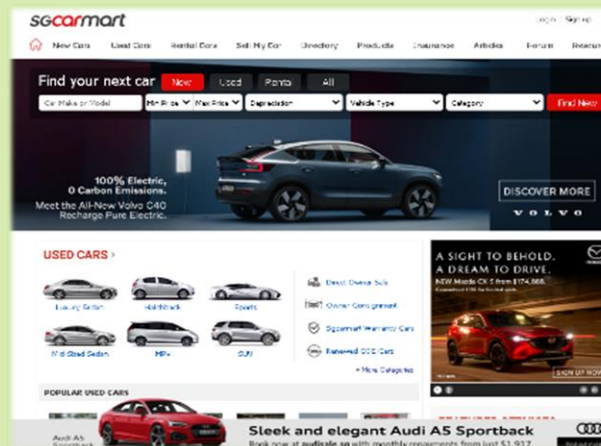


Drone business



Sgcar mart

(Singapore)



Participated in the
operation of a used
vehicle matching website
C2B Auction business



KAI Senegal

(Senegal)



Digitization of taxi
operations

Contribute to the realization of a mobility society where people can
move freely and comfortably

Battery: Electrification



Take on the issues
facing the
popularization of
electrified vehicles

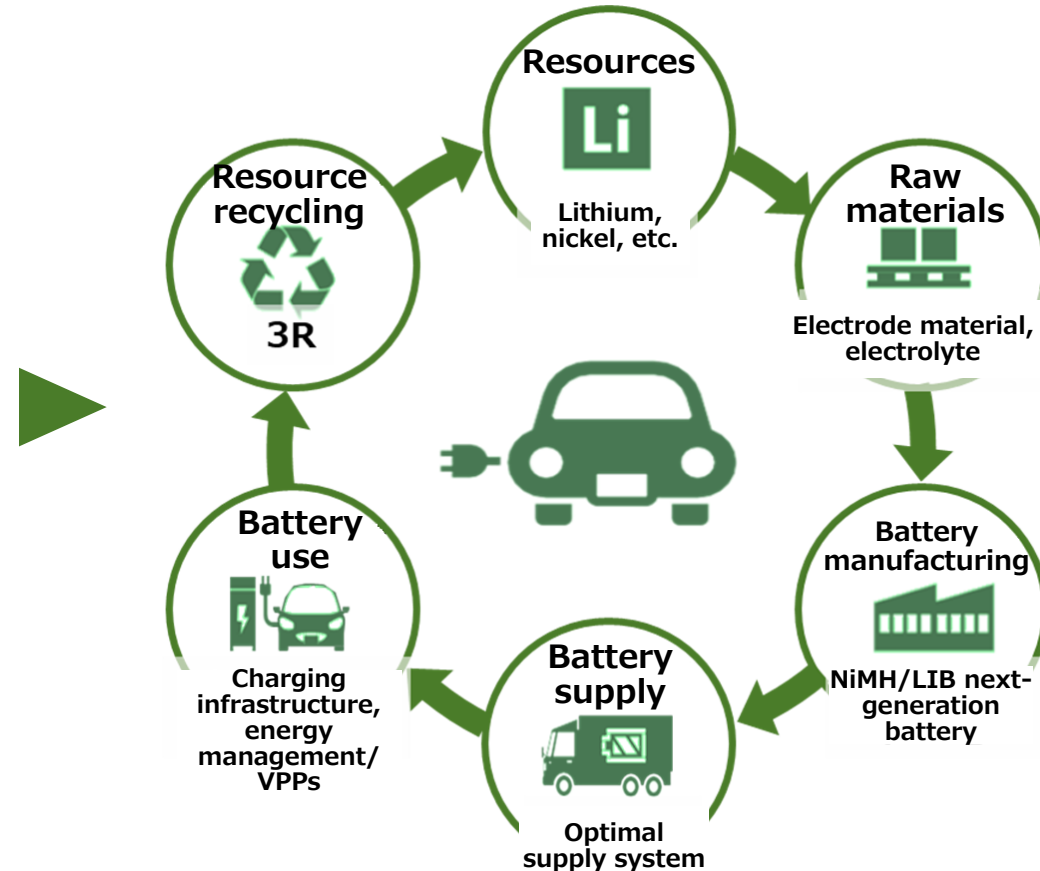
Vehicle and battery issues

- Vehicle (battery) price
- Securing battery quantities
- Battery performance (cruising range, charging time, etc.)

Infrastructure issues

- Charging infrastructure
- Rebuild, Reuse, Recycle

Big opportunity for battery VC



Contributing to the achievement of carbon neutrality by solving
Issues in the field of batteries



Lithium carbonate production



November 2018

Sales de Jujuy (Argentina)

Decision to expand production capacity from 17,500 tons/year to 42,500 tons/year

Expansion production is scheduled to start in 2023, aiming for stable supply

Lithium hydroxide production



November 2022

Toyotsu Lithium Corporation (Japan)

Completion of manufacturing plant, production capacity of 10,000 tons/year

Started supplying lithium hydroxide for the first time in Japan

**Stable securement, production and supply of lithium,
the key to the spread of electric vehicles**

Battery VC: Raw materials/Parts

Priority Areas Linked
to Materiality



Production of aluminum foil for battery current collector



January 2023

Sama Aluminium CO, Ltd (Korea)
Underwriting a third-party share allocation

**Challenge to establish a stable global
supply system for aluminum foil for
current collectors**

Production of lithium bis (fluorosulfonyl) imide (LiFSI)



September 2022

**Hunan Fluopont New Materials Co.,
Ltd. (China)**
Equity participation by Toyota Tsusho (Shanghai)
together with NIPPON SHOKUBAI
**Solving battery issues, promoting
sales to China, Japan, Asia and Europe**

**Invest in and form business alliances with leading suppliers of parts
and components**

Battery VC: Manufacturing and 3R

Investment in TBMNC

TBMNC : Toyota Battery Manufacturing, North Carolina



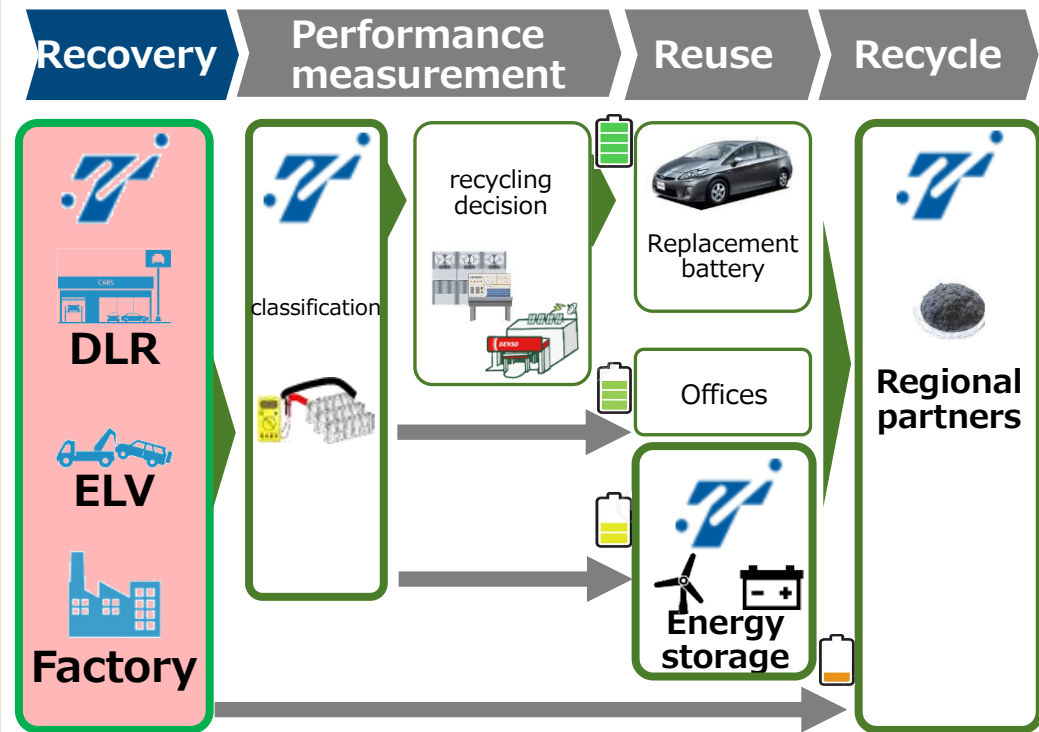
November 2021

Established Toyota Battery Manufacturing, North Carolina with 10% stake

August 2022

Additional investment to increase production capacity for battery electric vehicle (BEV) batteries

Vehicle battery recycling scheme



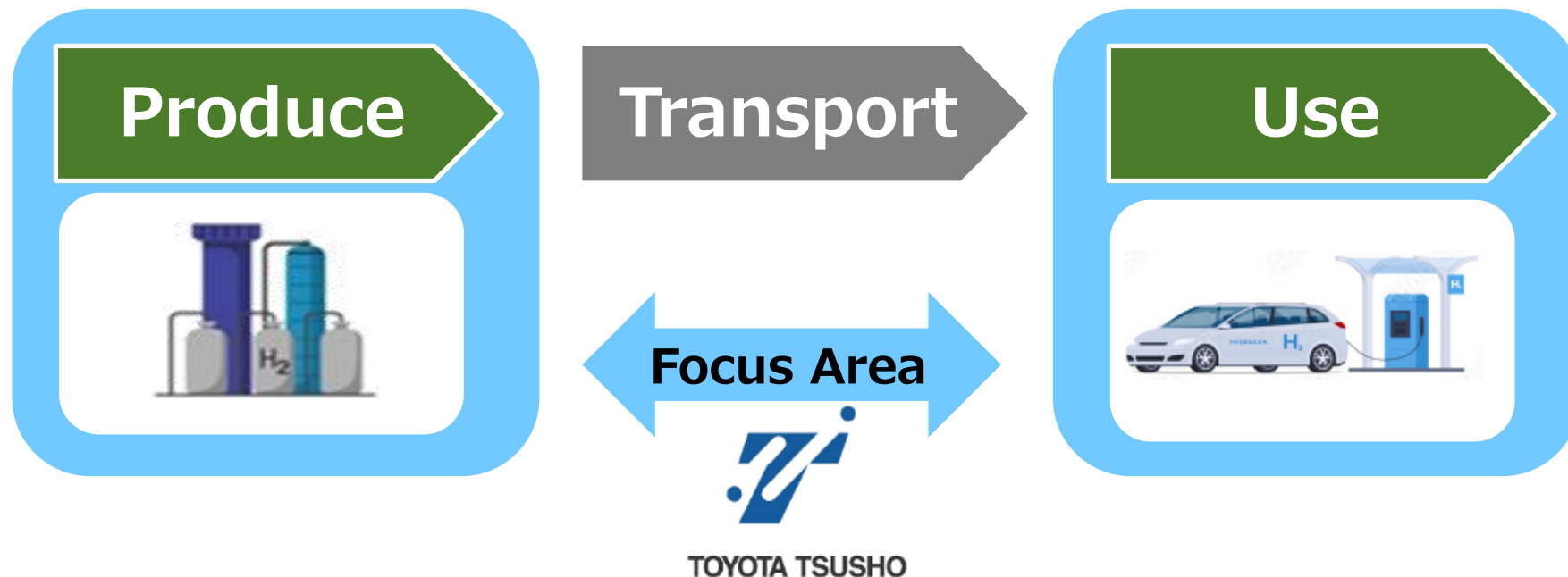
**A pioneering business model from Japan
Developing in 7 overseas countries**

Manufacture, reuse, and recycle batteries for demand is expected to grow



Building a hydrogen utilization model

Image of VC

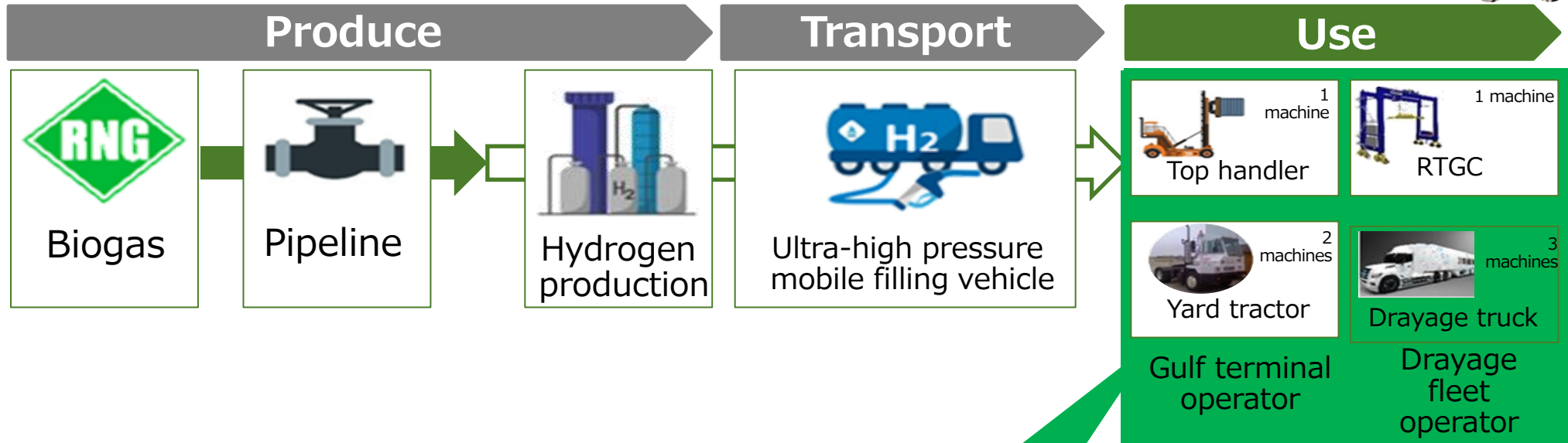


Global development of hydrogen utilization model with hydrogen production/supply and fuel cell mobility as a package

Challenge to establish a model of local production for local consumption to realize a hydrogen society

Hydrogen and Alternative Fuels: Use

Priority Areas Linked to Materiality



The Port of Los Angeles in North America aims to establish a seaport-specific hydrogen supply system and model for local production and local consumption



Ultra-high pressure mobile filling vehicle



FC Top handler



FC-RTGC

Initiatives following NEDO's "Local Production and Local Consumption-style Hydrogen Production and Utilization Potential Study"

Hydrogen/Alternative Fuels: Produce



Local production and local consumption-type manufacturing/supply model

Review of hydrogen production business from waste plastic

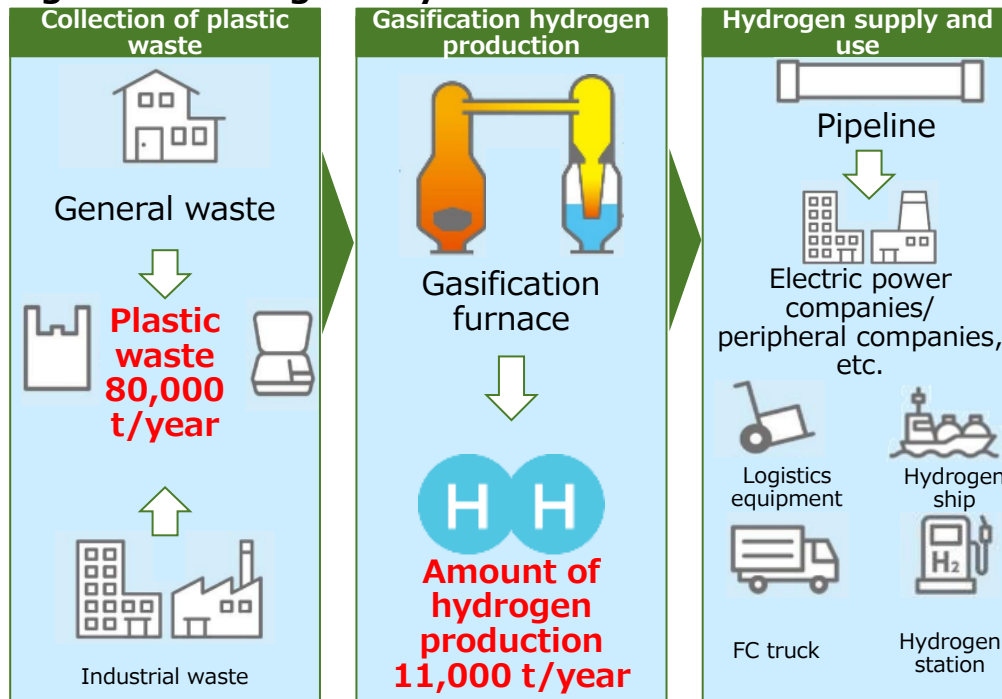
December 2022

Iwatani



Iwatani, Toyota Tsusho, and JGC HOLDINGS concluded a basic agreement

Begin basic design early and aim for commercialization



- Location: near port of Nagoya, Aichi Prefecture
- Target for starting business: mid-2020s

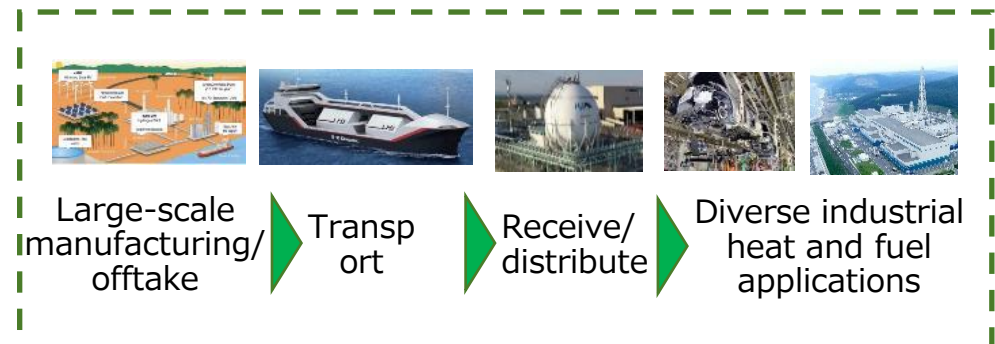
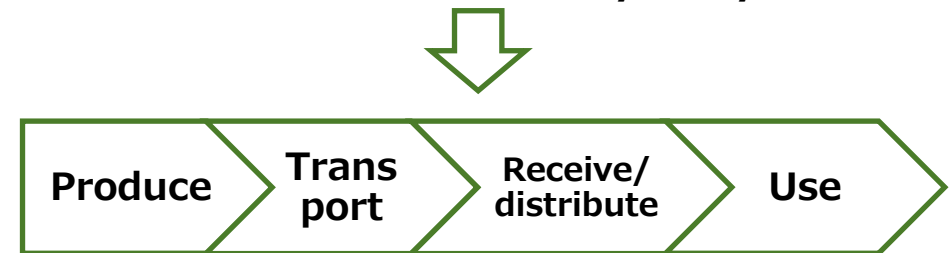
Global supply model

Build VC such as hydrogen and synthetic methane

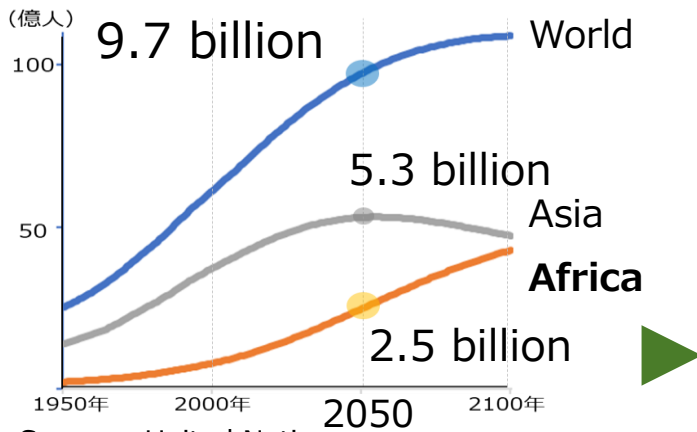
June 2022



Toho Gas, Toyota Tsusho and TotalEnergies (France) signed a memorandum of understanding on business feasibility study



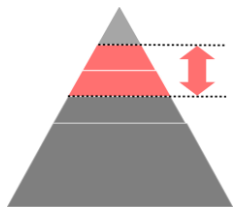
Rapid population growth



Source :United Nations
"World Population Prospects 2019"

Expanding middle layer

<Average daily income in Africa>



Middle layer
\$4-20 per day
A consumable
income group

Source : Based on African development bank
(data 2015)

What we aim to be

- Economic development
- Contributing to autonomous growth

Main businesses

Mobility

Healthcare

Consumer

Electric power/
infrastructure

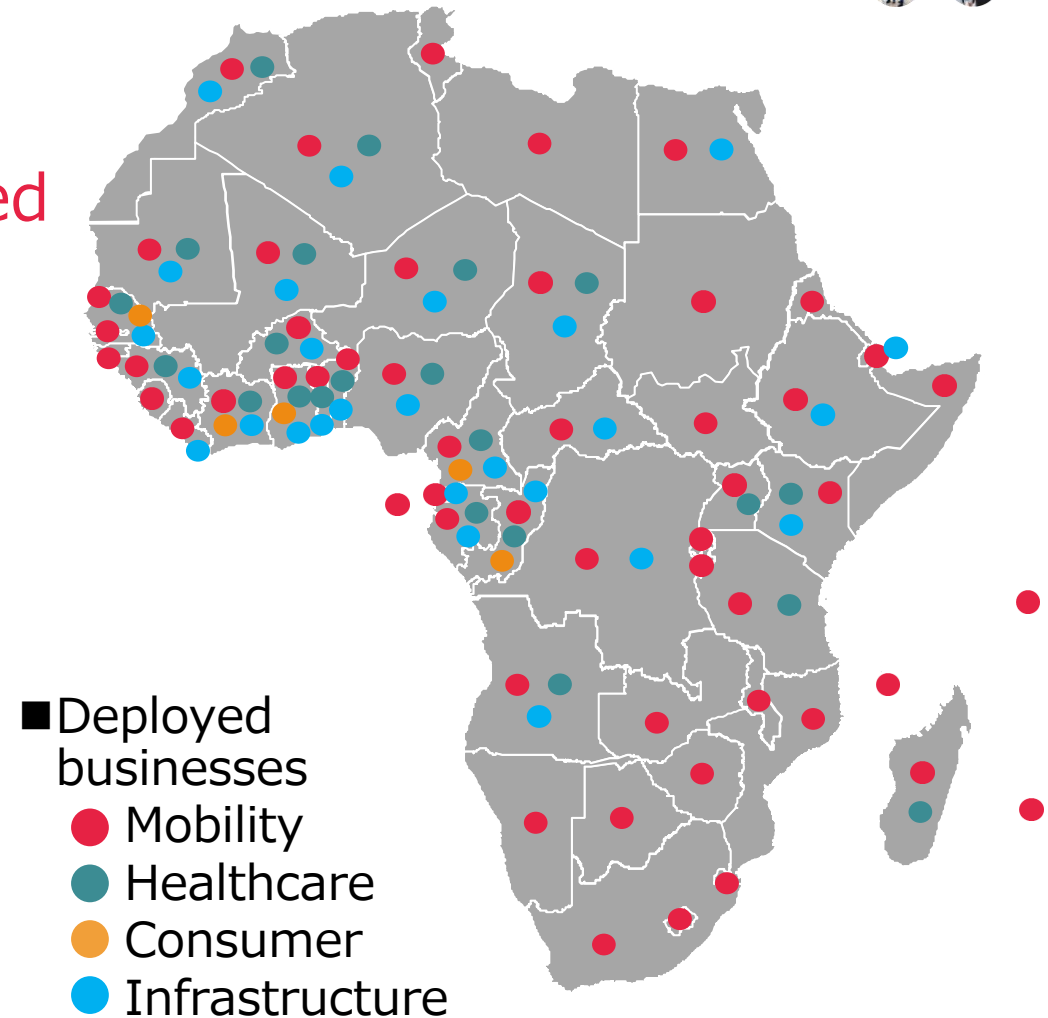
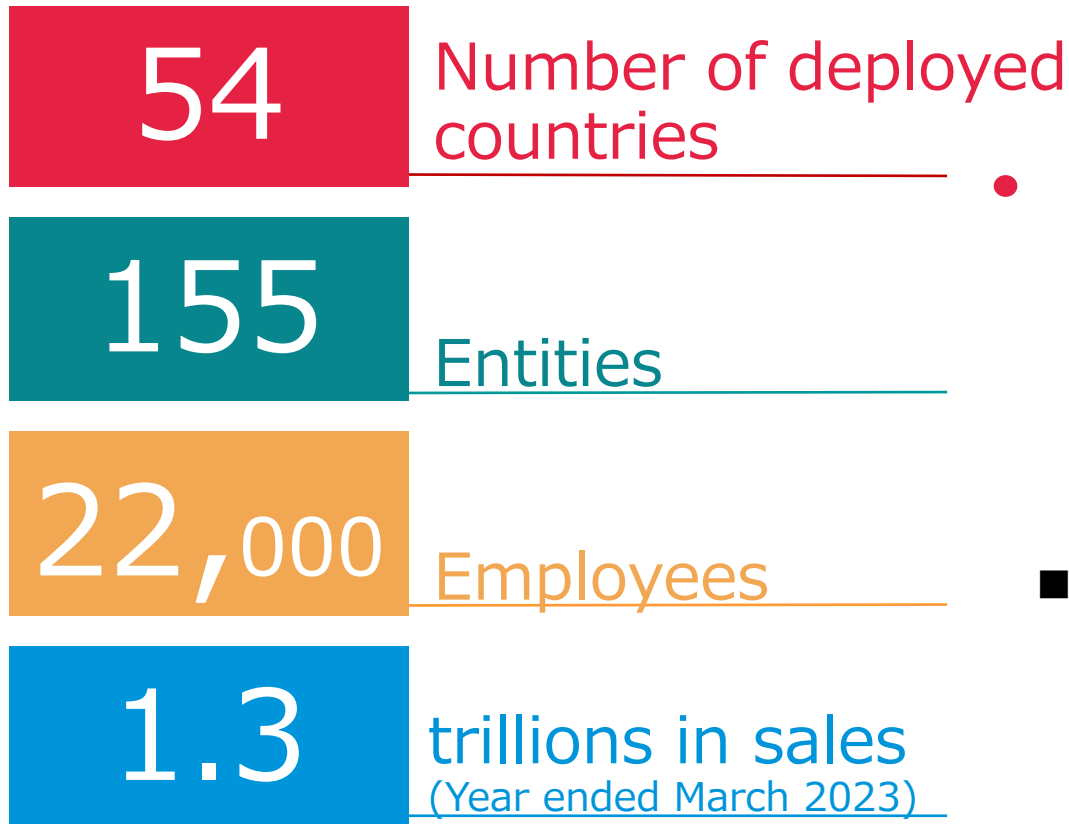
For the smiles of African children



WITH AFRICA FOR AFRICA

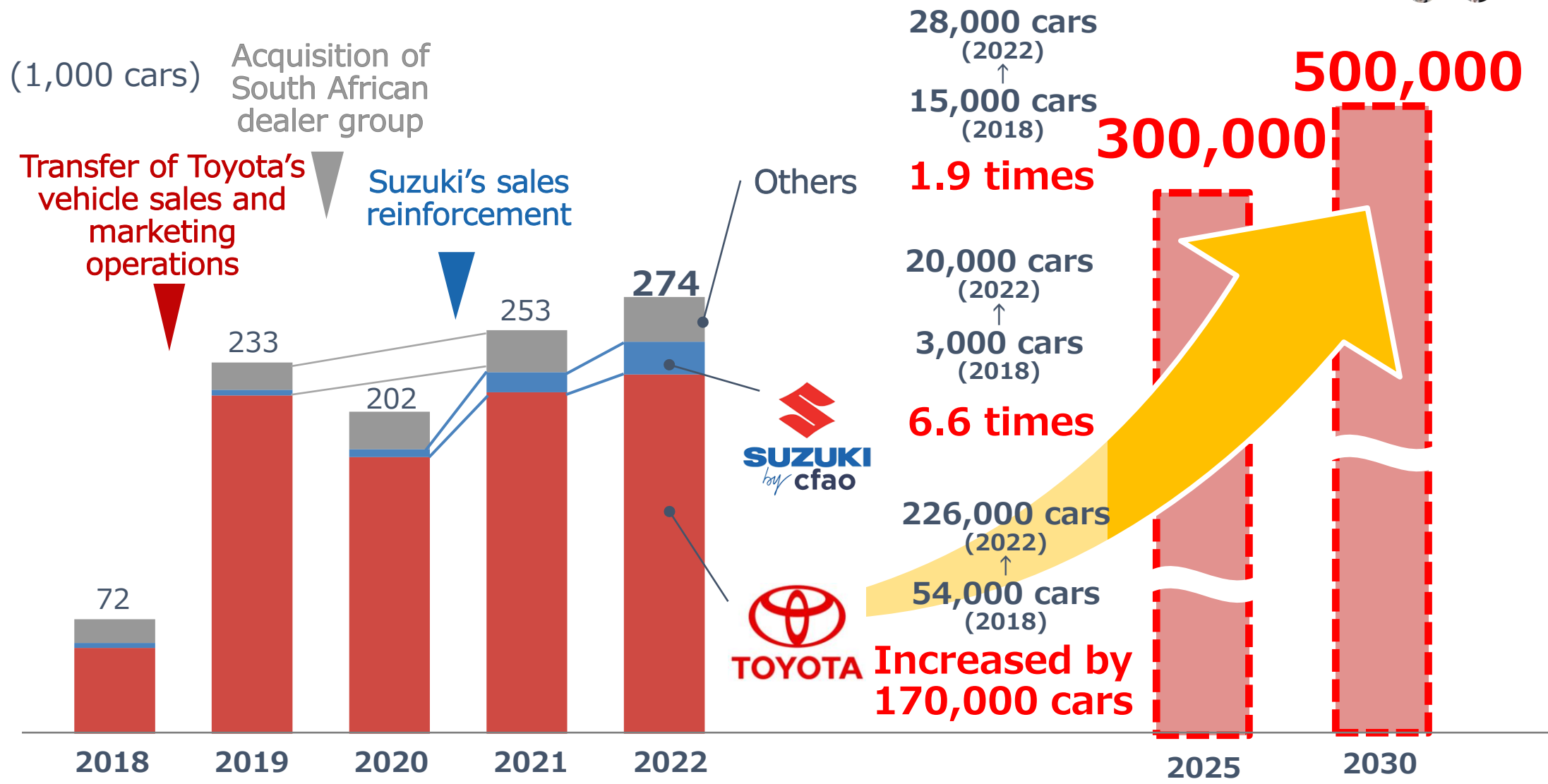
Africa: Presence No. 1

Priority Areas Linked
to Materiality



Becoming the company of choice in Africa, rooted in Africa

Africa: Mobility



A leader in the growing business-to-consumer market

Africa: Healthcare and Consumer

Priority Areas Linked
to Materiality



Goodlife
Pharmacy Health Beauty



- Investment in major pharmacy chain in East Africa
- **100 stores** in Kenya and Uganda provide medicines to **about 1.7 million** consumers


Carrefour

Carrefour
market 



- Operation of shopping malls/supermarkets
- **Currently has 29 stores in West Africa** (Cote d'Ivoire, Cameroon and Senegal).

Aiming to become the No. 1 presence in the pharmaceutical and retail sectors in the region

Africa: Startups CVC

Priority Areas Linked
to Materiality



WITH AFRICA FOR AFRICA



■ Accelerate Mobility as a Service business (MaaS)

- Established in October 2019
- Invested in an African startup that provides transportation, logistics, fintech and other mobility services



Partners in which we invest



WITH AFRICA FOR AFRICA



■ Promotion of digitization in healthcare

- Established in November 2021
- Invested in a startup that operates in telemedicine, medical logistics and health insurance

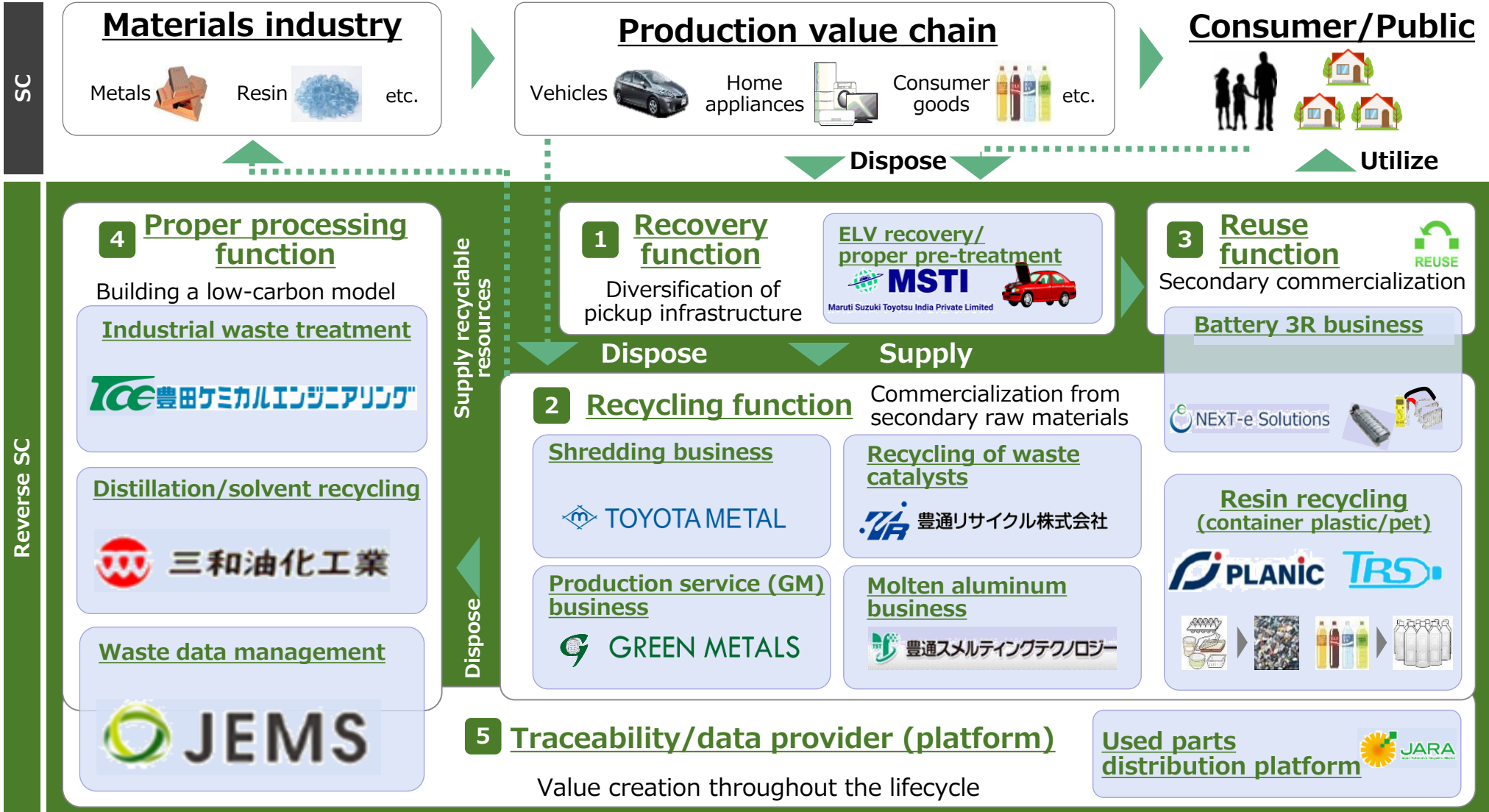
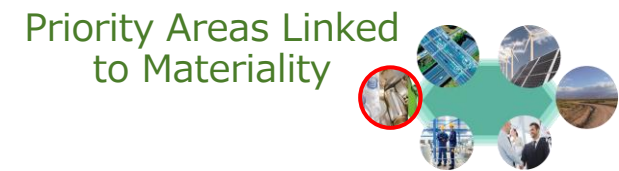


Partners in which we invest



Finding startups and supporting their growth

Circular Economy



Reverse supply chain business professionals with 50years of expertise

Circular Economy: Circular Economy Innovation Center

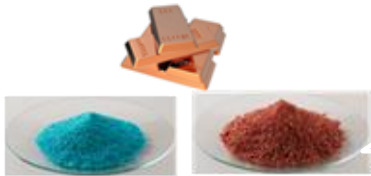
Priority Areas Linked
to Materiality



Feedback on product design

Product design for
circular economy
premise

Recycled
material



Recycled
resources
Recycled
materials

Recycling technology

Artery
Toyota Group
companies

CEIC

Circular Economy Innovation
Center

Creating new businesses that
contribute to circular economy
through the development of
arteriovenous linkages



Vein

Reuse

Reuse
technology

Products



**Secure base
material**

Recovery network

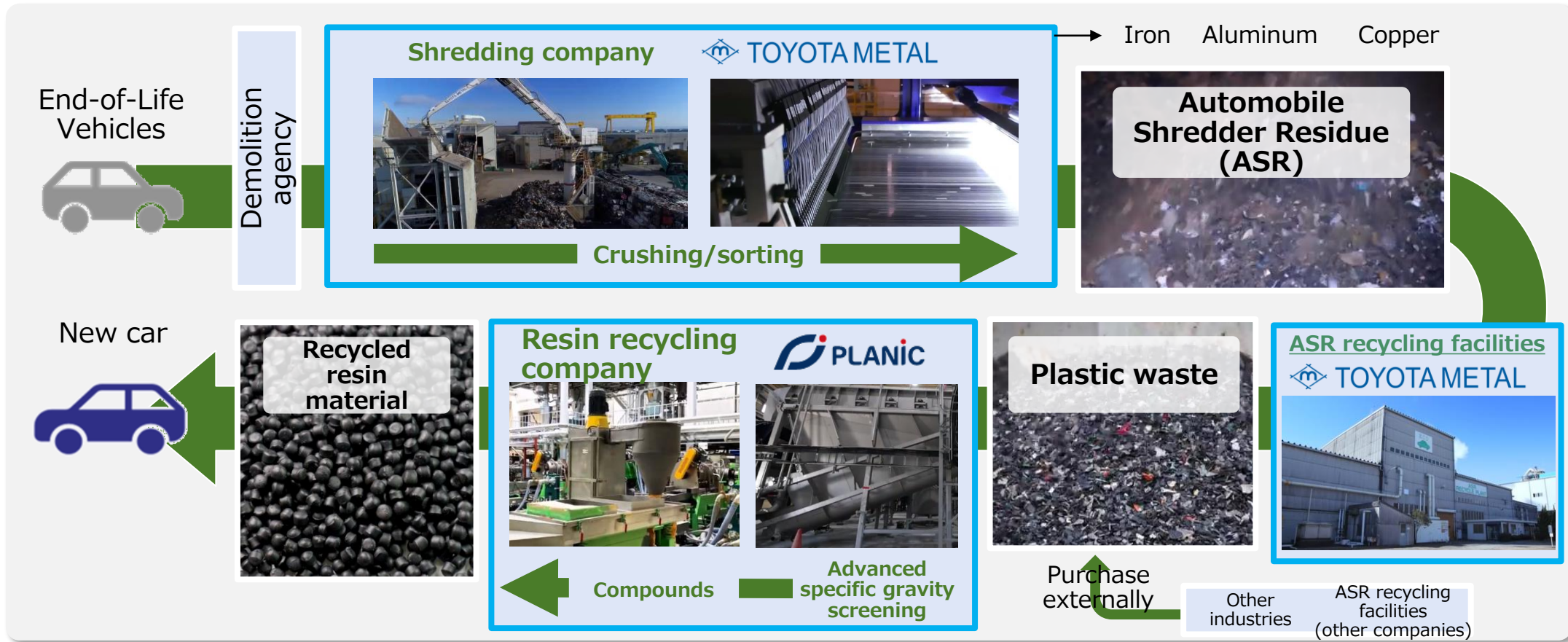
**Working with the Toyota Group to connect arteries and veins and
contribute to sustainable manufacturing**

Circular Economy: Plastic Recycle Car to Car

Priority Areas Linked
to Materiality



Car-to-Car recycling initiative of automotive-derived plastic



**Contribute to Japanese manufacturing with eco-friendly,
high-quality recycled plastic**

Circular Economy: ELV Recycle

Priority Areas Linked
to Materiality



ELV proper treatment/resource recycling business in India

Maruti Suzuki Toyotsu India



The state of end-of-life vehicle disposal in India



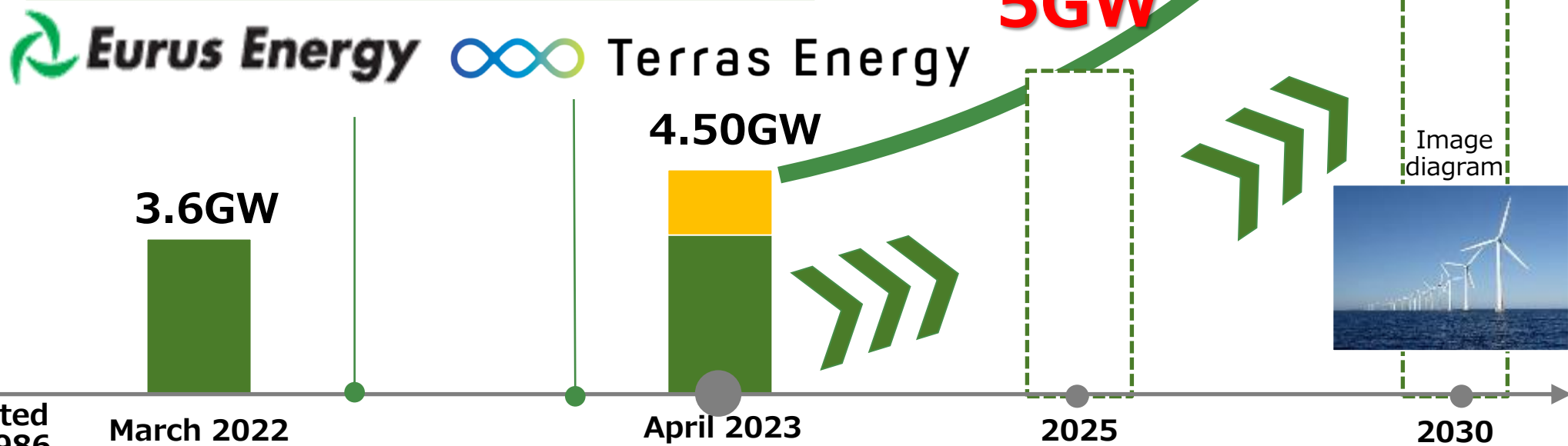
Japanese style environmentally friendly
demolition operation

Aiming to be India's No. 1 eco-friendly recycler

Renewable Energy/Energy Management



By power resource		
	March 2022	April 2023
Wind force	2.97 GW	3.18 GW
Solar	0.34 GW	1.02 GW
Hydro	0.27 GW	0.27 GW
Biomass	0.02 GW	0.02 GW
Grand total	3.61GW	4.50 GW



Securing a stable source of renewable energy and laying the groundwork for a leading company

Renewable Energy/Energy Management: Scope

Priority Areas Linked to Materiality



(i) Expansion of renewable energy capacity



Wind force



Solar



Development other than wind and solar

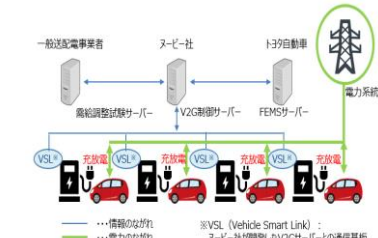
(ii) Power stabilization



Northern Hokkaido storage batteries business



Energy platform business



V2G business

(iii) Strengthening human resources / functions

Pursue synergy between SB Group, which has strengths in AI/IoT, and us



Ensure superiority by professionals running a variety of power sources and stabilization functions

Renewable Energy/Energy Management: Expansion capacity/Power stabilization

Priority Areas Linked
to Materiality



Eurus Energy Holdings becomes wholly owned subsidiary

Executed on August 1, 2022

A major investment

of 185.0 billion yen

Acquired 40% stake from Tokyo
Electric Power Company

Maximize our expertise in
renewable energy development

Increased **mobility and
strategic flexibility**

Uniting our group to create added value
of offshore wind power and other
renewable energy

Record largest power generation/storage/transmission project in Northern Hokkaido

Power generation
business

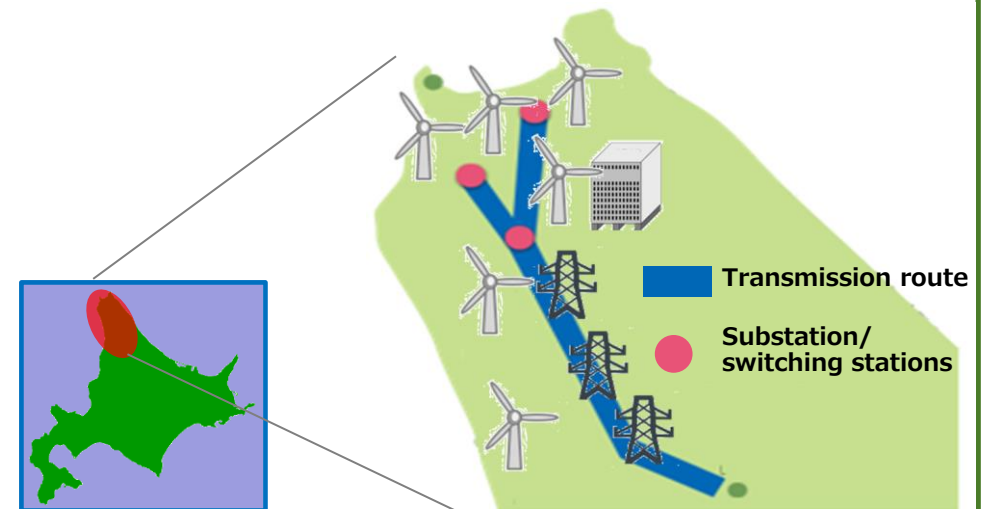
Interconnected wind power,
generation capacity: about
540MW

Storage business

**One of the world's largest
battery storage systems**

Power transmission
business

Transmission line length:
about 78km



Strengthening Japan's largest wind power generation business

Renewable Energy/Energy Management: Expansion capacity/Strengthening HR

Priority Areas Linked
to Materiality



Acquisition of 85% stake in SB Energy

Press release dated February 9, 2023

Maximize synergies between the two groups' renewable energy businesses and accelerate carbon-neutral initiatives

 **Terras Energy**

In addition to wind, it will be the largest **solar power** producer in the country

Diversification of power resources to further promote renewable energy and meet diverse market needs

Solar power generation PPA signed for Toyota Alabama plant

30MW of off-site power plant construction

Accelerate efforts to meet the re-energy needs of the Toyota Group, our major customer

(Image)



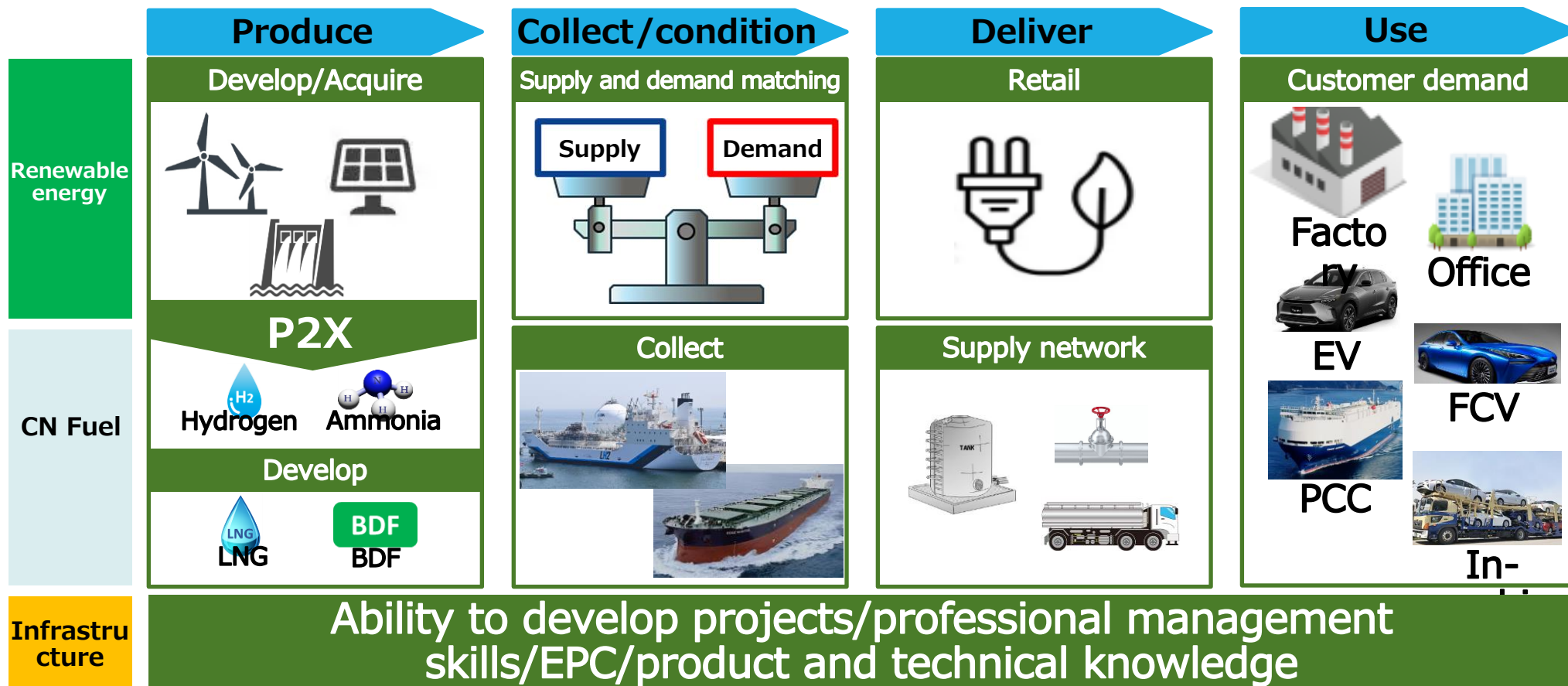
Providing clean energy to all customers, even with solar power



The world we create beyond what we want to be

Group corporate strength x partner collaboration

Building a customer-oriented supply chain



Community symbiosis/industrial development

Renewable Energy/Energy Management: Harmonious coexistence with the community

Priority Areas Linked
to Materiality



Ishinomaki delivery class
(Eurus Ishinomaki Wind Farm August 2022)



Lecture at Date-city Chosei University
(Eurus Date Kogane Wind Farm
November 2022)



Others: Acceptance of domestic tours (49 cases, 588 people), donations, contribution, etc. to relevant local governments, local high schools and tourist associations

**Listening to and being close to all voices of the local community,
we look to the future of symbiosis**



Materiality in the Area of Human Resources



Respect human rights

Nurture and utilize people

Actively working to develop human resources that contribute to society



Human capital management

Examples of initiatives

Acquisition of ISO30414 certification ▶ P31

Development of human resources ▶ P32

Promotion of glocalization ▶ P33

Organization development ▶ P34

Health management ▶ P35

Human rights due diligence ▶ P36



Acquisition of ISO30414 certification* (first wholesale business and second Asian business)

* ISO30414: Guidelines for information disclosure on human capital, consisting of 11 indicators (58 items)

Visualize human capital

ISO30414 Items

Exhaustive and global
standard measure



Items in the Securities Report

Items related to human
capital and diversity
(to be included in the Securities
Report for the 102nd fiscal year)



HC Report/acquired ISO30414 certification

Organized visualized human capital
information and human resources initiatives
and published as HC Report 2022



Acquisition of
ISO30414
certification
(2022/10/31)

Establish a mechanism for turning the PDCA cycle to strengthen human capital around ISO30414

Human Capital and Initiatives: Human resource development

Priority Areas Linked
to Materiality



Develop human resources aligned with short- and medium- to long-term business strategies

Human Capital and Initiatives: Globalization

Priority Areas Linked to Materiality

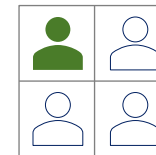


Continued implementation of the following through the Global Human Resources Committee



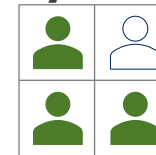
Appointment of local employees

[Current status]



23 posts
(+2 from the previous period)

[Positions that could be filled within five years]



67 posts
(+10 from the previous period)
Of which local associates with successors: **53** posts

* 205 posts of importance to consolidated management

Global post * Recruiting the right person through Management and succession planning



Organization development = promoting “Dialogue”

Skill development

Communication skills development program

Until Now

- Directions and orders
- Teaching
- Training

X Hybrid

Until Now

- Coaching
- Empowerment
- Feedback

Structure creation

Use of engagement survey

- Discussion based on survey results



Ikiwaku Project

- Activities to revamp working habits to respect initiative and improve productivity

Creating an environment

Office reform

- To “Walking, meeting, and innovating”



**An airy organization by emergence, resonance,
and fostering diversity**

Human Capital and Initiatives: Health management

Priority Areas Linked
to Materiality



Selected under Health & Productivity Stock Selection for three consecutive years (first wholesale acquisition)

**White 500
Up to 500 corporations**

**Health & Productivity Management
Outstanding Organization**

**Health &
Productivity Stock
Selection
Principle 1 company
per industry**

[Our results]

	FY2018	FY2019	FY2020	FY2021	FY2022
Certification	White 500	Health & Productivity Management Outstanding Organization	Health & Productivity Stock Selection	Health & Productivity Stock Selection	Health & Productivity Stock Selection

To a company where employees are healthy and can reach their full potential

Human Capital and Initiatives: Human Rights Due Diligence

Priority Areas Linked
to Materiality



FY2022

FY2023

Revision of
Human Rights
Policy

Mandatory DD for
human rights when
making investment
decisions

Human rights due diligence
(human rights DD)

Primary risk
assessment

Questionnaire
survey

Hearing / actu
al inspection

All consolidated
subsidiaries
Periodic
implementation

Revised
Sustainability
Behavioral
Guidelines

(Non-consolidated)
Dissemination of
the "Behavioral
Guidelines"

(Consolidated
subsidiaries)
Dissemination of
the "Behavioral
Guidelines"

Start of human
rights DD

Consolidated
subsidiaries

Supply chain

**Implementation of human rights DD at all consolidated subsidiaries.
Implement human rights DD for supply chain in the future**



Safety

Ensuring the safety of all workers involved



The obvious “I’m going”
and the obvious “I’m home”

Examples of initiatives

Watch, touch and learn about danger in the safety experience workshops



Compliance



COCE, for the Future

Global Code of Conduct & Ethics

Global Code of Conduct & Ethics (COCE)

Examples of initiatives

Compliance Days



Global whistleblower system
“SPEAK UP”



Safety and compliance are the gateway to all work

Will the children ask:
"Was Earth once blue?"

Our corporate group has been striving for decarbonization for decades before "carbon neutral" came into vogue.

Toyota Tsusho: Creating and passing on a better global environment to the children of the future.

Be the **Right ONE**



TOYOTA TSUSHO

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(Tokyo Head Office)

TEL 03-4306-8201

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