



Be the **Right ONE**

Three Years Management Plan (FY2020 to FY2022)

April 30, 2020

Toyota Tsusho Corporation

- 1. Review of Three Years Management Plan (FY2017- FY2019) P2**
※Released May, 2017

- 2. Three Years Management Plan (FY2020 - FY2022) P7**



Be the **Right ONE**

- 1. Review of three years management plan
(FY2017- FY2019)
※Released May, 2017**

Review of Three Year Management: Quantitative aspect

(Unit : billion yen)

	[Released May 2017] FY 2020 Targets	Results	
Profit	130.0	135.5	Achieved
ROE(%)	10-13%	11.3%	Achieved
Net interest-bearing debt (NET)	1,100.0	※ 1,032.4	Achieved
Net DER	Within 1.0 times	※ 0.86 times	Achieved
RA/RB	Less than 1.0	0.8	Achieved
Free Cash Flow	Surplus	+93.9 Operating Act.CF +267.8 Investing Act.CF (173.9)	Achieved
Shareholder return	<ul style="list-style-type: none"> • Payout ratio 25% or more • Steady increase in actual dividend 	FY2017 : ¥94 FY2018 : ¥100 FY2019 : ¥110	Achieved

Precondition

• Foreign exchange rate
• Oil price

¥ 100/US\$ • ¥110/Euro
50US\$/bbl

¥109/US\$ • ¥121/Euro
60US\$/bbl

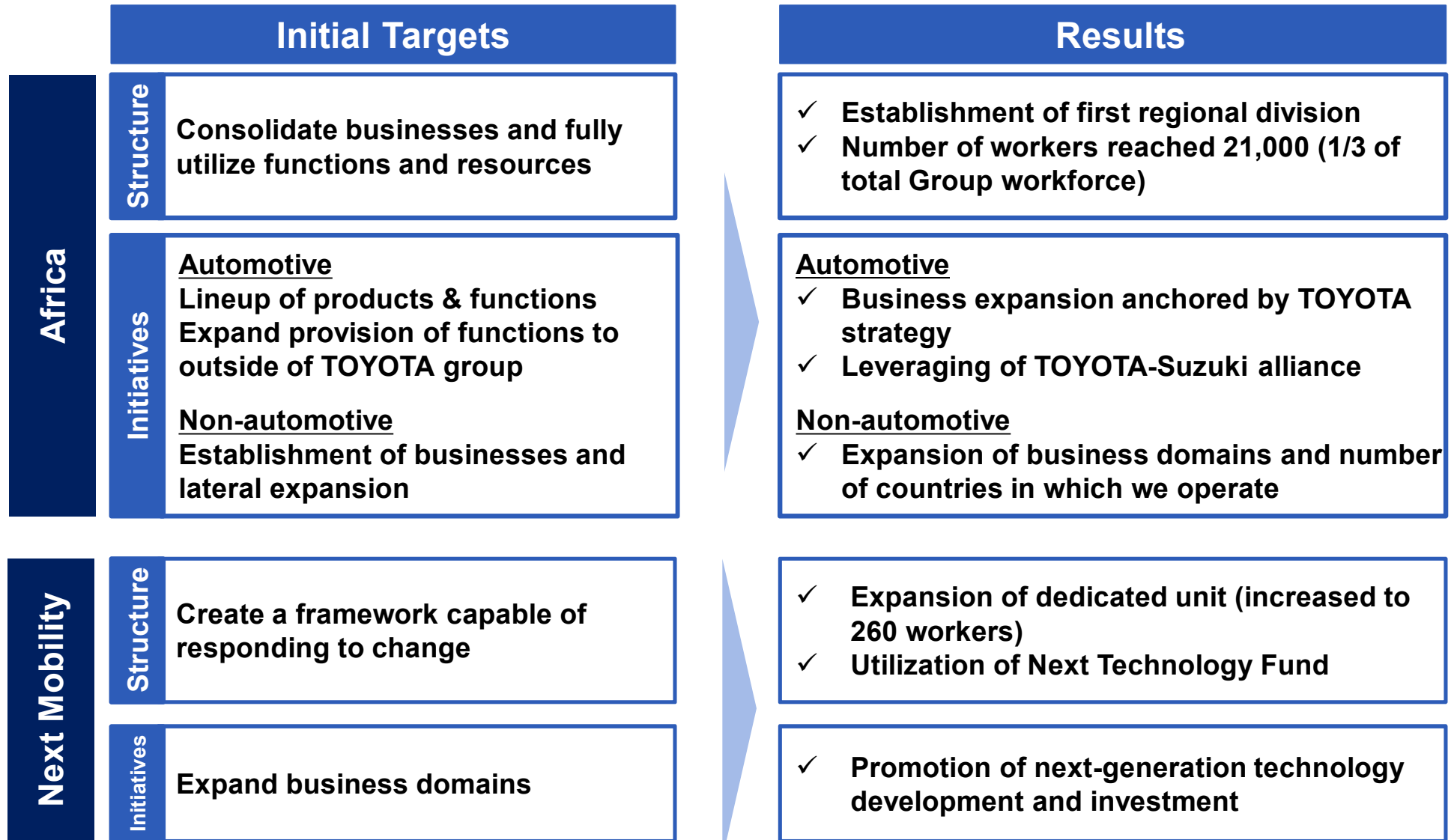
※Include lease debt of 110.3 billion yen

Review of Three Year Management: ESG

	Initial Targets	Results
E	Address societal issues through business activities	<ul style="list-style-type: none"> ✓ 2018: Identification of key sustainability issues (materiality) ✓ Re-designation of renewable energy businesses as priority areas
S	Create workplace environments in which employees can thrive	<ul style="list-style-type: none"> ✓ Promotion of “Ikiwaku”[※] activities and “Morning Win” ✓ More working style options ✓ Promotion of health management
G	Strengthen governance structure	<ul style="list-style-type: none"> ✓ Separation of management and execution ✓ Review of Board of Directors composition As of May 2017: 16 directors (of which, 3 are outside directors) From June 2020: 8 directors (of which, 4 are outside directors)

※ “Ikiwaku” = Activities to make high sustainable productive organization

Review of Three Year Management: : Focus Areas



Review of Three Year Management: : Investment

(Unit: Billion yen)

		Initial target FY2018-FY2019	Result FY2018-FY2019	Overview
investment		200.0	337.6	
	M	85.0	138.0	<ul style="list-style-type: none"> ✓ Increased capacity around automobile production ✓ Auto dealership business in South Africa. (CFAO)
	R&E	85.0	141.5	<ul style="list-style-type: none"> ✓ Wind power business (Eurus) ✓ Small and medium hydroelectric power generation business
	L&C	30.0	58.1	<ul style="list-style-type: none"> ✓ Retail business (CFAO) ✓ Electronics business



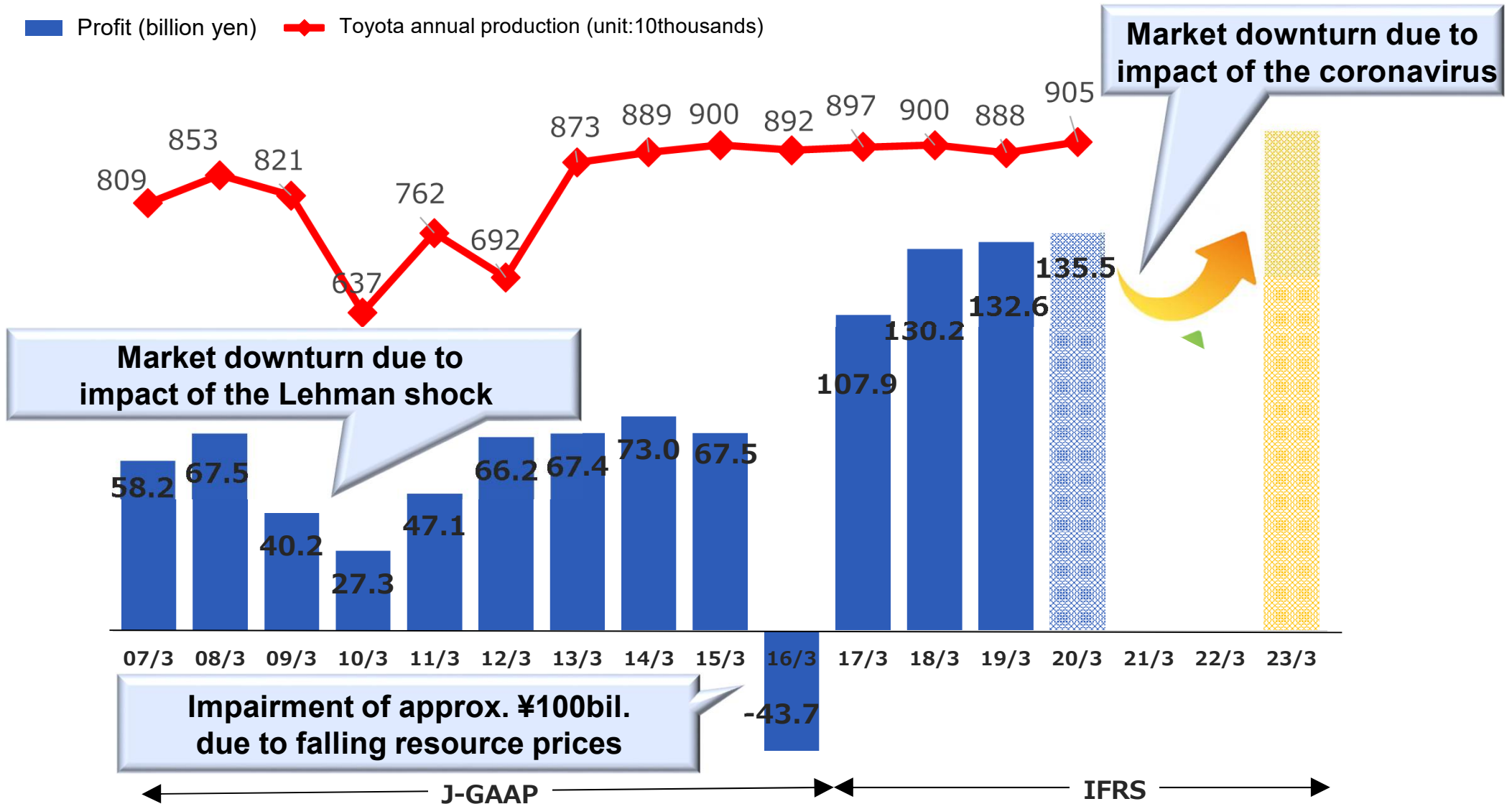
Be the **Right ONE**

2. Three Years Management Plan (FY2020 - FY2022)

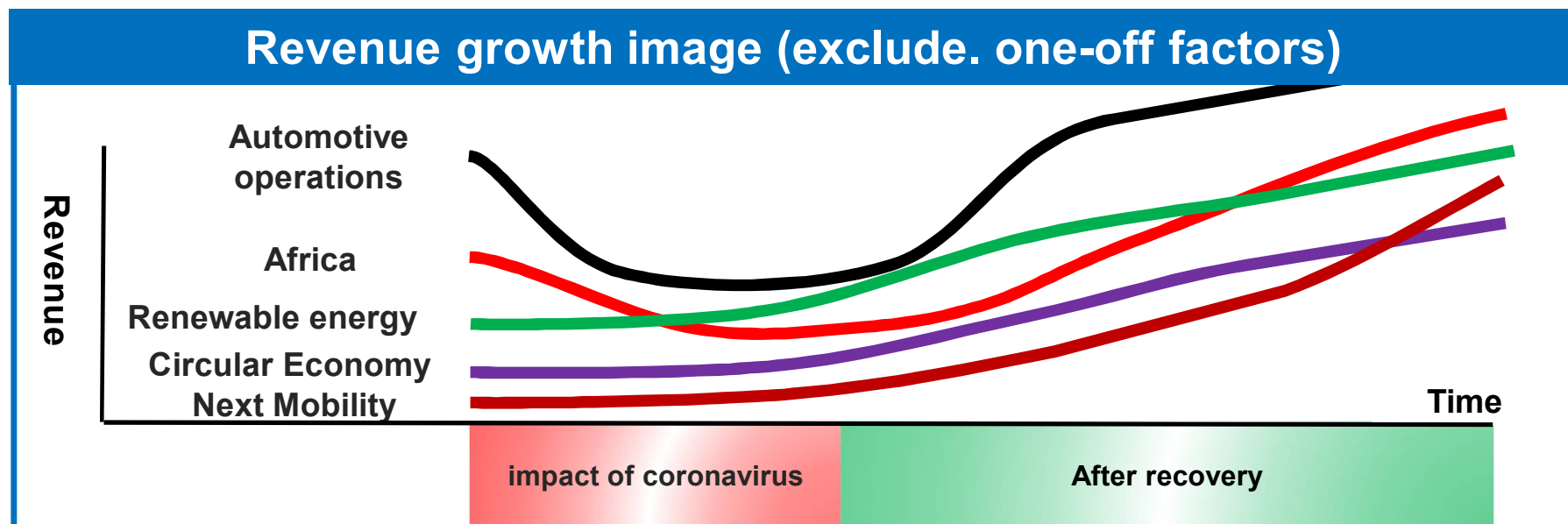
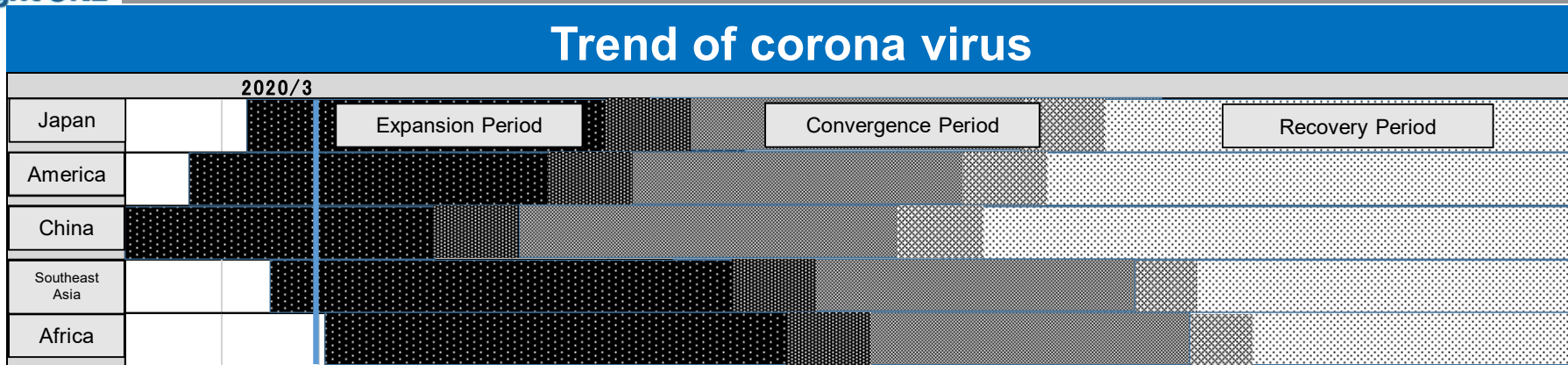
Formulating the Three Years Management Plan

Positioning: Overcome the impact of the coronavirus and jump up in three years from now

■ Profit (billion yen) ◆ Toyota annual production (unit: 10thousands)



Growth Image



Now is the time for defensive and offensive measures

- ✓ Withstand the impact of the coronavirus
- ✓ Prepare for post-pandemic world while remaining aware of market growth potential

Achieving our Company Vision



Company Vision 「Be the Right ONE」

Priority Areas

Next Mobility Strategy

Renewable Energy Strategy

African Growth Strategy

<New>
Circular Economy Strategy

Key Issues for Resolving Social Issues

6 CSR Material Issues

Four Measures for Supporting a Distinctively Toyotsu Group Surge

Nurture further growth in established lines of business

Nurture regional business proposals hatched locally

Promote global Diversity & Inclusion

Respond to technological progress

Toyota Tsusho Group Way

On site, hands on, in touch

A passion for business

Team power

Accelerate Measures



Globalization



Digitalization

CSR Materiality for the Toyota Tsusho Group (Material Issues)

Next Mobility Strategy

contribute to the creation of a safe and comfortable mobility society



Renewable Energy Strategy

Contribute to the transition to a low-carbon society



Circular Economy Strategy

Contribute to the development of a recycling-based society



African Growth Strategy

Grow with developing countries



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

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

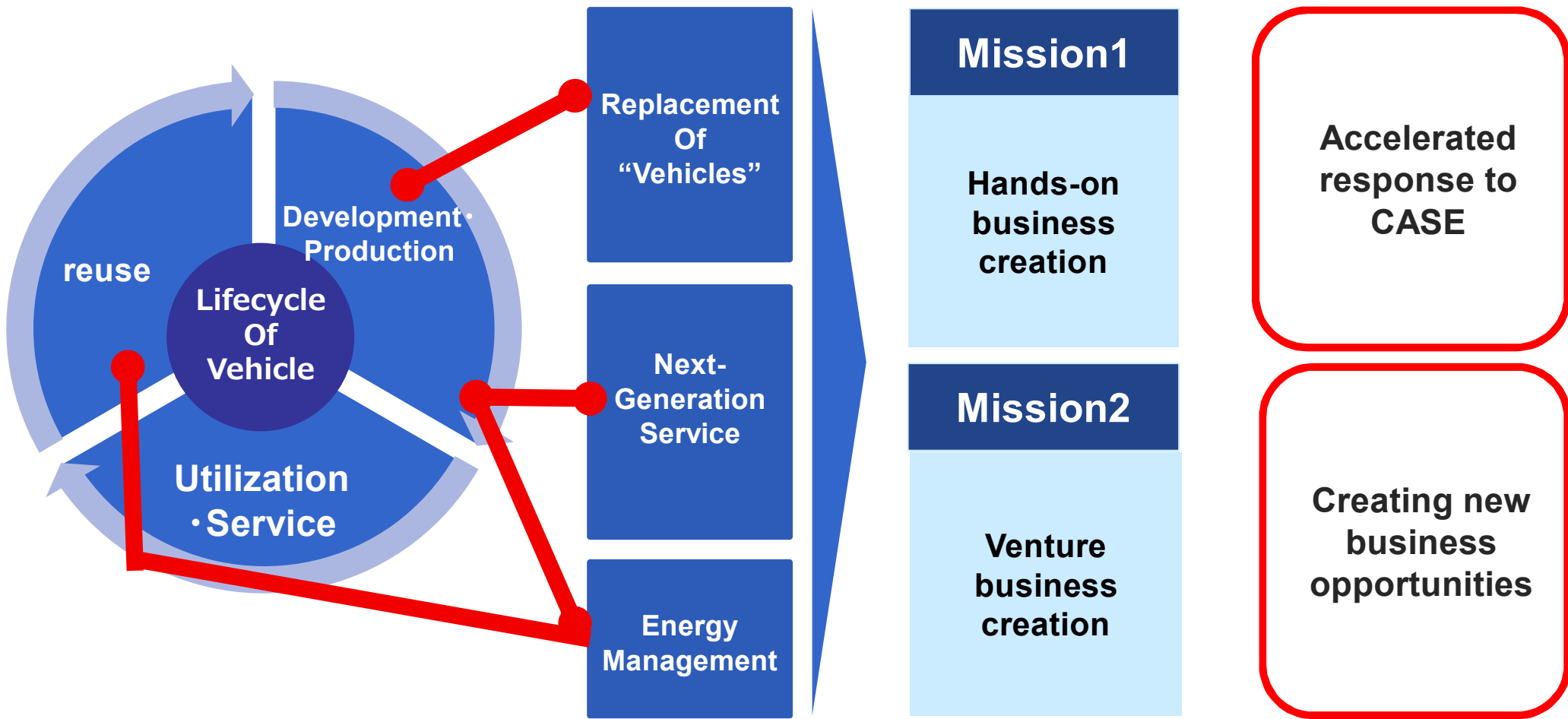
● TOP-priority Issues for both Solving problem and achieving Corporate Growth

● Top-priority Issues that Will Become Foundations for company Growth

“Be the Right ONE” in Next Mobility



Responding promptly to changes in the automobile environment and contributing to a safe and comfortable mobility society



“Be the Right ONE” in Next Mobility



Mission1 Hands-on Business creation

Replacement of “Vehicles”

Weight reduction
Electrification

➤ Proposal solving all value chains process

Materials → Parts → Assembly → Collection → Reuse Recycling

<e.g.>

Aluminum processing

Build a Future
ASTER

Innovative motor coil

Low loss soft magnetic Material development

Next-generation services

Mobility services
Connected

➤ Providing technical services related to Vehicles

User Console

Data Storage Analysis

Vehicles

Energy management

Fuel cells/
Hydrogen

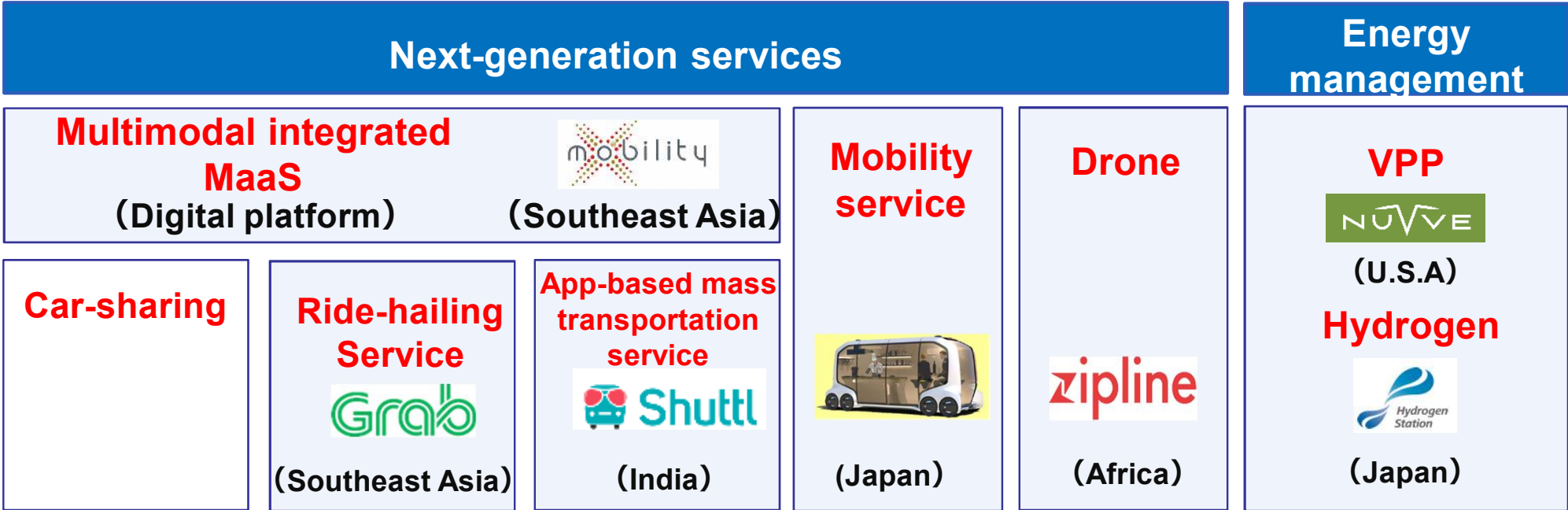
➤ Strengthen sales function of fuel cell stack


➤ Establish the model for spreading infrastructure of hydrogen

“Be the Right ONE” in Next Mobility



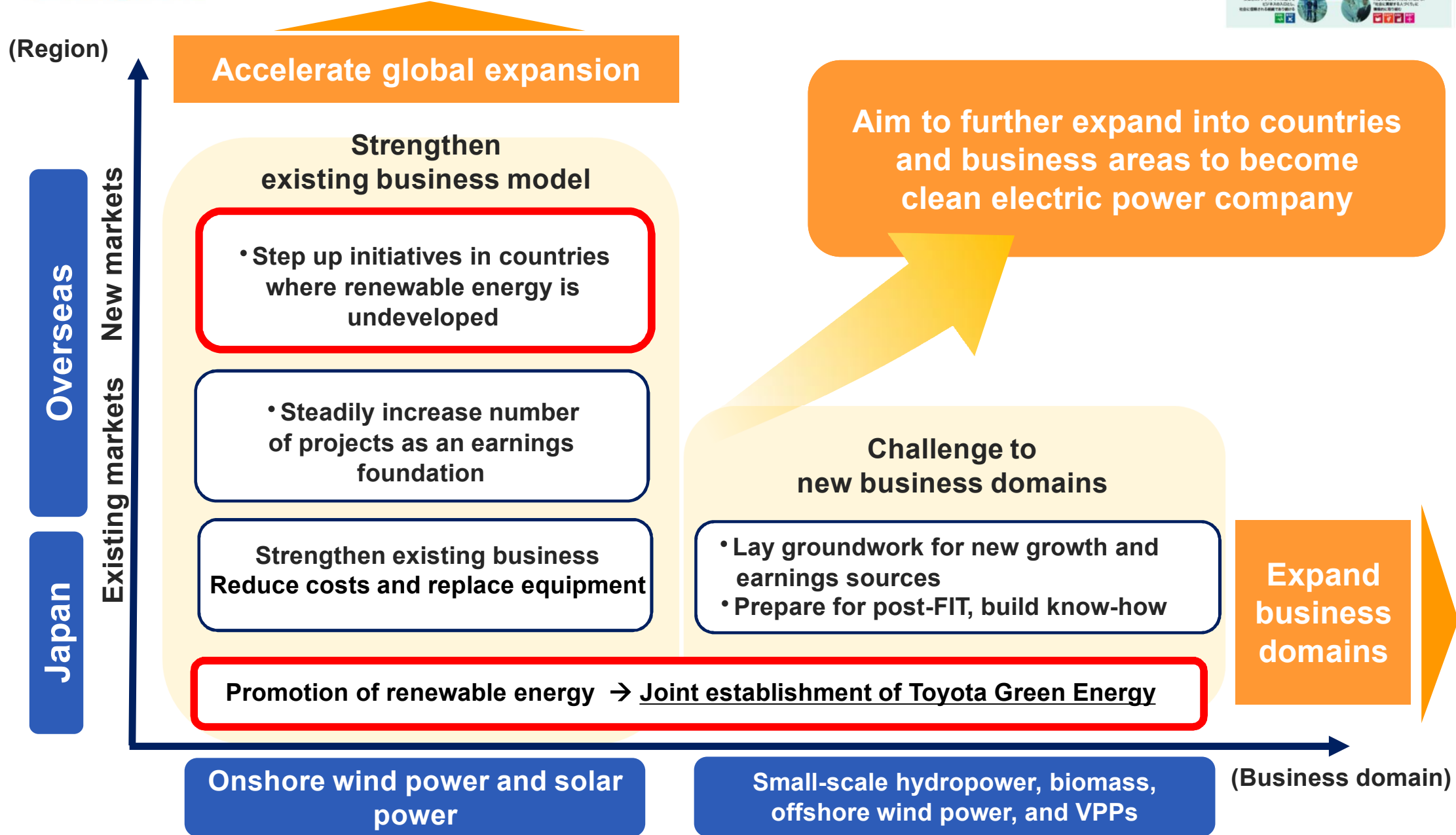
Mission2 Accelerate the creation of venture businesses by utilizing funds



 Our approach area

- ① NEXT Technology Fund : Flexible investments in Innovative technology, patents, new services
- ② Mobility 54 S.A.S. : Investment in innovative mobility startup Company in Africa

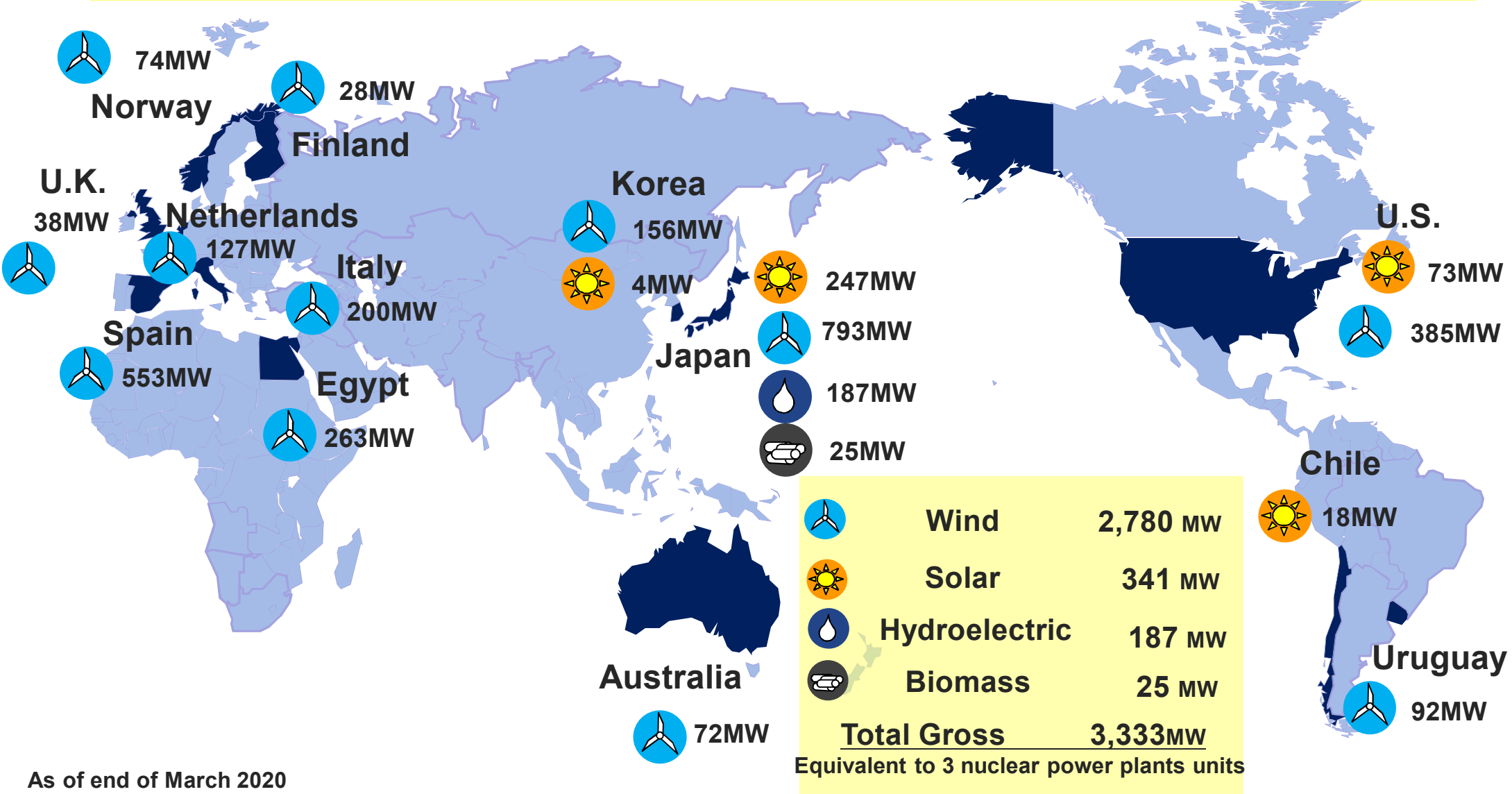
“Be the Right ONE” in the Renewable Energy



“Be the Right ONE” in Renewable Energy



Expanding stable renewable energy to the world

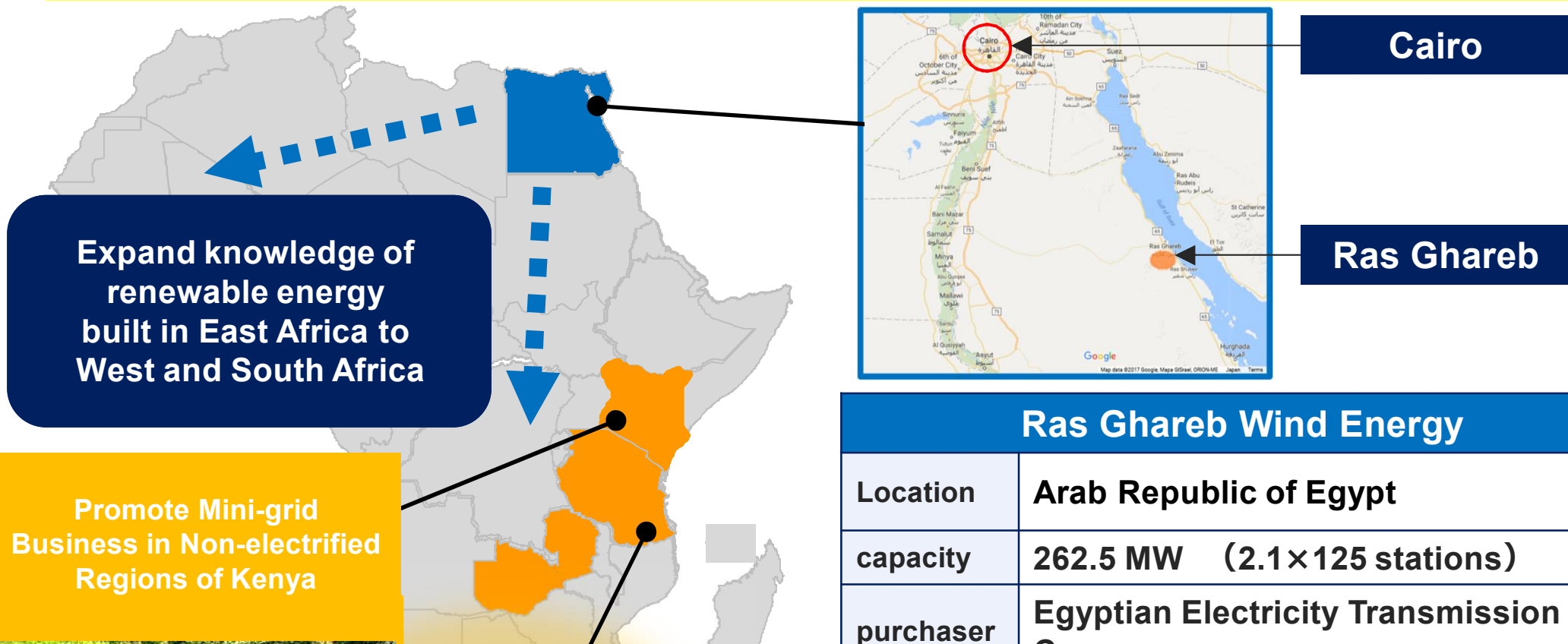


As of end of March 2020

“Be the Right ONE” in Renewable Energy



Expanding more clean and low-cost energy business in Africa



Promote Mini-grid Business in Non-electrified Regions of Kenya



Wind business development by wind condition analysis and Electric-generating forecast

Ras Ghareb Wind Energy	
Location	Arab Republic of Egypt
capacity	262.5 MW (2.1×125 stations)
purchaser	Egyptian Electricity Transmission Company
Start	October 2019
Shareholders	TTC, Eurus Energy, Engie SA, Orascom Construction SAE
Term	20 years

“Be the Right ONE” in Renewable Energy



Contributing to the rollout of renewable energy in the Toyota Group through an alliance with TOYOTA and Chubu Electric power

TOYOTA
 ✓ Formulation of policy direction, etc.

Joint establishment of Toyota Green Energy

Establishment	July 2020 (scheduled)
Investment ratios	TOYOTA 50%, Chubu Electric Power 40%, Toyota Tsusho 10%
Business	Acquisition and operation of renewable energy sources in Japan (with the future aim of supplying energy to the Toyota Group)

Contribute by harnessing 30 years of power plant management know-how

Chubu Electric Power
 ✓ Technical support for power plant operations, etc.

Toyota Tsusho
 ✓ Acquisition and operation of power plants, etc.

“Be the Right ONE” in Africa



To develop local communities “With Africa for Africa”



Mobility strategy

1. Toyota & Suzuki Business ~Strengthening Toyota's Business through Six Pillars~

- | | | |
|--|---|----------------------------------|
| <p>① Strengthen Product Lineup</p> | <p>② Build KD (Knock-Down) Business</p> | <p>③ Optimize Supply Network</p> |
| <p>④ Strengthen Total Fleet Management (B2B)</p> | <p>⑤ Strengthen TOYOTA Operations (B2C)</p> | <p>⑥ Expand Value Chain</p> |



Mobility strategy

2. South African Business

Acquisition of Unitrans



Established
In 1920



6,100
employees



3
Countries
South Africa,
Namibe &
Botswana



99 multi-brand
dealerships



33,000
New cars



32,000
used



€1.5bil
revenue



Largest Toyota dealer in South Africa

Transfer of Toyota operations

Area	New car market (1000 Units)	Toyota Sales (1000 Units)
North Africa	540	30
Sub-Sahara	160	50
South Africa	540	130
Total	1,240	210

Of these, Unitans handles 16000 units (12%).

Increased handling of Toyota vehicles mainly in North Africa and Southern Africa

Aiming to Increase Market Share in Africa's Largest Market



Mobility strategy

3. Challenging new business

	<p>AUTOMARK (Certified Toyota used vehicle sales)</p>	<p>12 countries ↓ 2 years 30 countries</p>
	<p>Handling of general-purpose parts (Maintenance of parts supply network)</p>	<p>2 countries(21 stores) ↓ 2 years 21 countries(60 stores)</p>
	<p>AutoFast (Automotive maintenance JV with TOTAL)</p>	<p>6 countries(19 stores) ↓ 2 years 14 countries(122 stores)</p>
	<p>UNITRANS</p>	<p>rental car insurance business</p>

Promotion of mobility eco-circle activities



Accelerating the development of new automobile businesses (MaaS) throughout Africa

“Be the Right ONE” in Africa



Non-mobility strategies

Pharmaceutical Business

- Beef up manufacturing business in North Africa and strengthen product imports
- Expand market share (currently 40%) and revenue in West Africa
- Expand sales channels in Southern Africa with a view to franchising



Consumer Material Business

- Retail: Step up initiatives for brands targeted at middle-income consumers
 Aim to increase number of stores to 49 (currently 10) in three years and move into profitability
- FMCG: Strengthen collaboration with key partners



Plant business

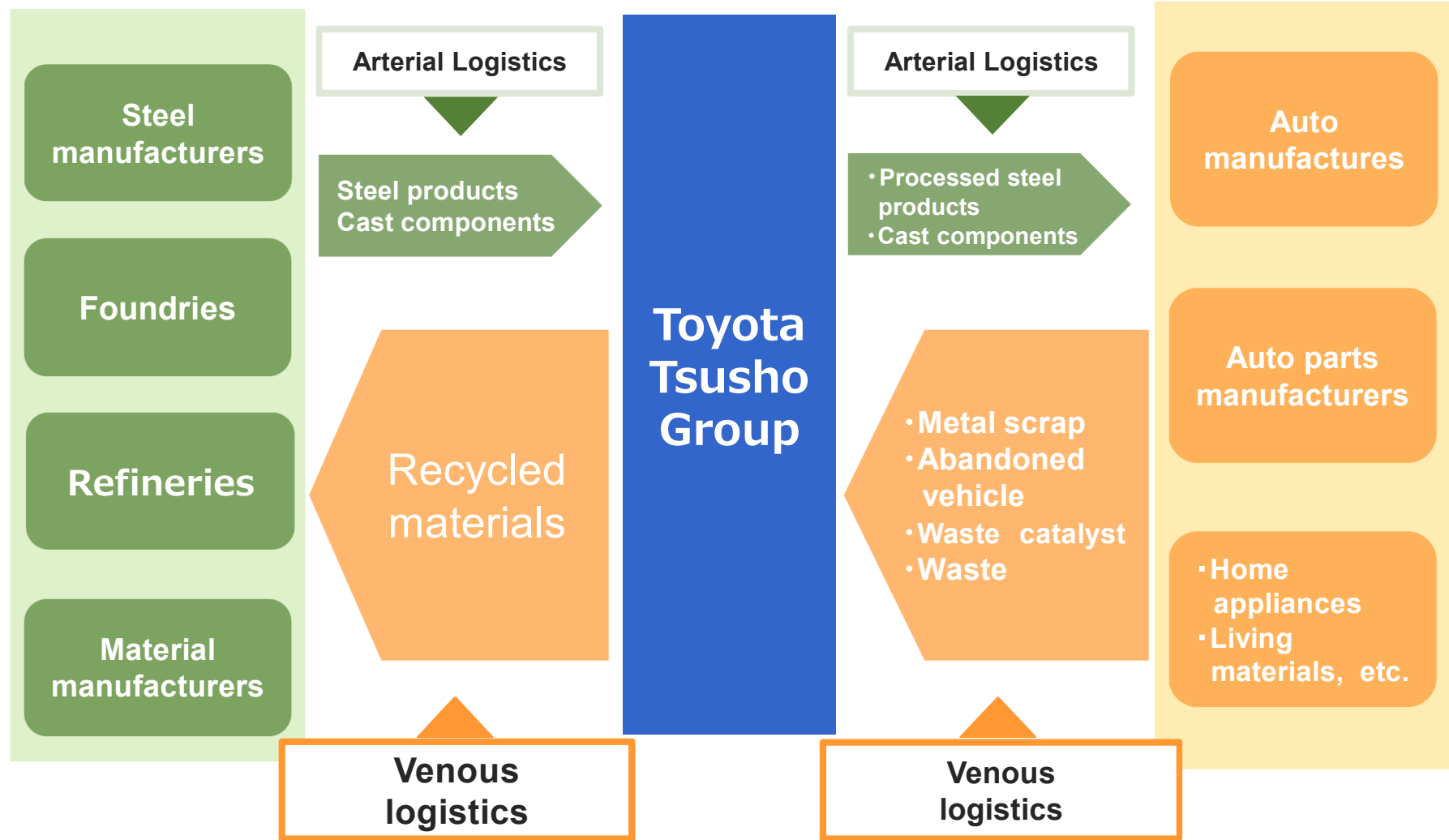
- Accelerate the expansion of ports and renewable energy businesses etc. where we boast strengths, such as in Kenya, Angola, and Sub-Saharan Africa



“Be the Right ONE” in Circular Economy business fields



contribute to Establishing a Recycling-Oriented Society



※ Arterial Logistics = Materials supply for consumption

※ Venous Logistics = Collection of spent resources for reuse and recycling, returned to manufacturers as recycled raw materials



< Our resource recycling business >

① Mobility

Vehicles/Parts



② Living materials

Household appliances / small appliances / Container / Paper



③ waste

Waste oil / sludge Medical abolition



Reduction

Waste reduction management in factories

Reuse

Batteries, Recycled parts

Resource

Metal Iron, Aluminum, Copper, Platinum, gold, etc.

Resin PP, PET, PE etc.

Others Paper, Construction materials, Fuel

Proper processing

Incineration, Neutralization

“Be the Right ONE” in Circular Economy business fields



① Mobility resource circulation

Recovery / disassembly

Crush / Sorting

Recycling

Dismantling



Crush



Iron

Copper

Aluminum



Neodymium magnet



Gold (Substrate)

Used parts

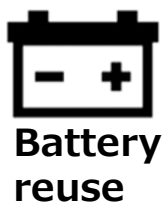


Non-ferrous sorting



Mix plastic

P26



Battery reuse

P27

Green Metals Japan, Inc.

(Ferrous scrap and non-ferrous metal scrap processing)

TOYOTA CHEMICAL ENGINEERING CO., LTD.

(Intermediate treatment of industrial waste)

TOYOTSU RECYCLE CORPORATION

(Collection and sale of metal)

JARA CORPORATION.

(Development and management of automobile recycling parts distribution system)

TOYOTA METAL CO.,LTD.

(Collection, processing and sales of metal scraps)

METAL DO CO., LTD.

(Rare metal recycling)

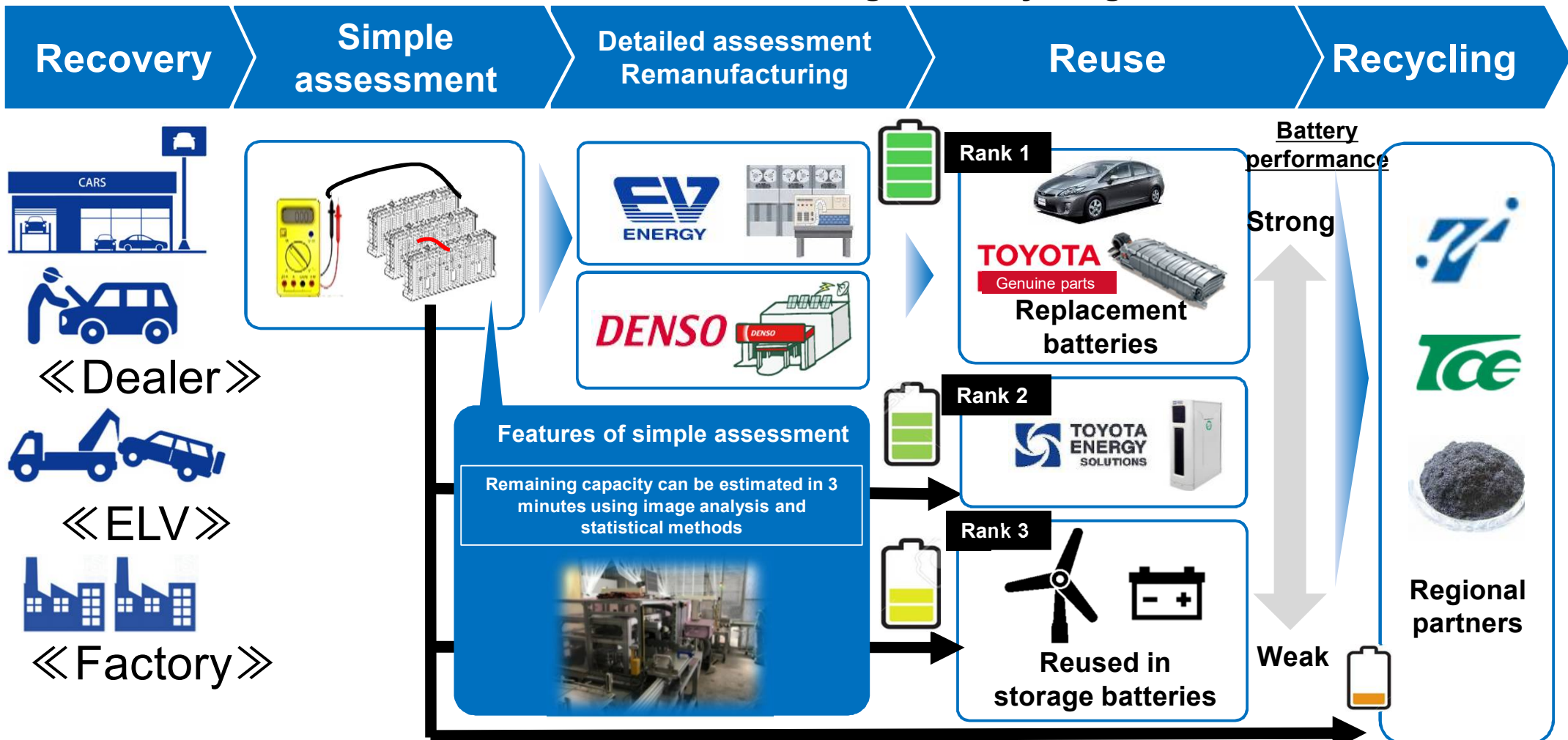
“Be the Right ONE” in Circular Economy business fields



(1) Mobility resources recycling

3Rs* for batteries

Ongoing construction and lateral deployment of 3Rs scheme for recovering and recycling NiMH batteries



*3Rs refers to “reducing”, “reusing”, and “recycling”

“Be the Right ONE” in Circular Economy business fields



② Resource circulation of living materials

Waste plastic



West Plastic

Establishment of Planic Co., Ltd.



The largest recycled plastic business company in Japan



Body under cover, etc.

Waste PET bottle

Pet Bottle



Scheduled to establish new company (May 2020)

Sorting → Crush → Washing → Pelletized



Contributing to a recycling –based society

Entering one of Japan’s biggest waste plastic and waste PET bottle recycling businesses

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Safety and Compliance

Respect human rights, and actively develop people who will contribute to society by nurturing them

Respect for human rights



New management system

(Scheduled after the General Meeting of Shareholders in June)



Improve the speedy making-decision to relate to management by streamlining

4 Inside Directors



Jun Karube
Chairman



Ichiro Kashitani
President & CEO



Hideki Yanase
Vice President



Takahiro Kondo
Vice President

4 Outside Directors



Kumi Fujisawa



Kunihito Koumoto

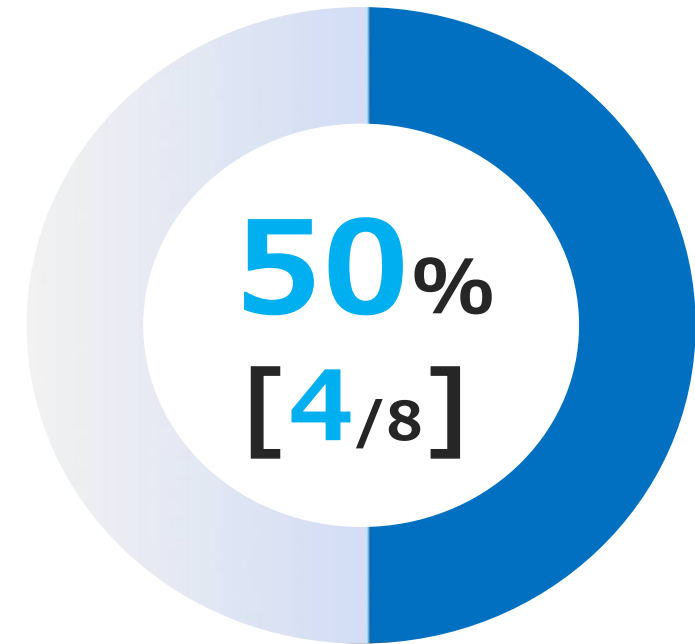


Didier Leroy



Yukari Inoue

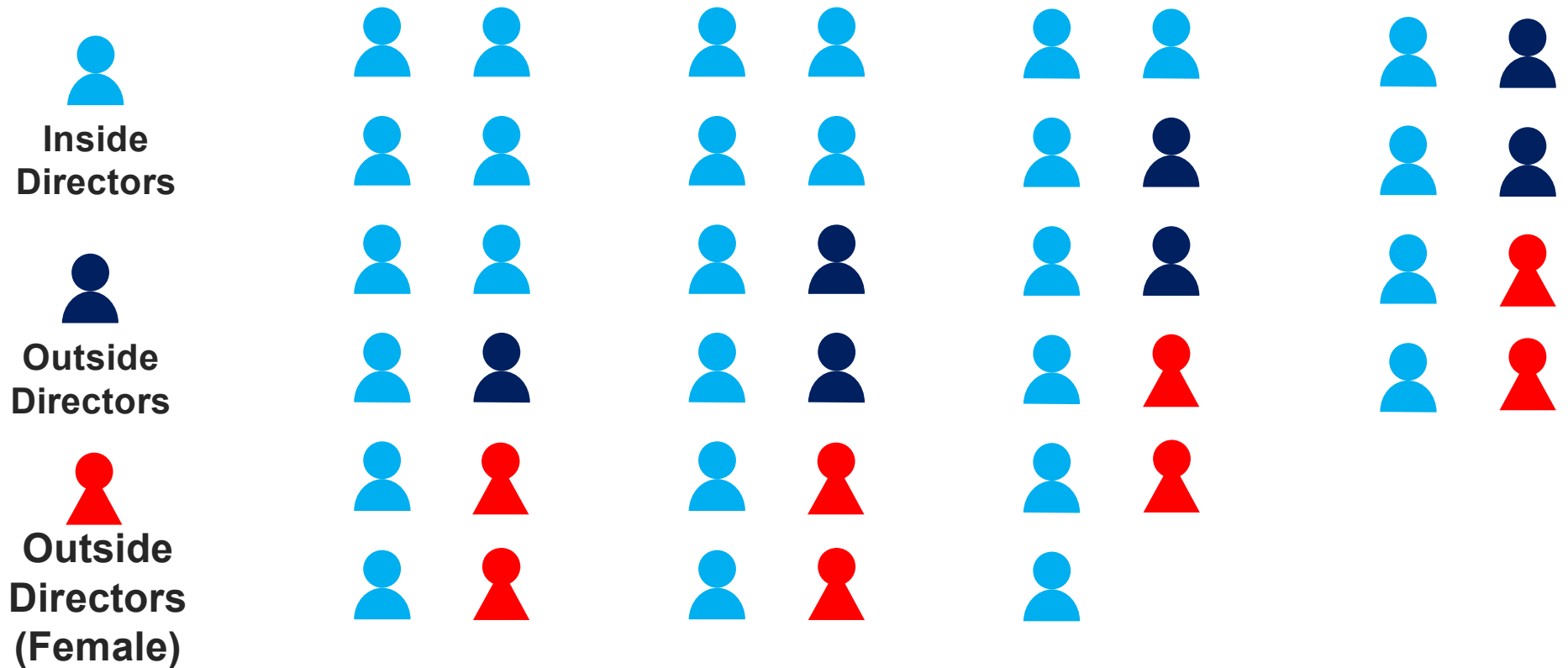
Ratio of Outside Directors



Changes in the structure of the board of directors



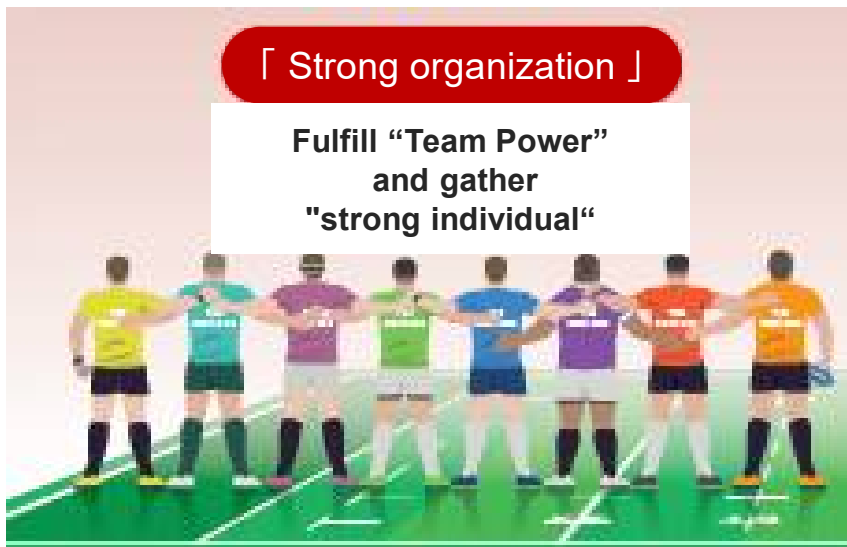
	FY2017	FY2018	FY2019	From June, 2020
Number of Directors	12	12	11	8
Ratio of Outside Directors (%)	25.0	33.3	36.4	50.0



Human resource development



From strong individual to Strong organization,
Aiming for our ideal image, "Be the Right One"



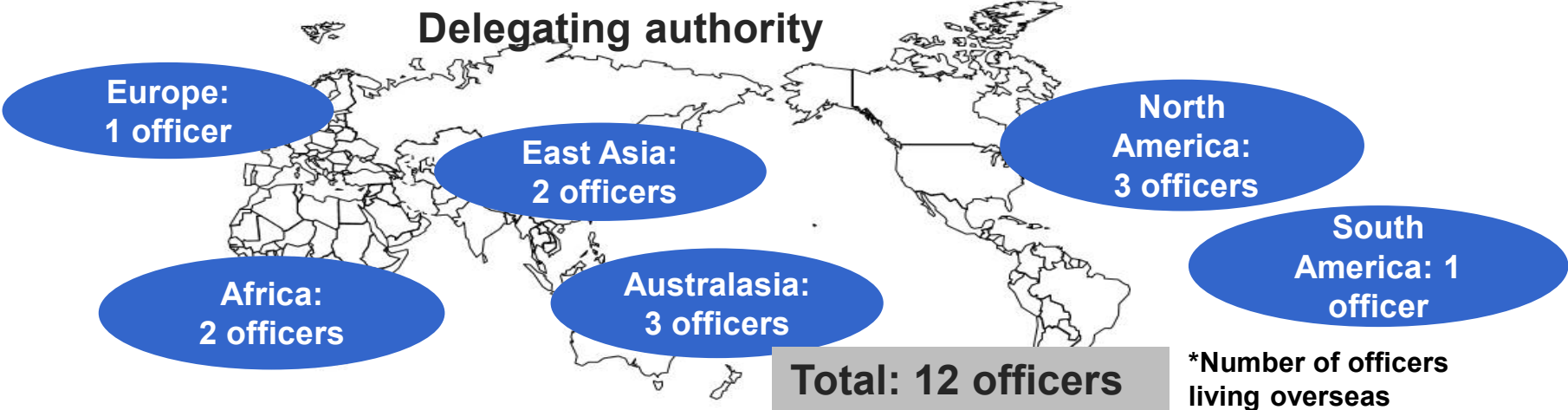
Be the Right ONE



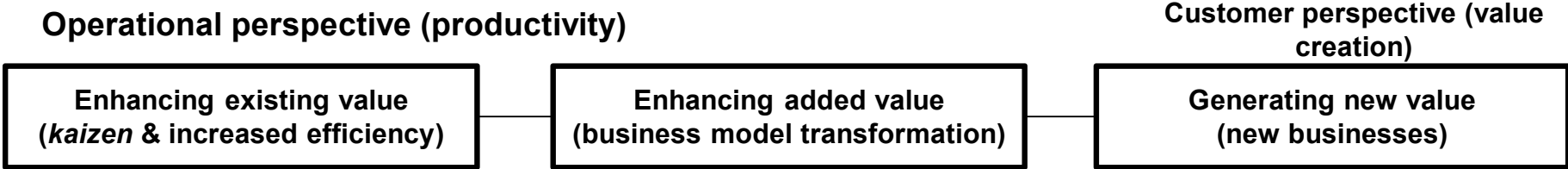


Pursuing globalization and digital transformation with the aim of becoming a more agile organization

Globalization | **Establishing autonomy and self-reliance**



Digital transformation | **Establishment of Digital Transformation Promotion Department, which will engage in close collaboration with all operating divisions**



- Creation of new role: Chief Digital & Technology Officer
- Activities at cross-company organizations mainly spearheaded by 50 employee-strong Digital Transformation Promotion Department

Investor Relations Group

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