



Be the **Right ONE**

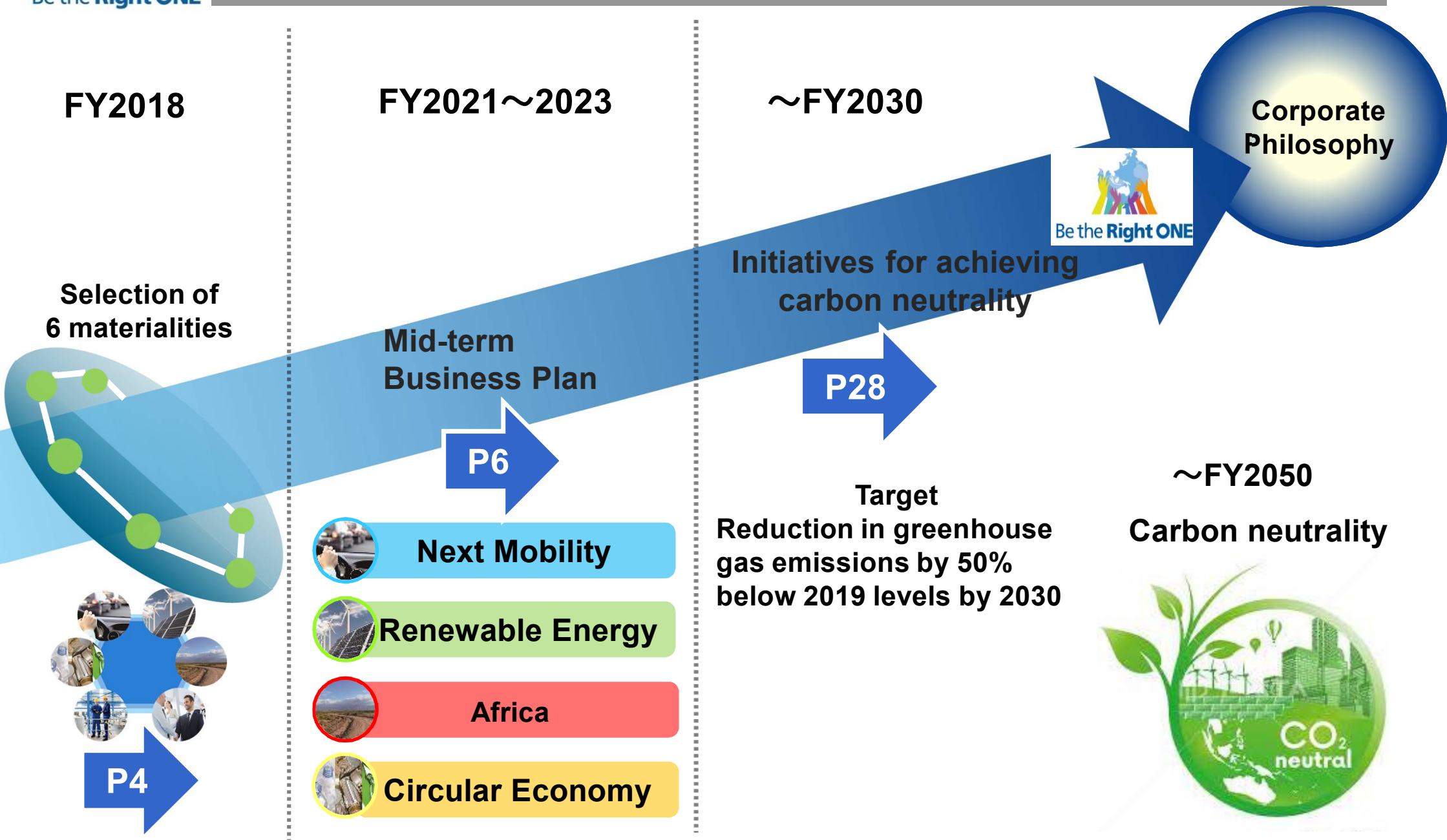
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# Achieving our Mid-term Business Plan for FY2023

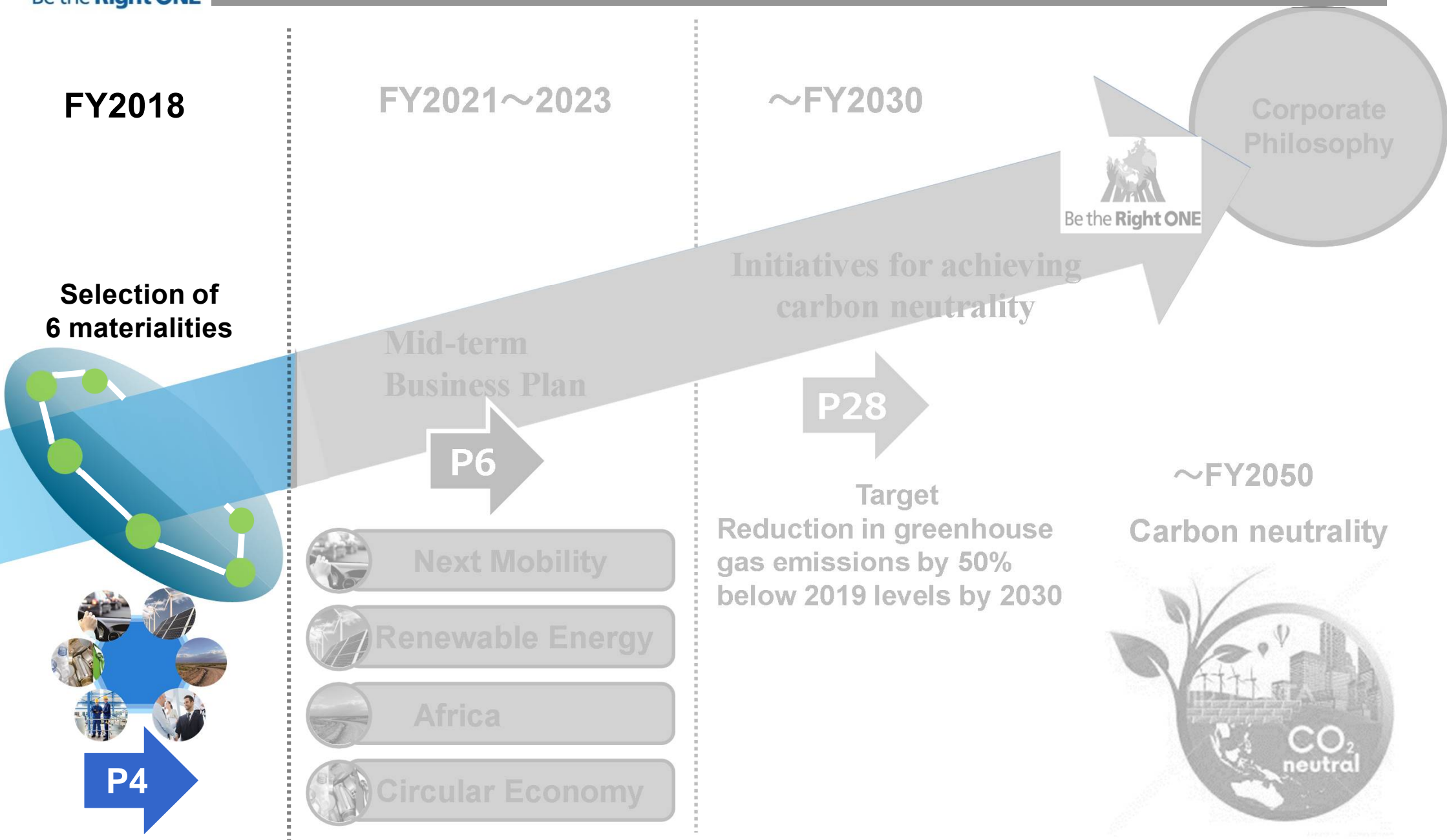
November 4, 2021  
Toyota Tsusho Corporation

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# Preface



# 6 materialities





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# Selection of 6 materialities

Contribute to the creation of a safe and comfortable mobility society

Contribute to the transition to a carbon neutral society



**Next Mobility Strategy**



**Circular Economy Strategy**



Contribute to the development of a recycling-based society

**Circular Economy Strategy**



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



Grow with developing countries and endeavor to resolve social issues

**African Growth Strategy**



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



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

# Mid-term business plan

FY2018

FY2021~2023

~FY2030

Corporate Philosophy

Selection of 6 materialities

Mid-term Business Plan

Initiatives for achieving carbon neutrality

P28



P6

Next Mobility

Renewable Energy

Africa

Circular Economy

Target

Reduction in greenhouse gas emissions by 50% below 2019 levels by 2030

~FY2050

Carbon neutrality



P4

# 【Re-Post】 Toward Achieving Mid-Term Business Plan Goals

Lean management  
amid the  
“new normal”



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We aim to be a irreplaceable,  
one-and-only presence  
for our business partners  
and stakeholders

Shift to strong  
Individual and  
strong  
organization

Accelerate  
materiality initiatives

Next Mobility  
Strategy

Renewable Energy  
Strategy

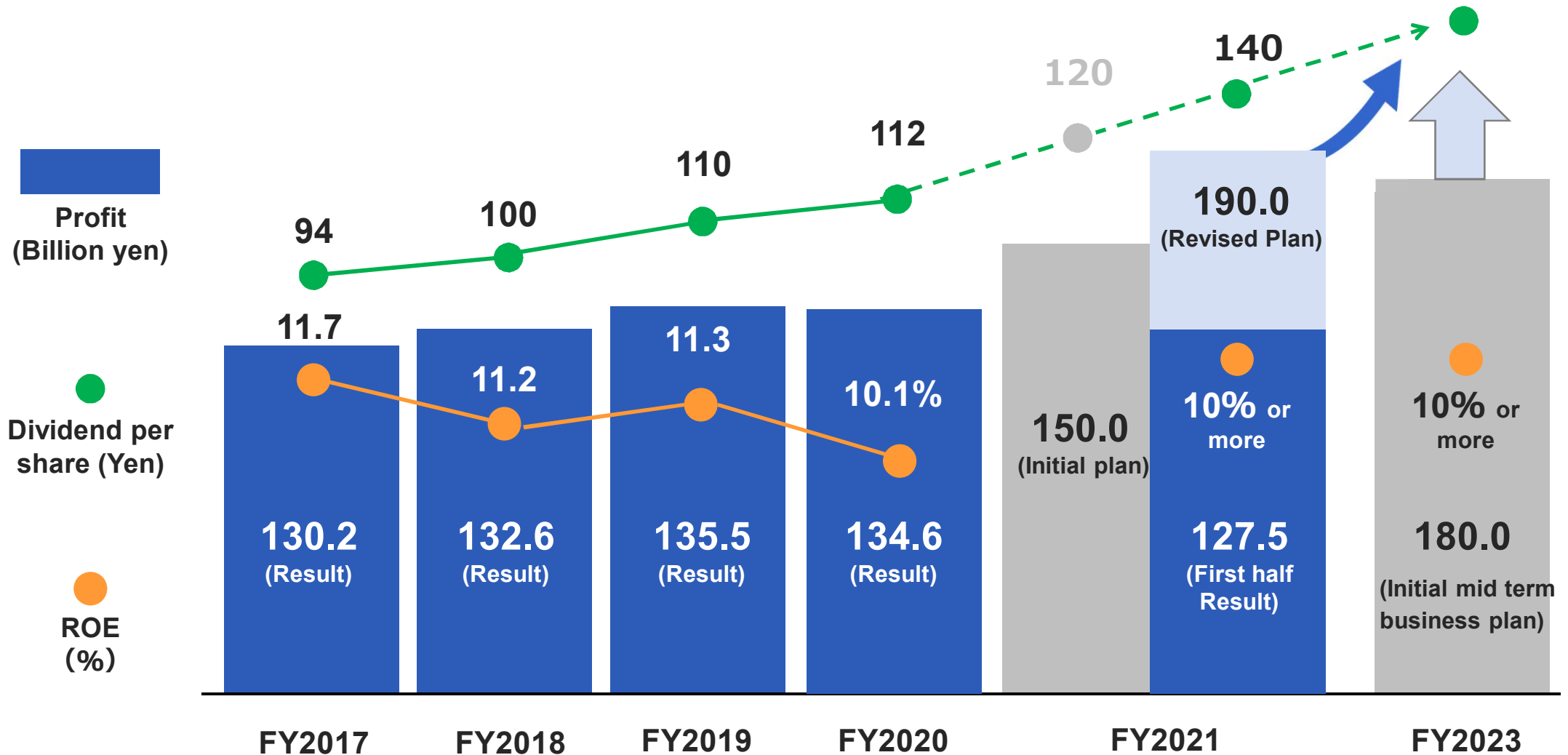
Circular Economy  
Strategy

African Growth  
Strategy

**Sustained growth during and after COVID-19**

# 【Re-Post】

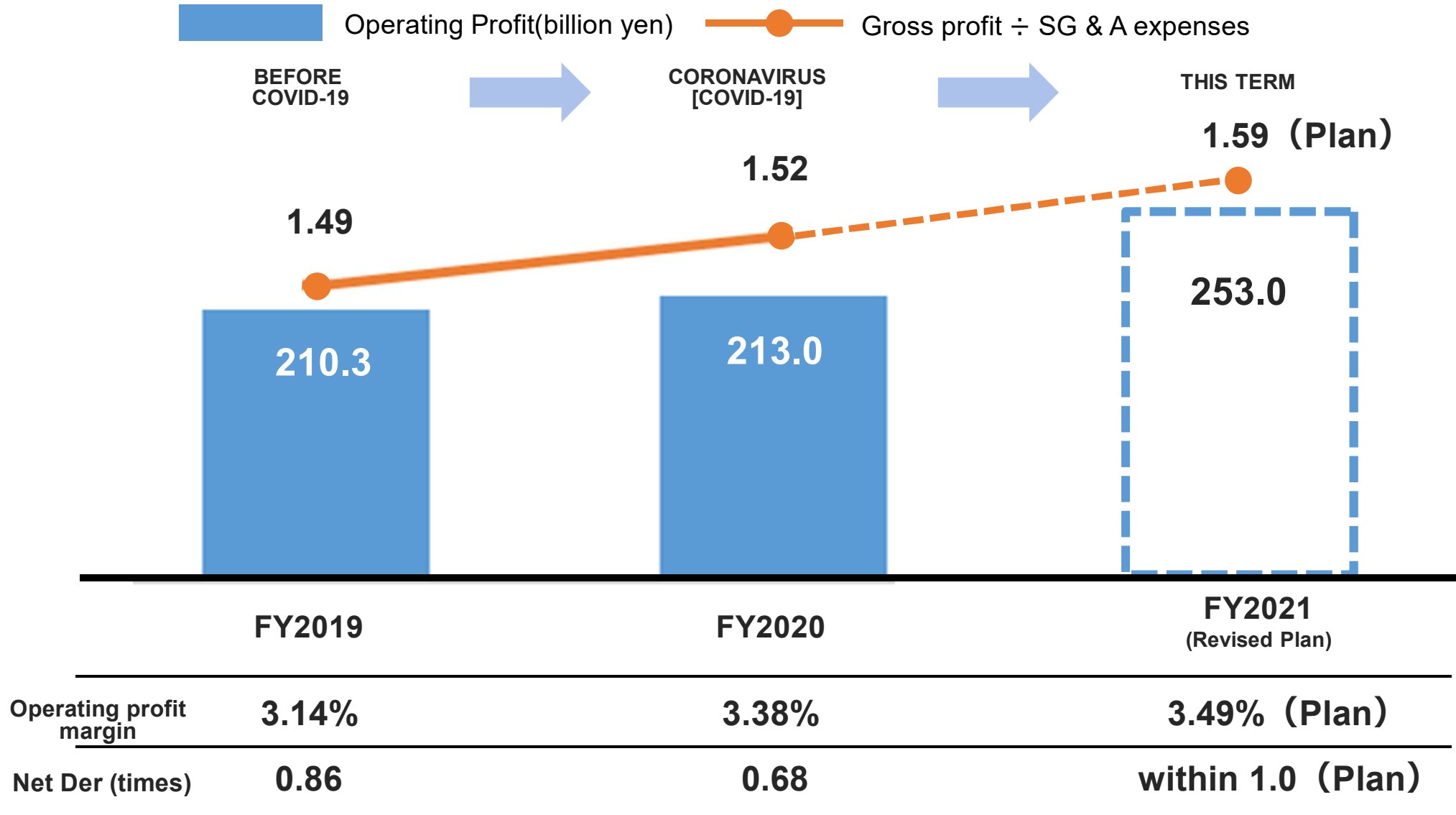
## Profit, cash dividends for the year per share, ROE



**Steady business management** focused on capital efficiency as well as continued profit growth and dividend increases

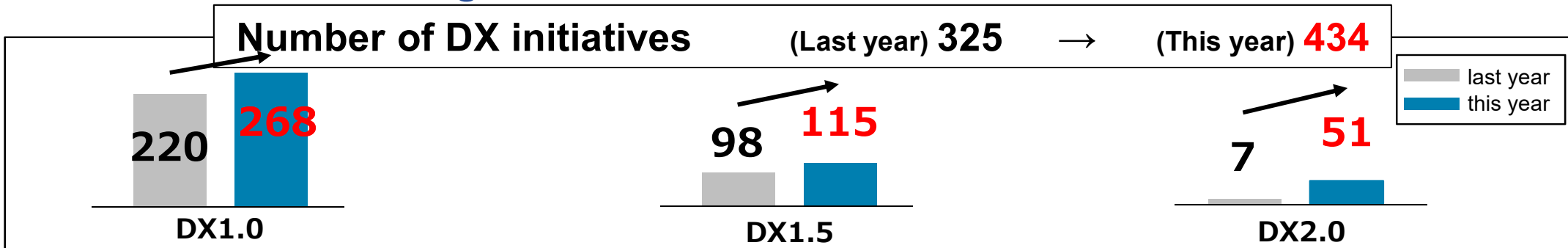


# Lean management amid the “new normal”



Monitoring various indicators and **promoting lean management**

# 【 Re-Posting 】 Toyota Tsusho's Digital Transformation (DX) Policy



**Advancing digital transformation, bolstering initiatives, more than 400 digital transformation initiatives currently in progress**



## Connecting, strengthening, and creating supply chains

### CONNECTED

Delivering an entirely new international transportation experience via a digital platform

- Logistics cost estimates in 10 seconds
- Carbon calculator visualizes CO<sub>2</sub> emissions

### SOLUTIONS

Providing professional services that strengthen supply chains

- Vendor to Vendor (V to V)
- Procure parts for mass production/Develop sales points
- Customs consulting
- Technoparks
- Business succession
- Decarbonization of packaging materials

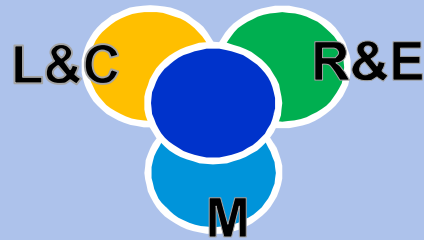
### INCUBATION

Open innovation platform (matching users) for the future mobility society

- A Toyota Group first
- Completely free
- Same-day project posting

Creating further added value for business partners and users in line with the motto **“Keep supply chains running”**

## Organic Business Investment: Over ¥150 billion



- Capacity expansion to meet increase in vehicle production



Preparing in anticipation for 10mn units

- Protect & strengthen supply chain



Resilience to COVID-19 impacts

**Bolstering unique Toyota Tsusho qualities**

## Priority Areas Investment: Over ¥250 billion



Next Mobility



Renewable Energy



Circular Economy



Africa

- C.A.S.E. response, resource recycling



Determining & developing our competitive advantages

- Renewable energy, lithium production/refining



Preparing for business expansion and launches

- Initiatives in Africa



Solving societal issues  
Support for startups

**Promoting measures to create competitive advantage**

**Steadily increasing investment in organic business & priority areas**

# Organic Business: Overview of Initiatives

## Bolstering Unique Toyota Tsusho Qualities

Development/  
Production preparation

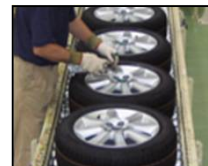
Procurement

Logistics/  
Assembly processes

Sales/Service

Steel blanking at new Alabama plant

Tire/wheel assembly at new Alabama plant



Image

Rendering of new plant in Alabama, USA,  
(currently under construction)

Image

Investment in Toyota Lexus dealerships

Purdy Motor S.A. (Costa Rica)



Organic business **growing steadily**



# ① Next Mobility



## Increase production of lithium carbonate

(raw material used in batteries)  
to prepare for increased demand



### Sales de Jujuy (Salar de Olaroz, Argentina)



Manufacturing plant being constructed to expand capacity

**33,000 tons**

13,000 tons



Targeting **150% increase**

2020

2023

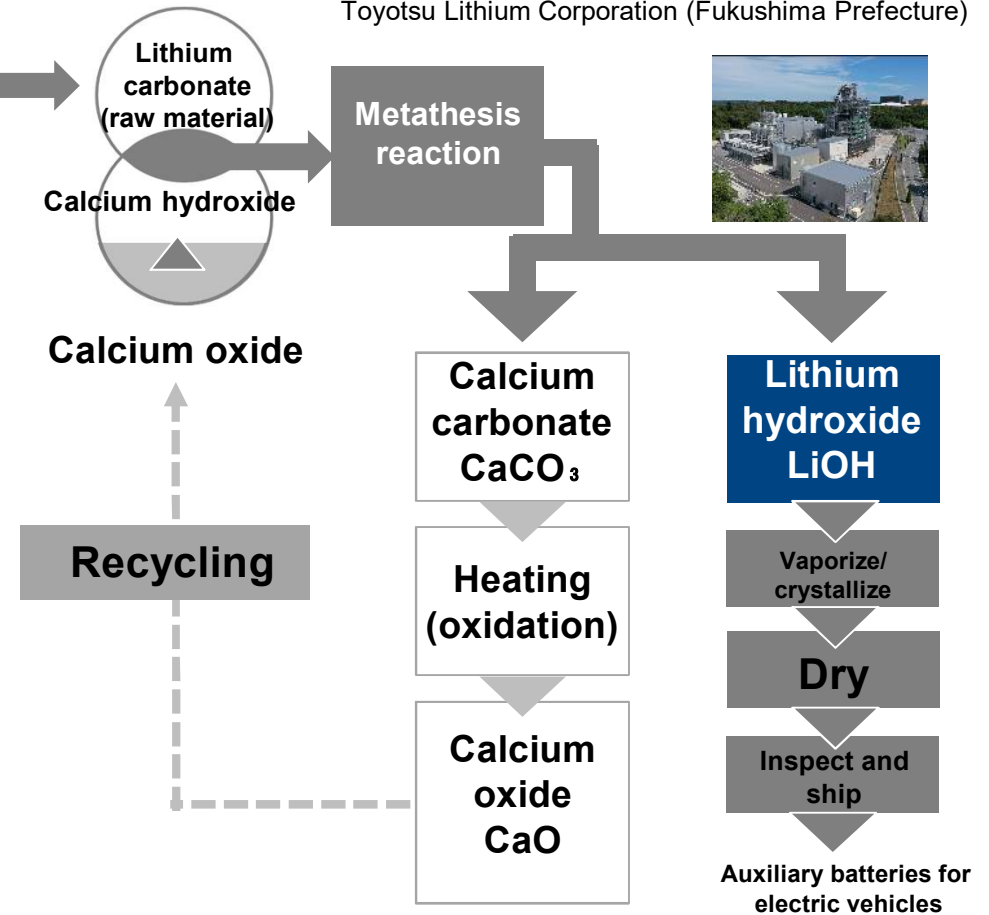


Production scheduled to begin in 2022

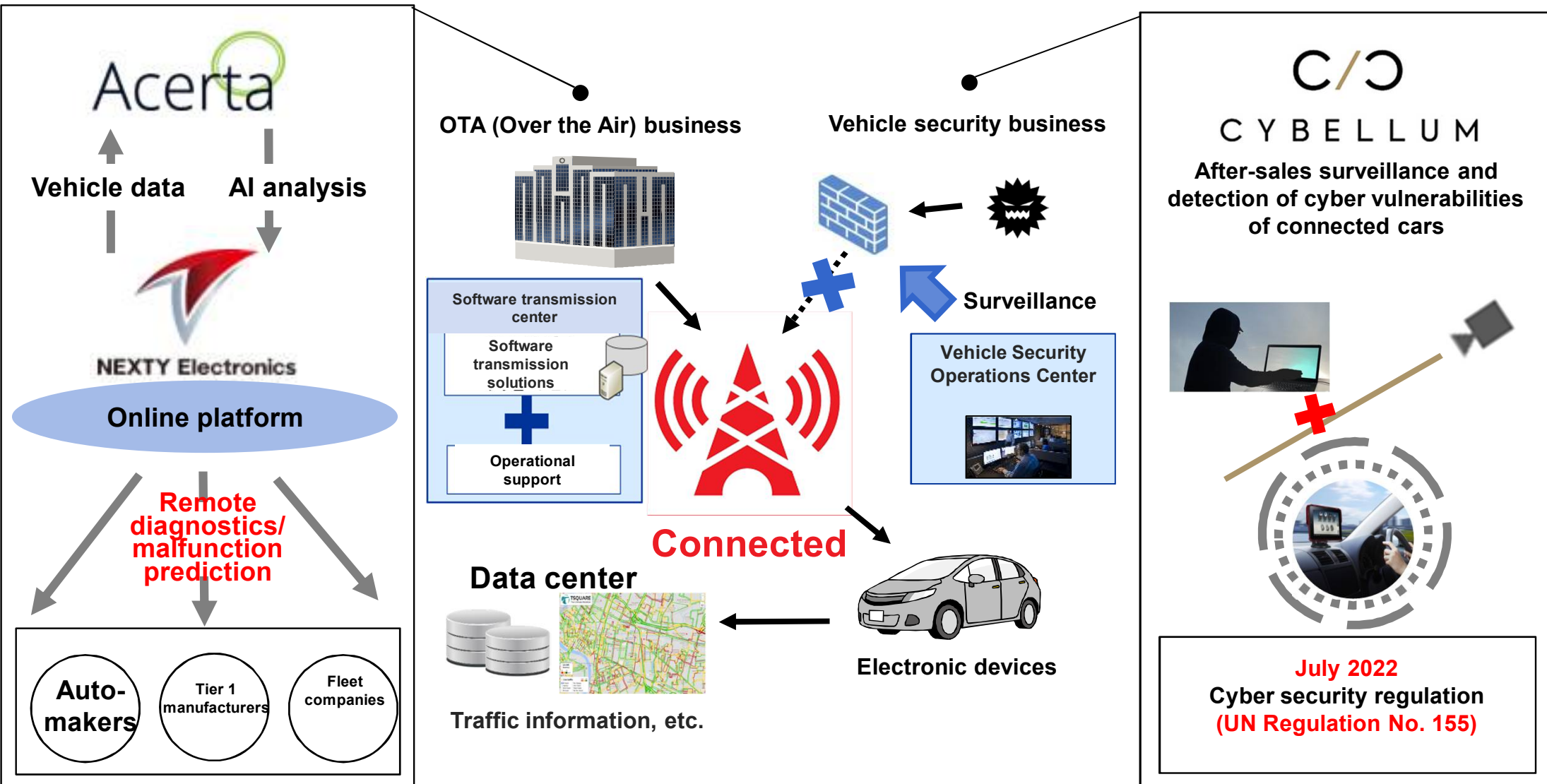
## First in Japan to manufacture lithium hydroxide

(10,000 tons per year)

Toyotsu Lithium Corporation (Fukushima Prefecture)



Preparing to **commence refining in Japan and expand production capacity** to ensure stable supply of raw materials for batteries



**Tackling C.A.S.E.-related issues to contribute to safe and comfortable mobility**





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## ② Renewable Energy



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## ② RENEWABLE ENERGY: Initiative 1



Renewable Energy

**Windpark Vermeer (Netherlands)**



86 MW

**Windpark Mondriaan (Netherlands)**



38 MW

**Windpark Mauve (Netherlands)**



30 MW

FY2020  
3,420MW

FY2023  
4,900MW

**Samsu Wind Power (South Korea)**



21 MW

**Toyota Tsusho (Taiwan) Co.,Ltd.  
Logistics Center (Taiwan)**



5 MW

**Ngoi Phat Hydropower Plant (Vietnam)**



84 MW

**Expanding wind, solar, and hydroelectric power businesses, and moving into offshore wind power business**



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# Renewable Energy: Initiative 2



Renewable Energy

Business overview

Build and operate regional power transmission network to expand wind power generation in northern Hokkaido

Total cost

**Approx. ¥230 billion**

### Power generation business

Interconnected wind power system  
Capacity: Approx. 540MW

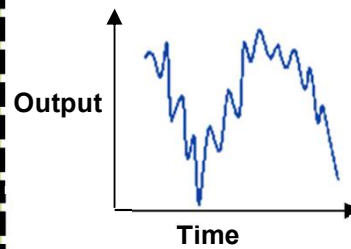
Wakkanai

### Power storage business

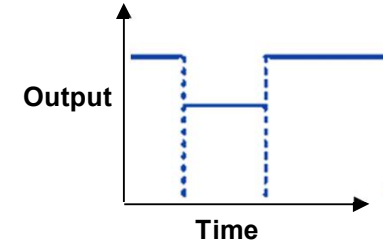
#### World's largest storage battery system

Storage capacity: 240MW×3h (lithium ion storage batteries)

Before calibration



After calibration

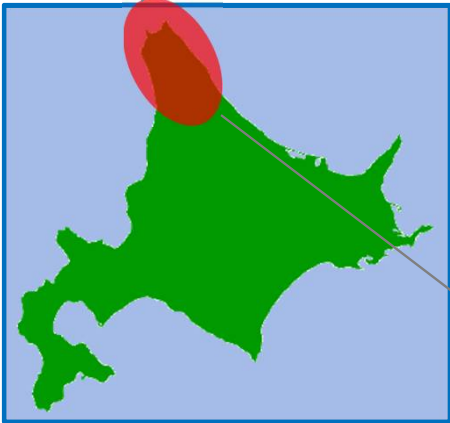


### Power transmission business

Overhead transmission line length:  
Approx. 78km

Transmission route

Substations/  
switching stations

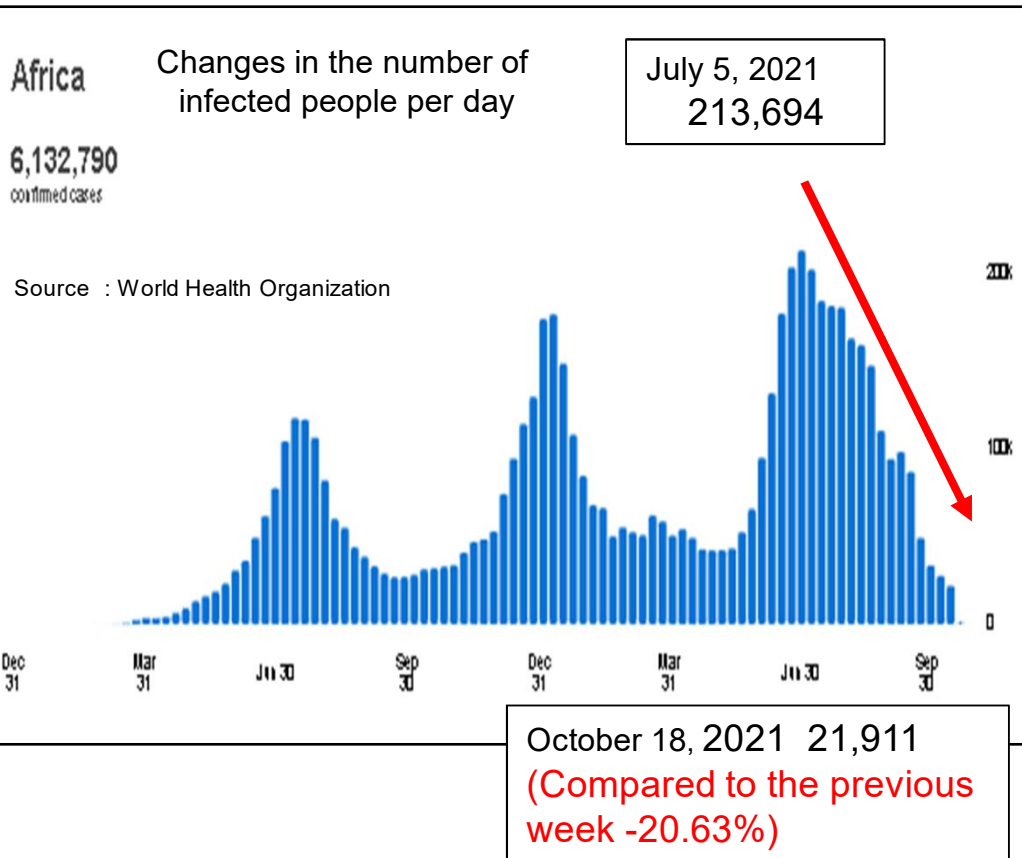


**Largest ever** power generation/storage/transmission business in northern Hokkaido, to begin operation in 2024



## ③ Africa

## Covid-19 situation in Africa



## Recovery of car sales

### Toyota Tsusho car sales in Africa

Unit : 1

Resions	FY2019 ①	FY2020 ②	Sep.2021 (6month) ③	Compared to FY2019 ③ ÷ ①
Africa	62,381	60,392	37,716	60%
West·North Africa	28,130	27,685	16,366	58%
East·South Africa	34,251	32,707	21,350	62%

BEFORE COVID-19      coronavirus [Covid-19]      This Term

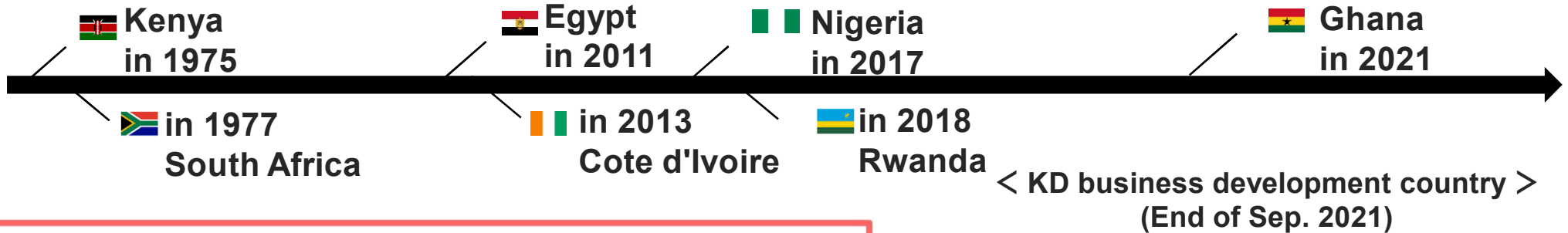
↑ Over 50% progress in 6 months

Moving toward post-pandemic **recovery** stage

# ③ Africa: Initiative 1




## Mobility **KD(Knock Down)Business Progress**




**Production capacity**  
**1,300 units / year**


**State of the ceremony**  
(The country's president and the Minister of Trade and Industry are also present)





**SUZUKI·SWIFT**  
(Scheduled to start assembly in 2022)

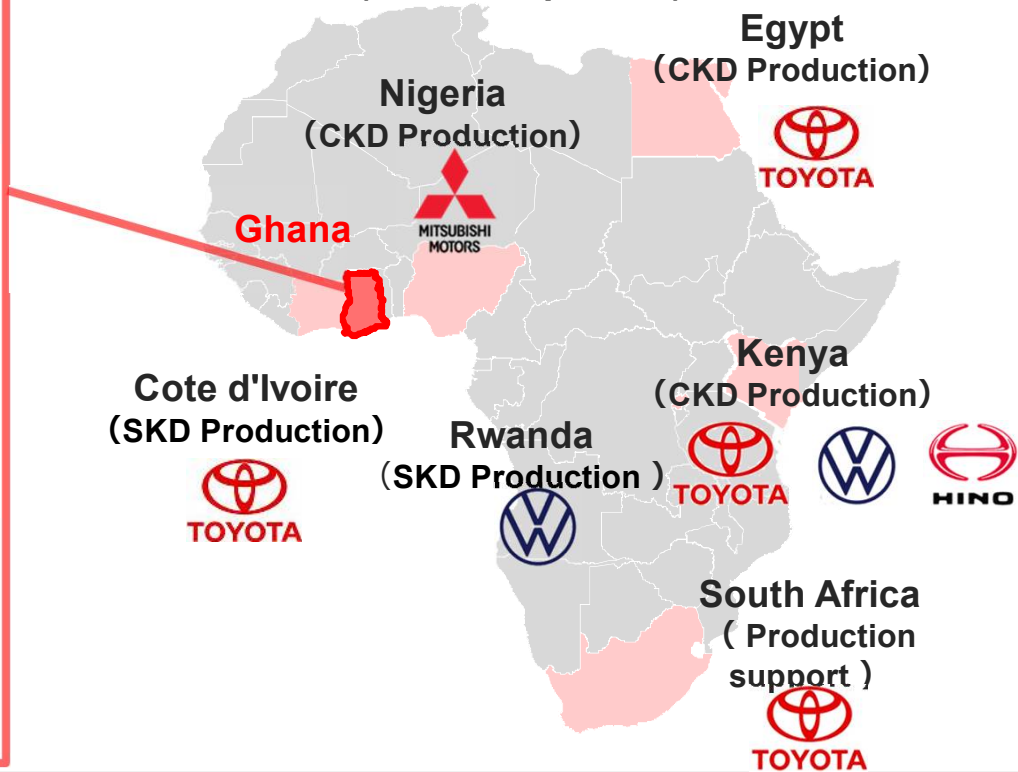


**Assembly factory**



**TOYOTA·HILUX**

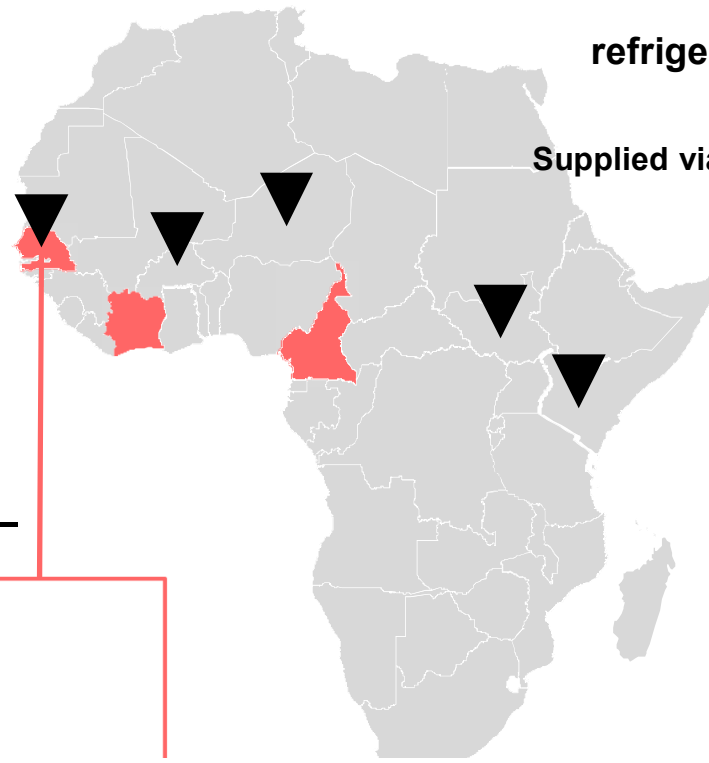
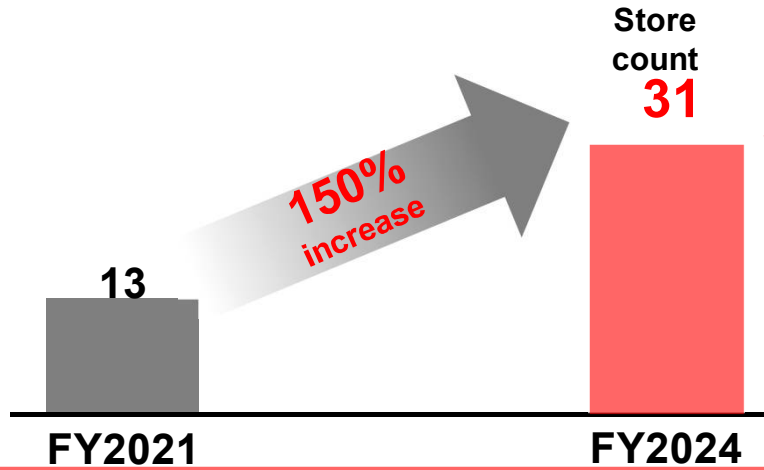


**Launched assembly operations in Ghana, our sixth production base in Africa, in October 2021**

# 3. Africa: Initiative 2

## Retail & Healthcare

Retail (Supermarket business)



Obtained **world's first** medical equipment PQS certification from WHO for refrigerated vaccine transportation vehicle

Supplied via Gavi Alliance\* to **five African countries**

Toyota Land Cruiser 78



CF850 refrigerated vaccine transportation vehicle →



Small store **opened** in June 2021 (Carrefour Senegal)

\*Global alliance for vaccines and immunization

Contributing to **regional economic development**, enhancing living standards, and **global health**



**Mobility-related startup**  
 Company offering investment and loans for **emerging technologies and services**  
 Launched October 2019

**Established new company to support fast-growing medical startups**  
 Launched November 2021



Logistics services



Public transport services



Financial services



Venture capital services

**No. 1 Fund**  
 Total investments from 2019 through December 2021:  
**Approx. EUR 30 million**




**No. 2 Fund: EUR 40 million**  
 Planned investment from January 2022




Healthcare management using digital/online tools

Health finance and insurance



Medical supply chains and logistics

Diagnosis monitoring and telemedicine



**Supporting startups to provide grass-roots solutions to Africa's societal issues**






## ④ Circular Economy

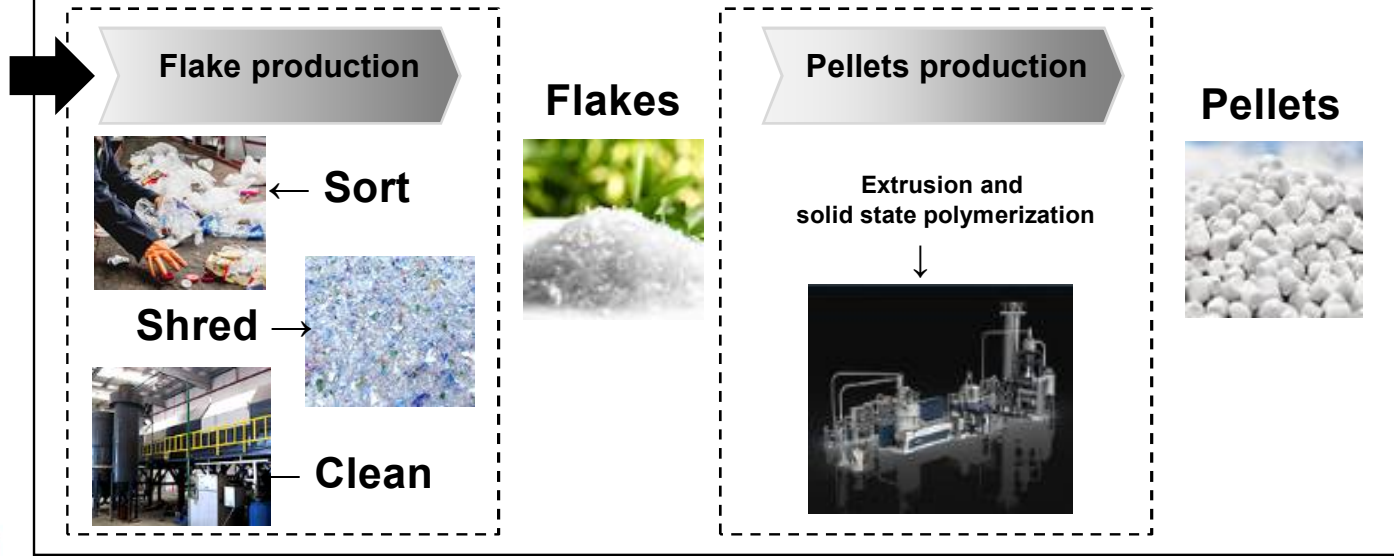


# 4. Recycling Business: Initiative 1

**Toyotsu PET Recycling Systems Co., Ltd.** 

To launch spring 2022 To produce 50,000 tons per year of used plastic bottles

Waste PET plastic



Soft drink manufacturers



Preform manufacture



Hino, Shiga Prefecture

Site area: Approx. 91,966m<sup>2</sup>

Exterior view

Delivery of cleaning system



Recycling PET plastic soft drink bottles = **Bottle to Bottle**  
 Contributes to **recycling/reuse** of plastic resources in Japan

# 4. Recycling Business: Initiative 2



**PLANIC**  
Omaezaki, Shizuoka Prefecture



Site area: Approx. 23,108m<sup>2</sup>

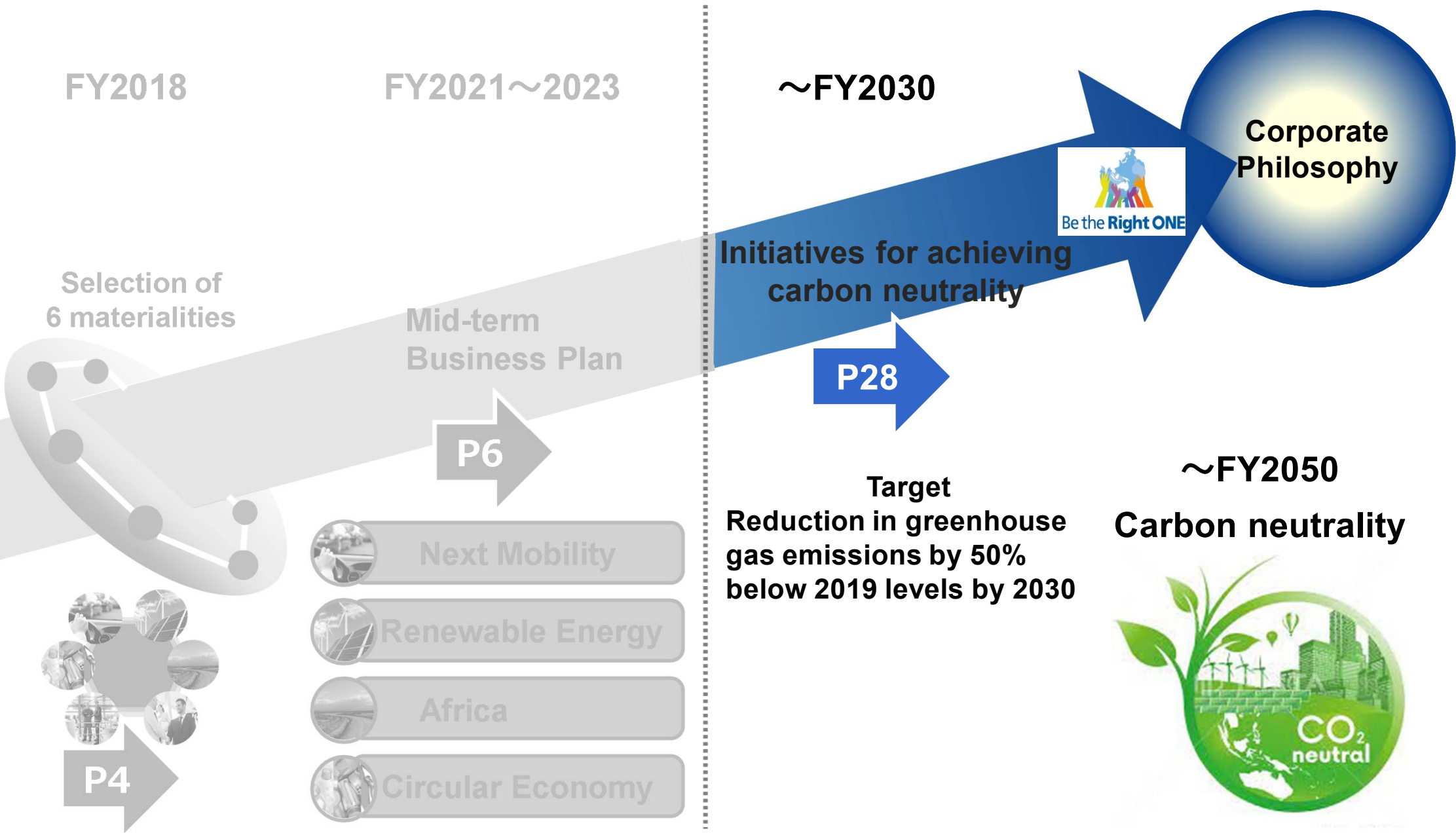


Exterior view



Recycle mixed plastics (from automobiles, consumer electronics, and plastic products) for **resource recycling** and **CO<sub>2</sub> emissions reduction**

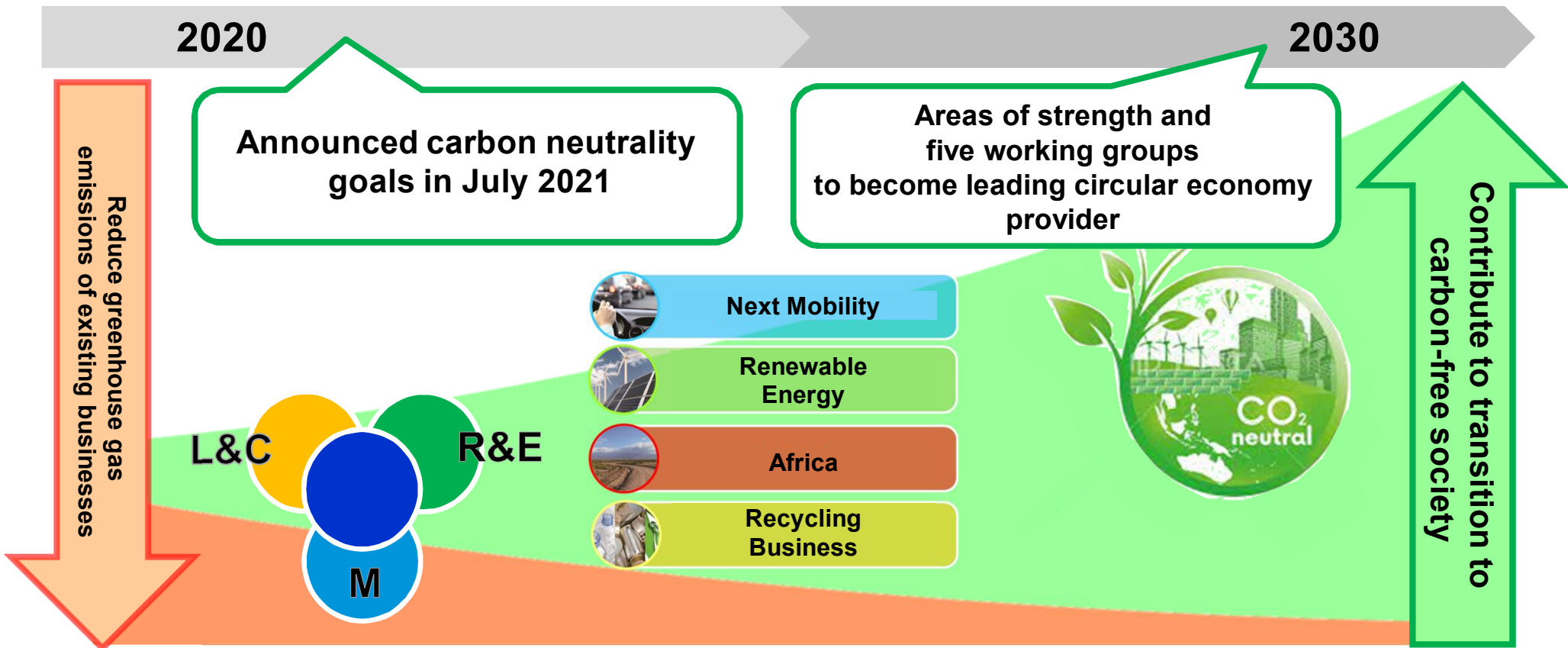
# Initiatives on the way to carbon neutrality



# Initiatives On the Way to Carbon Neutrality

**Mission** A better global environment for future generations

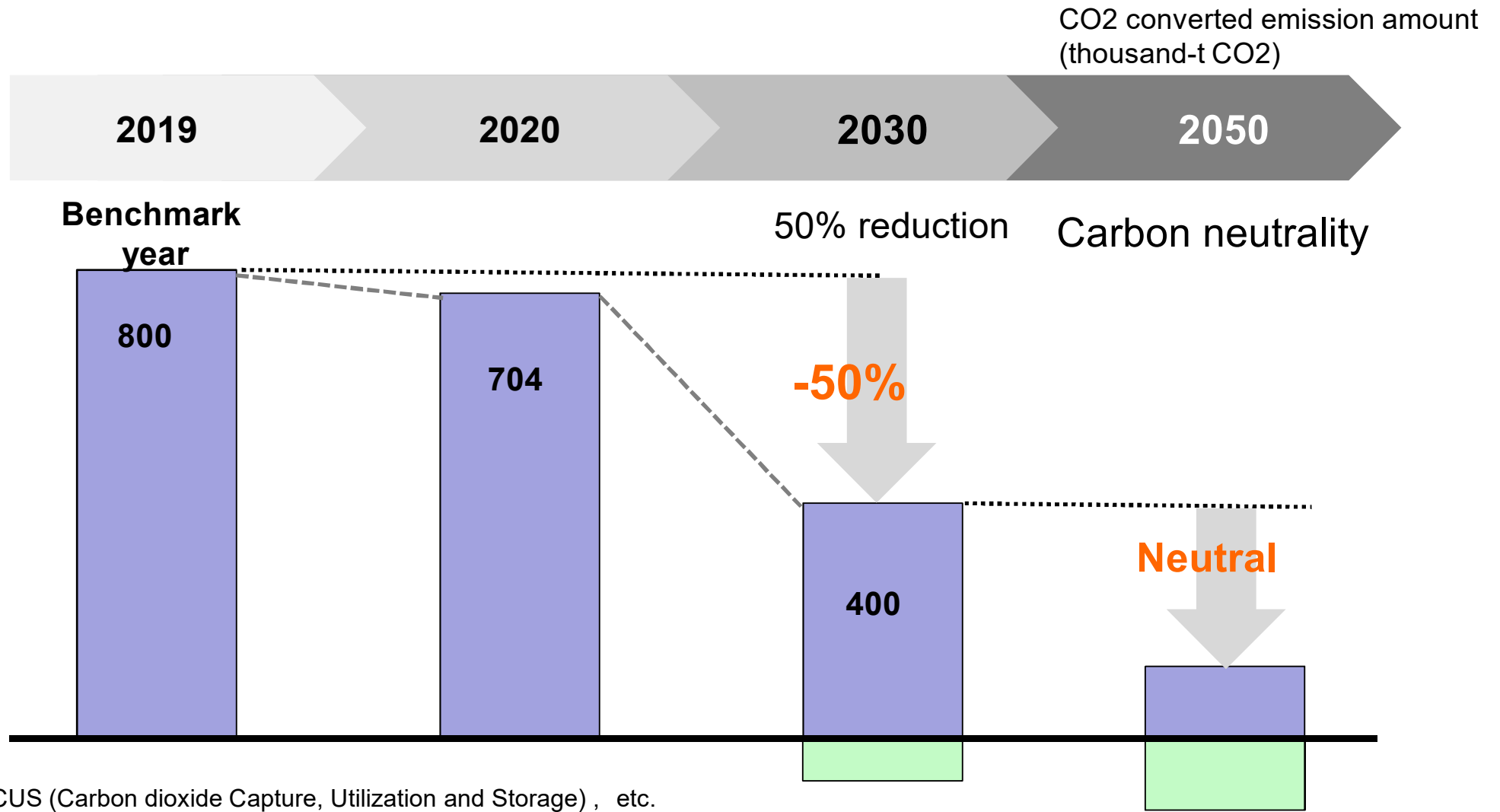
**Vision** To become a leading circular economy provider



Focus on **reducing greenhouse gas emissions** of group companies and suppliers, and **expand scope of businesses** that help cut greenhouse gases

# Carbon neutral declaration

~Focus on reducing GHG of our own group and business partners~

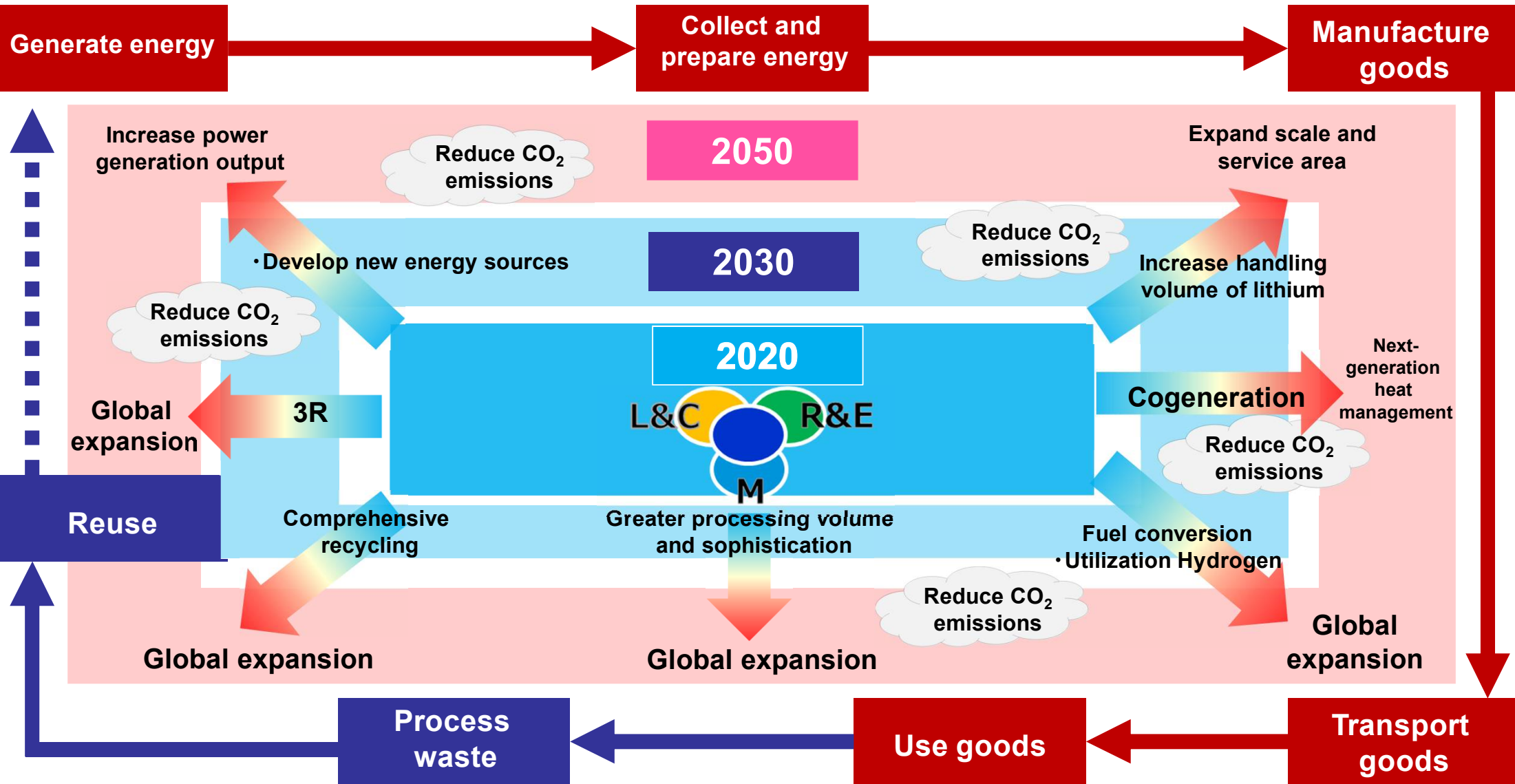


**Reduction in greenhouse gas emissions by 50% below 2019 levels by 2030**

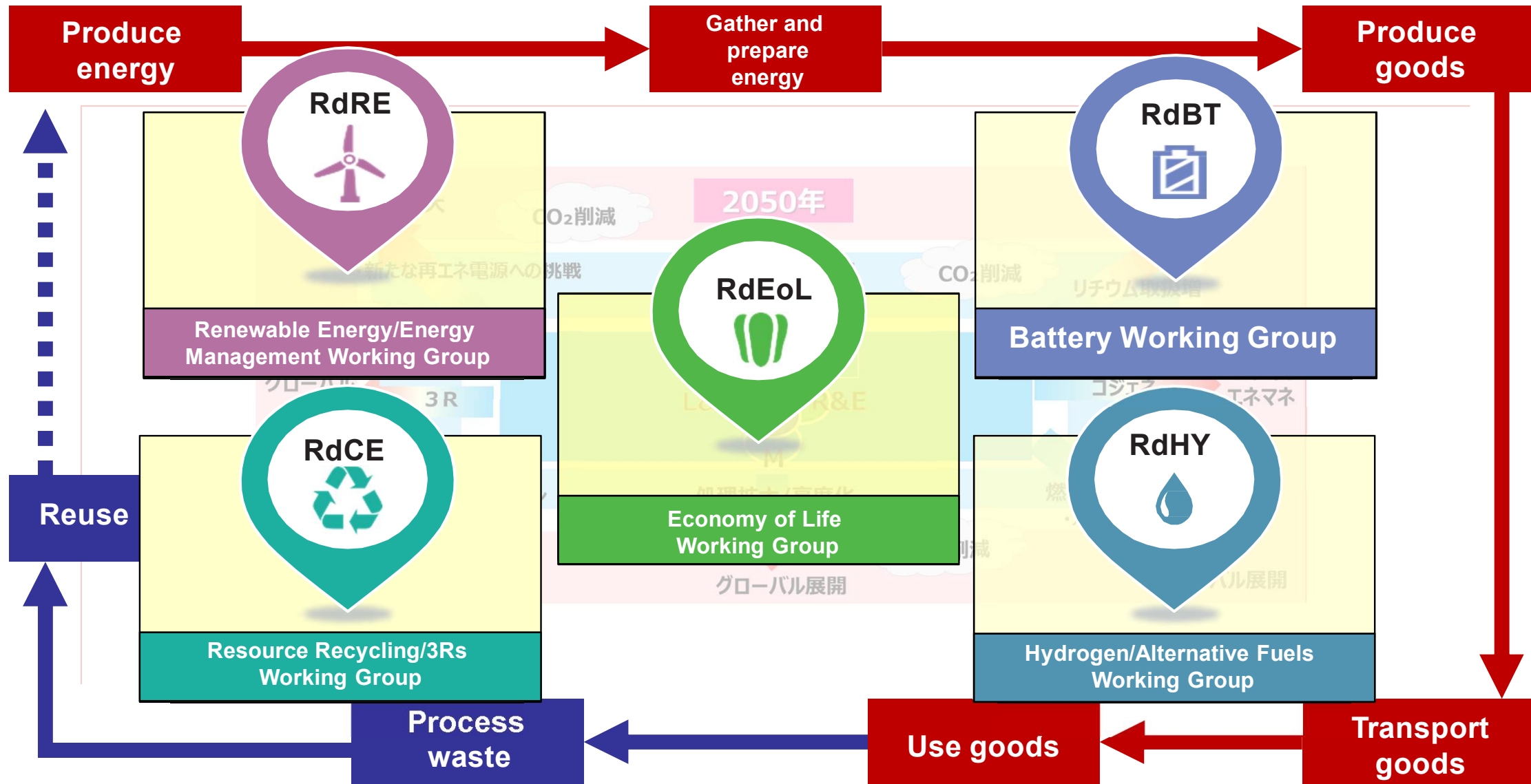


# Efforts to “Contribute to Transition to a decarbonized society”

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# Initiatives Contributing to Transition to Carbon-Free Society





# Initiatives Contributing to Transition to Carbon-Free Society



**RdRE (Road/Renewable Energy)**  
Renewable Energy/Energy Management Working Group

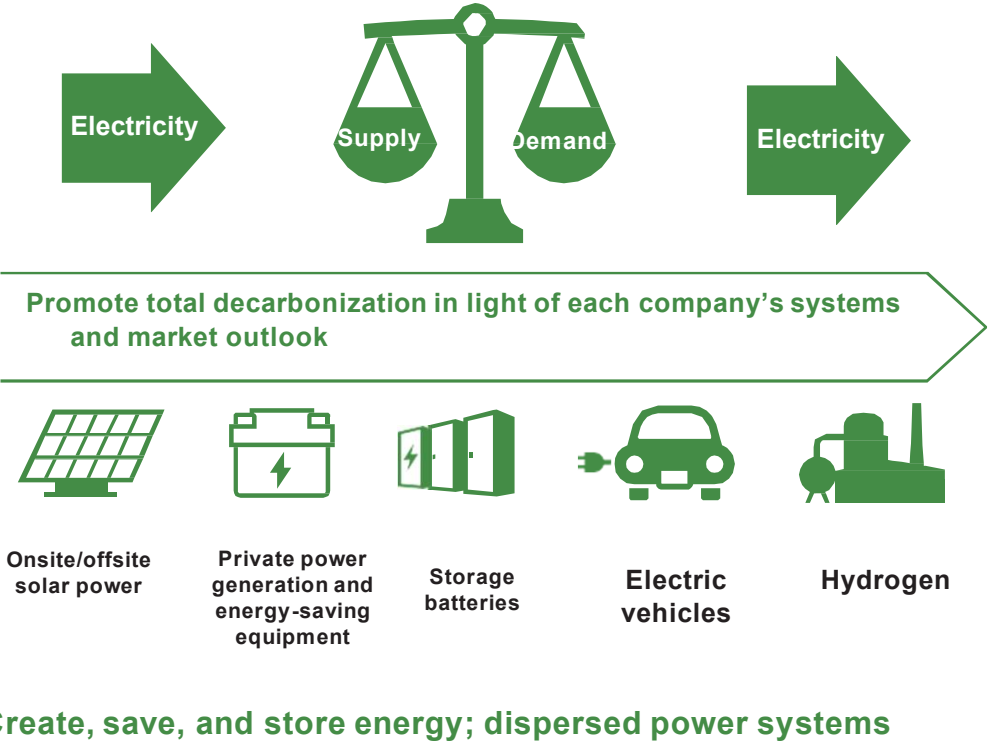
**Investment:  
¥700 billion**



**Growth of renewable energy (general market)**

Expand adoption of renewable energy power generation, promote cost reduction

- Wind power
- Solar power
- Hydro power
- Biomass power



**Promote decarbonization of the Toyota Tsusho Group (in-house project)**

Target: Renewable energy accounts for 50% of total worldwide power consumption of Toyota Tsusho Group

**Decarbonization of major customer groups**

Help fulfill major customer groups' needs relating to shift to renewable energy



## RdBT (Road/Battery) Battery Working Group

**Investment: ¥400 billion**

### Variety of obstacles to popularization of electric vehicles

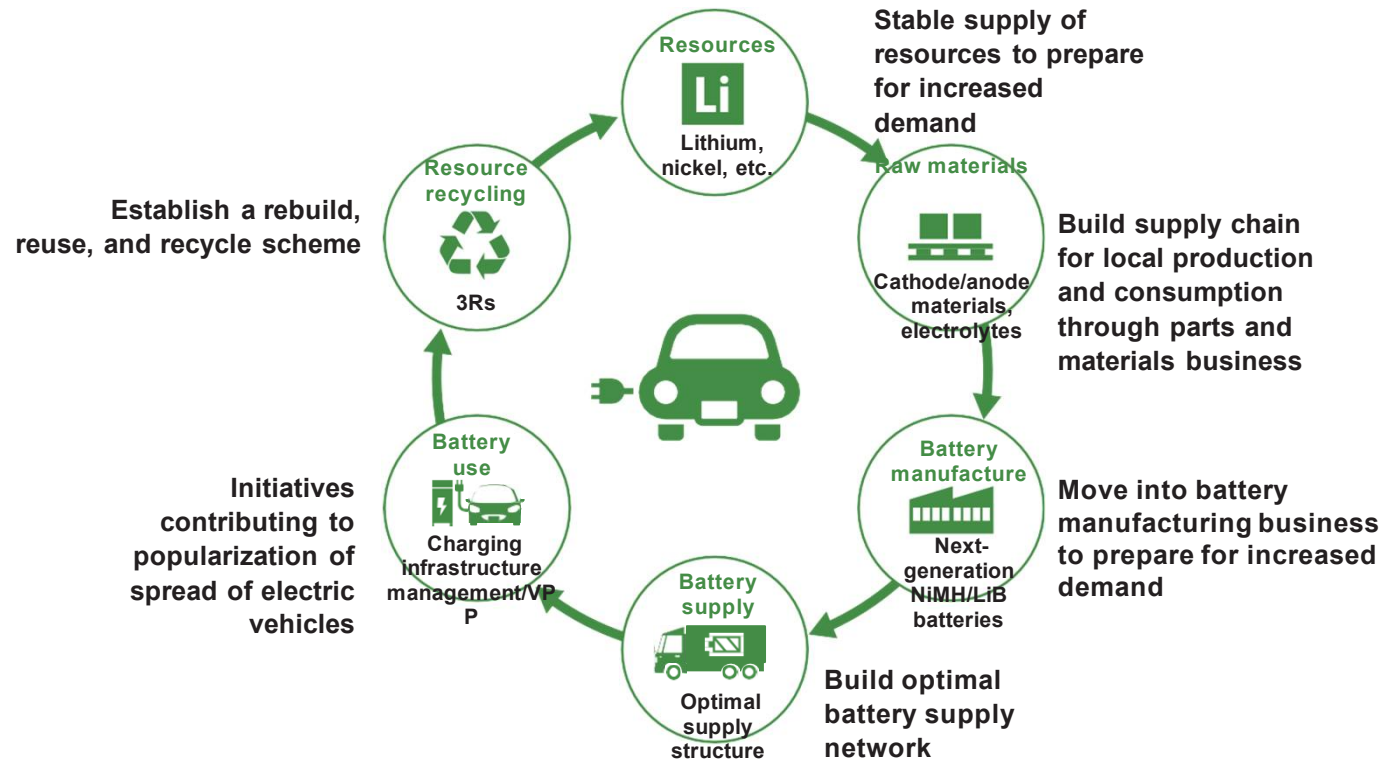
#### Vehicle/battery-related issues

- Vehicle (battery) prices
- Securing enough batteries
- Battery performance (range, charging time, etc.)

#### Infrastructure-related issues

- Charging infrastructure
- Rebuild, reuse, recycle

Help attain carbon neutrality by solving battery issues, the key obstacle to the popularization of electric vehicles



# Initiatives Contributing to Transition to Carbon-Free Society



## RdHY (Road/Hydrogen) Hydrogen/Alternative Fuels Working Group

**Investment:  
¥200 billion**

### Use of hydrogen/fuel cells

**Create standard unit model for a hydrogen society**

Three large-scale project models in over 10 locations

**Ports**

- Los Angeles (US)
- Immingham (UK)
- Japanese ports



**Public transport**

- Europe (Germany, Spain, etc.)



**Logistics**

- Europe (Germany, Spain, etc.)



**Fuel cell sales to outside customers**

Gain 30% share of fuel cell powertrain market (sales to outside customers)

30%



### In-house logistics

**Reduce emissions of own trucks**

Reduce CO<sub>2</sub> emissions of Class A trucks by 50% versus 2019 levels

-50%



### Carbon-neutral fuel

**Develop carbon-neutral fuel and build supply chain**

Accelerate initiatives involving biofuels, etc.

Making biomethane, etc., from waste products



Trading and offtake



Factory/industrial applications





## RdCE (Road/Circular Economy) Resource Recycling/3Rs Working Group

**Investment:  
¥200 billion**

**Resource recycling from decarbonization perspective**

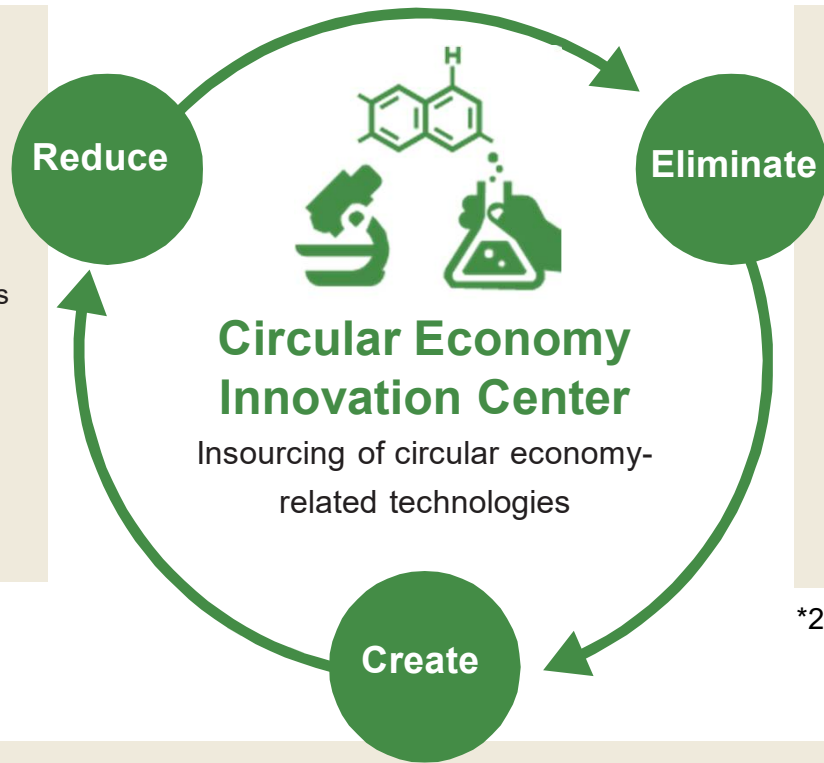
**Challenge to reuse resources**

- Rare metals: Co, Ni, Li, Cu
- Plastics: Recycling materials and chemicals
- Renewable energy systems: CFRP\*1, solar panels

**Develop secondary uses**

- Reuse and remanufacturing

\*1 Carbon fiber reinforced plastics



**CO<sub>2</sub> collection and use**

**Development and societal deployment of CCU\*2 technologies**

- Application development and forming alliances

**Collecting energy from waste**

- Biogas power generation

**Development of alternative materials**

- Biomass plastic

\*2: CO<sub>2</sub> capture and utilization  
Technologies for collecting and utilizing CO<sub>2</sub> before it is released into the atmosphere

**Create new value from decarbonization**

**Create a process**

- Develop 3Rs business that places value on CO<sub>2</sub> emission reduction

**Build recycling business platform**

- Place value on recycling business data and provide services

# Initiatives Contributing to Transition to Carbon-Free Society



## RdEoL (Road/Economy of Life) Economy of Life Working Group

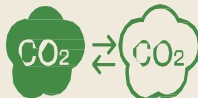
**Investment:  
¥100 billion**

### CCUS\*<sup>1</sup> through agribusinesses

Take lead in conservation agriculture



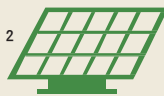
Carbon credit collection and sales in addition to forestation and forest regeneration (Brazil)



Next-generation biomass business



Horizontal expansion of agriculture that utilizes waste heat and CO<sub>2</sub> combined with solar power generation



### Making food business carbon neutral and innovative

Vegetable-based meat processing, food manufacturing



Biomass plastics business



Livestock farming + power generation and hydrogen production business



### Turning EoL businesses into a circular economy

Materials recycling business



Convert apparel business (a business with a large environmental footprint) into a circular economy business



LCM\*<sup>2</sup> system that integrates production and recycling



\*1: CO<sub>2</sub> capture, utilization, and storage  
\*2: Life cycle management



# Grow Business Fields that Contribute to Reducing GHG Emissions

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<b>RdEoL (Road/Economy of Life) Economy of Life Working Group</b>	<b>Investment: ¥100 billion</b>
<ul style="list-style-type: none"> <li>● Earn carbon credits from agribusinesses</li> <li>● Revamp Economy of Life businesses with carbon neutral/circular economy concepts</li> </ul>	



<b>RdCE (Road/Circular Economy) Resource Recycling/3Rs Working Group</b>	<b>Investment: ¥200 billion</b>
<ul style="list-style-type: none"> <li>● Circular Economy Innovation Center functions as base for creating "Circular Economy/Carbon Neutral" businesses</li> <li>● Create battery-to-battery business, implement recycling of metal and plastic resources and CO<sub>2</sub></li> </ul>	



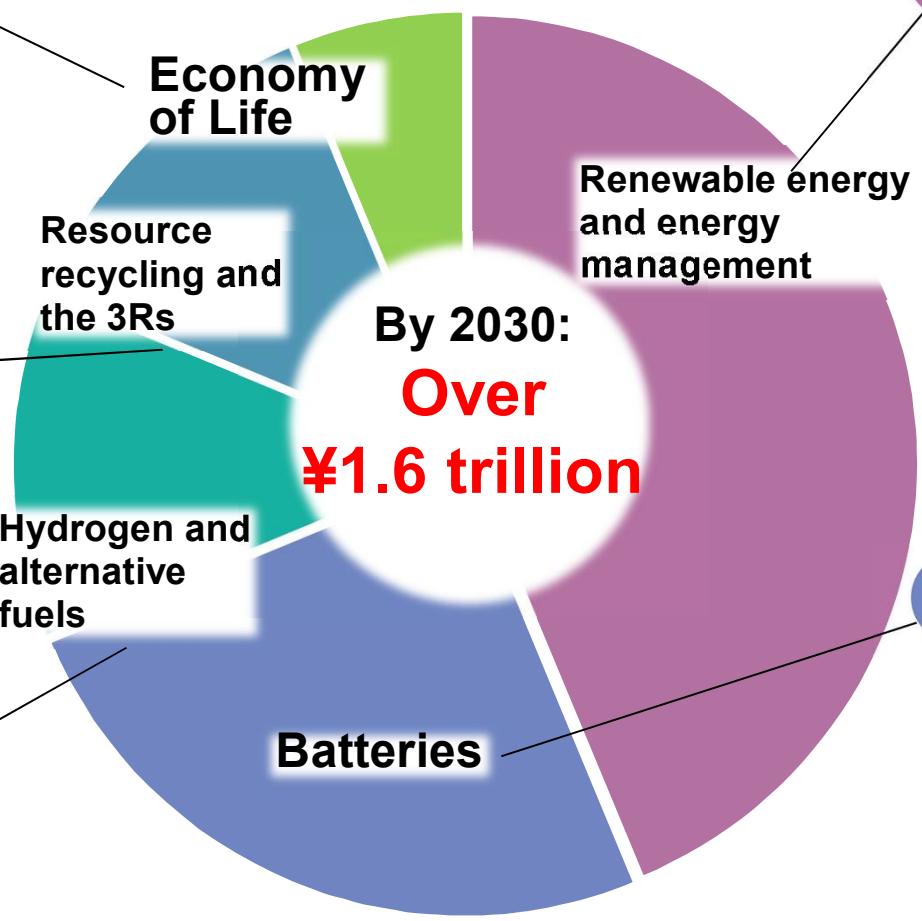
<b>RdHY (Road/Hydrogen) Hydrogen/Alternative Fuels Working Group</b>	<b>Investment: ¥200 billion</b>
<ul style="list-style-type: none"> <li>● Three project studies utilizing large-scale hydrogen/fuel cells (in ports, public transport, and logistics) in over 10 locations</li> <li>● Alternative fuel supply in Chubu Area</li> </ul>	



<b>RdRE (Road/Renewable Energy) Renewable Energy/Energy Management Working Group</b>	<b>Investment: ¥700 billion</b>
<ul style="list-style-type: none"> <li>● Target 50% share of renewable energy of all power consumption by the Group</li> <li>● Help major customer groups switch to renewable energy</li> <li>● Increase uptake of renewable energy power generation</li> </ul>	



<b>RdBt (Road/Battery) Battery Working Group</b>	<b>Investment: ¥400 billion</b>
<ul style="list-style-type: none"> <li>● Form local production/local consumption-based supply chains</li> <li>● Participate in battery manufacturing business</li> <li>● Increase supply capacity of resources such as lithium</li> <li>● Participate in manufacture of raw materials and parts</li> </ul>	



**Execute investments that contribute to transition to carbon-free society ⇒ More than ¥1.6 trillion by 2030)**  
**Ensure net debt-equity ratio is still at 1.0 or lower in 2030 ⇒ Maintain robust financial condition)**

# Creating and passing on a better global environment to the children of the future



## Investor Relations Group

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