



Mid-Term Business Plan

(FY2024-FY2026)

April 30, 2024
Toyota Tsusho Corporation

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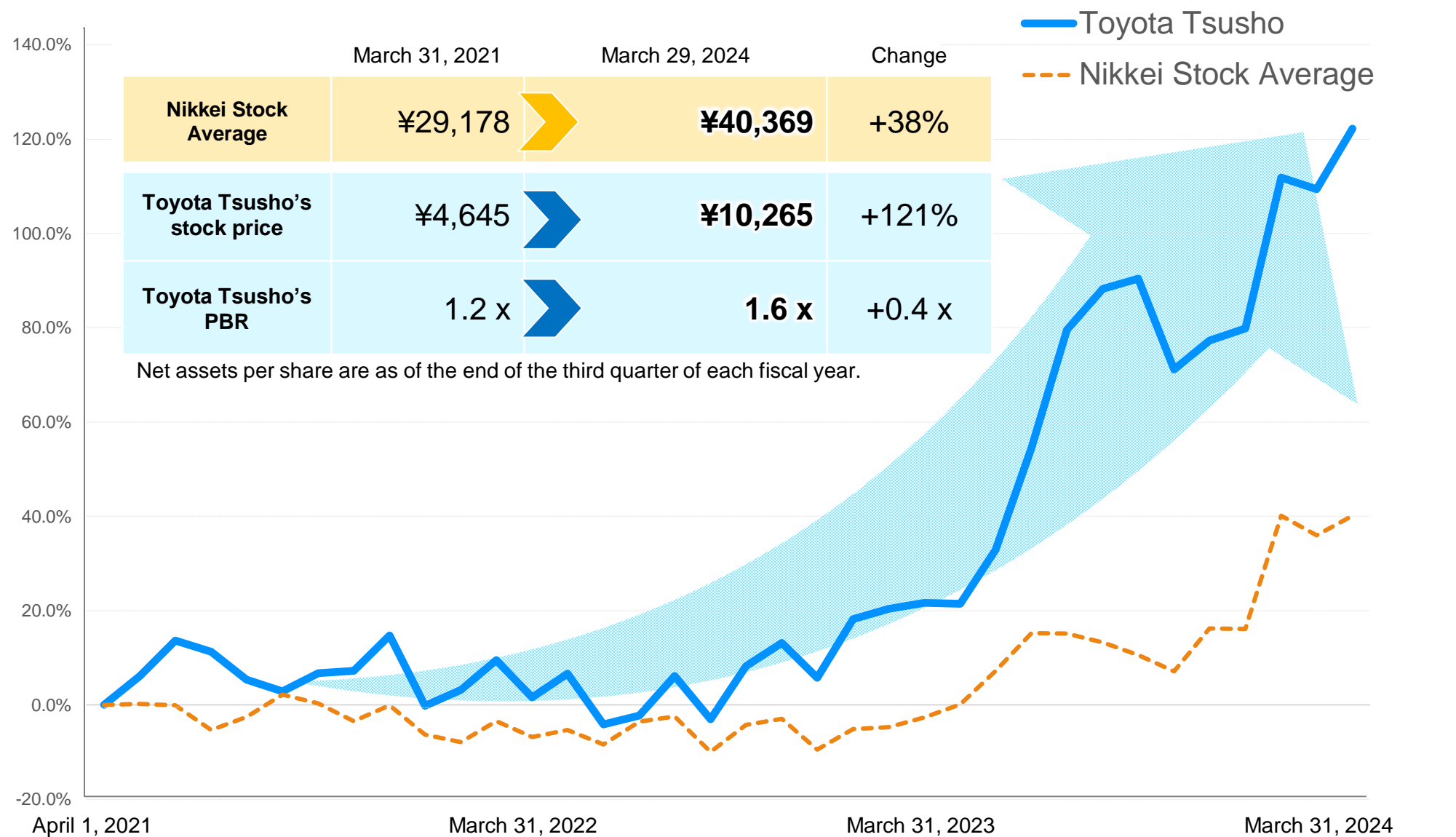
Review of Mid-Term Business Plan (FY2021-FY2023)

(Announced in May 2021)

Review of Mid-Term Business Plan (FY2021-FY2023) - Stock Price Performance

(Announced in May 2021)

Stock price performance - Toyota Tsusho vs. Nikkei Stock Average



Review of Mid-Term Business Plan (FY2021-FY2023) - Summary of Quantitative Targets

(Announced in May 2021)

	(Announced in May 2021) Mid-Term Business Plan Targets		Results	Evaluation
Profit for the year FY2023	180.0 billion	➤	¥331.4 billion yen	○
Operating CF FY2021-FY2023 3-year cumulative total	600.0 billion ~	➤	¥1,036.4 billion yen	○
Investment CF FY2021-FY2023 3-year cumulative total	400.0 billion ~	➤	¥917.1 billion yen	○
ROE FY2023	10% or above	➤	15.1%	○
Net D/E Ratio Mar. 31, 2024	Managed within 1.0x	➤	0.48x	○
RA/RB (*) Mar. 31, 2024	Risk managed at less than 1.0	➤	0.6	○
Shareholder returns	Basic policy of at least a 25% dividend payout ratio	➤	<div> Annual dividend per share: FY2021 FY2022 FY2023 ¥160 ¥202 ¥280 </div> <div> Dividend payout ratio: 25.3% 25.0% 29.7% </div>	○

*RA/RB: Indicator that signifies whether the total amount of risk is within the scope of financial strength. RA = Risk-weighted asset (maximum expected loss that can arise in the event of a contingency)

RB = Risk buffer (the Company's financial strength [Total equity - Non-controlling interests + Allowance for doubtful accounts (current) - Goodwill])

Review of Mid-Term Business Plan (FY2021-FY2023) - Profit for the Year

(Announced in May 2021)

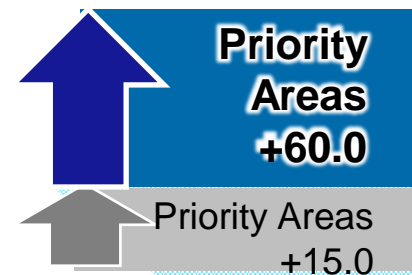
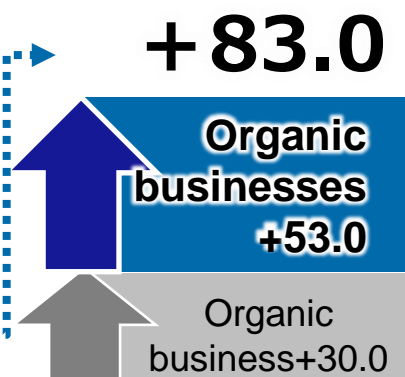
Comparison of profit with previously announced targets

(Unit: Billion yen)

< Prerequisites >

	FY2023 Targets (Announced in May 2021)	FY2023 Results
Production volume	About 10 million vehicles	9.97 million units
USD exchange rate	100 yen/dollar	145 yen/dollar
Euro exchange rate	120 yen/euro	156 yen/euro

Organic business	Initial assumptions	extension
Metal	+9.0	+19.0
Global Parts & Logistics	0	+17.0
Mobility	+10.0	+33.0
Machinery, Energy &PJ	0	▲4.0
Chemicals & Electronics	+7.0	+14.0
Food & Consumer	+4.0	+2.5
Others	0	+1.5
total	+30.0	+83.0



FY2023 Results
331.4 billion



FY2020 Results
134.6

FY2020

Priority Areas	Initial assumptions	extension
Next mobility	+6.0	+14.0
Renewable energy	▲2.0	+9.0
Africa	+9.0	+46.0
Circular Economy	+2.0	+6.0
計	+15.0	+75.0

(Announced in May 2021)
FY2023 Targets
180.0

FY2023

Review of Mid-Term Business Plan (FY2021-FY2023) - Cash Allocation

(Announced in May 2021)

Cash flow comparison with FY2021-FY2023 3-year cumulative total targets
(Unit: Billion yen)

FY2021-FY2023
3-year cumulative total
targets announced in
May 2021

Operating Cash IN:
1,036.4 billion
Steady profit growth

+600.0 ~

Operating Cash IN

Investment Cash

400.0 ~

Sharehold

130.0 ~

**Shareholder
returns
226.0 billion**

Eurus Energy becomes wholly owned subsidiary	¥185.0 billion
Renewable energy business	¥306.4 billion
Mainstay businesses	¥244.9 billion
Africa	¥117.7 billion
Next mobility Etc.	¥40.2 billion

Investment Cash OUT 917.1 billion*2

*1: Although the actual impact is on financial CF, it is accounted for as cash out as investments.

*2: Negative figures reflect increases in investment.

Review of Mid-Term Business Plan (FY2021-FY2023) - Investments results

(Announced in May 2021)

(Unit: Billion yen)

Investment field	Targets	3-years total	variance	Major Project
Organic	150.0~	244.9	+ 94.9	<ul style="list-style-type: none"> •Increase production capacity •Vehicles for lease
Renewable energy	140.0~	491.4	+ 351.4	<ul style="list-style-type: none"> •Eurus becoming 100% owned •Acquisition of Terras Energy Corporation
Africa	80.0~	117.7	+ 37.7	<ul style="list-style-type: none"> •Vehicles for lease •Healthcare Business Warehouse Expansion
Circular Economy	10.0~	16.9	+ 6.9	<ul style="list-style-type: none"> •Recycle business in north America •Pet bottle recycle business
Next mobility (*)	20.0~	40.2	+ 20.2	<ul style="list-style-type: none"> •Investment in semiconductor manufacturing plant •Investment in next mobility fund
	Battery			<ul style="list-style-type: none"> •Battery manufacturing plant in north America •Lithium Hydroxide manufacturing business
	Economy of Life	6.0	+ 6.0	<ul style="list-style-type: none"> •Hospital business in India •Investment in Medical care business
3-year total Investment Cash Out	400.0~	917.1	+517.1	

*In May FY2021, the Next mobility field was announced as one of the four priority fields; since FY2022, it has been separated from the battery field.

Mid-Term Business Plan (FY2024-FY2026)

What we aim to be



Be the **Right ONE**

“Be the Right ONE”

**Further contribute to
solving social issues
through achieving
corporate growth**

**Sustainability is synonymous
with good management
Leading provider of CN/CE(*)**

*CN/CE: Carbon Neutrality/Circular Economy

Accelerate the growth strategy

Growth beyond the conventional growth line

Changes in the External Environment and the Role the Company Should Play

Changes in the external environment



The direction of environmental change remains unchanged.
But the pace of change is accelerating more than expected.

Changes in the role the Company should play



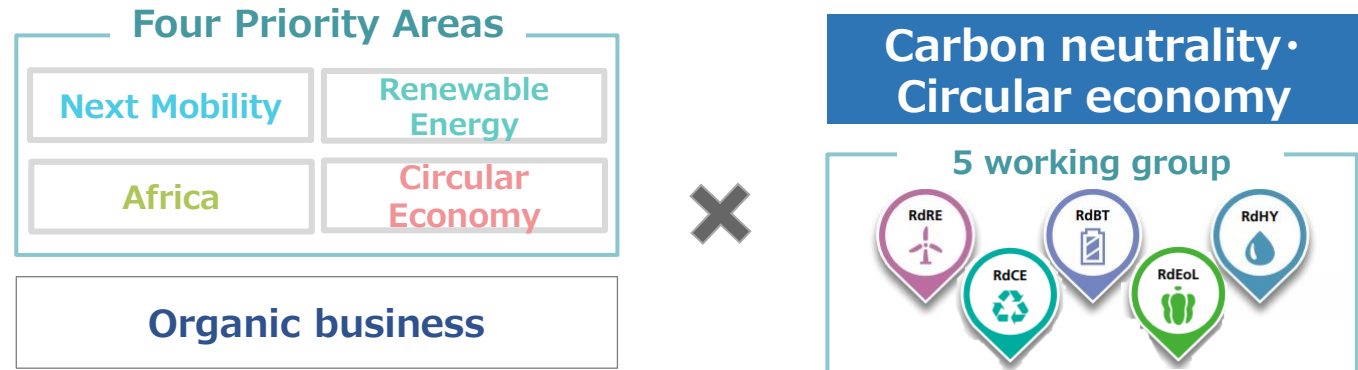
Anticipate rapid changes in the external environment and open up a new world as a leader

➡ **Accelerate the growth strategy**

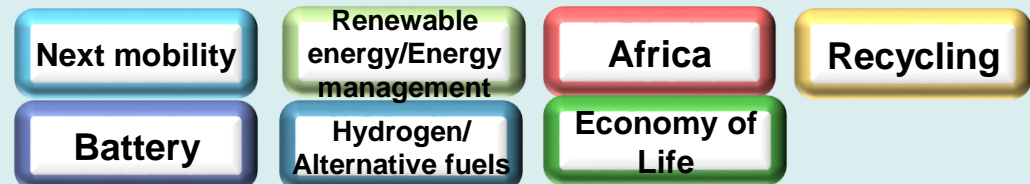
To Accelerate the Growth Strategy

- Re-organized into seven priority areas with carbon neutrality and circular economy as the core

Identification
of priority
areas



Seven
priority
areas



Reorganization

- Reorganize to align with strategy
- Clarify the organization's mission
(To become a mission-oriented organization)

Missions of Division

By clarifying the mission of the Headquarters and growing as a company,
Contribute to solving social issues

Metal	Metal+(Plus)	Creating bold PLUS in the area of metals
Chemicals & Electronics	Circular Economy	Design a new way of recycling resources
	Digital Solutions	Deliver solutions with the power of digital
Global Plants & Logistics	Supply Chain	Protect and connect the supply chain
Mobility	Mobility	Mass-produce elements of happiness in a new mobility society
Machinery, Energy, & Project	Green Infrastructure	Realize a social infrastructure that supports a sustainable global environment
Food & Consumer Service	Lifestyle	Promote the EoL (Economy of Life) business
Africa	Africa	Contribute to solving Africa's social problems and developing the future

Priority Initiatives in the Mid-Term Business Plan (FY2024-FY2026)



Be the **Right ONE**

**Accelerate the
growth strategy**

**Further contribute to
solving social issues**

**Priority
initiatives in
the three-year
period**

Promote investment in priority areas

Promote projects to achieve CN target in 2030

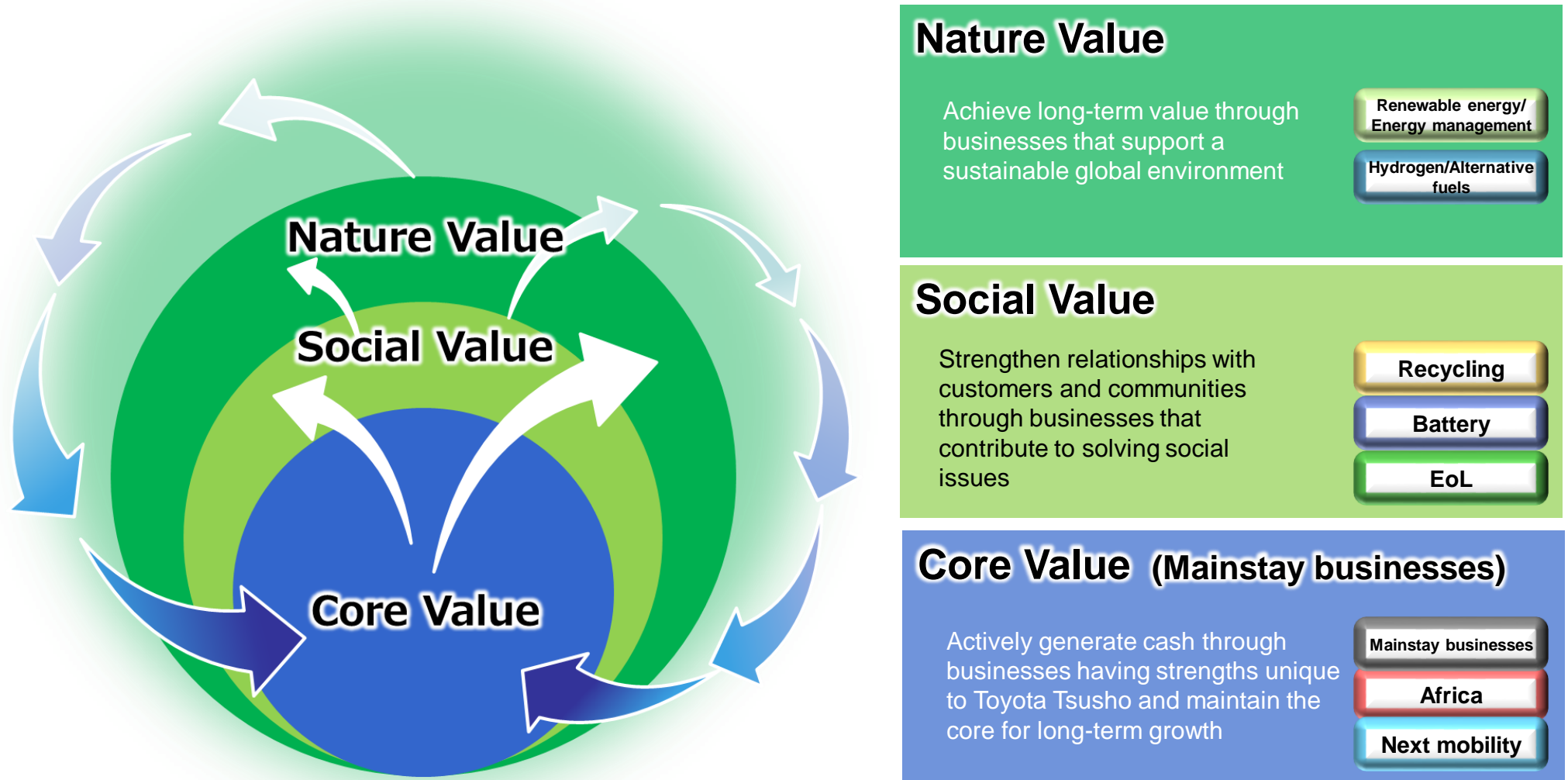
Promote human capital management

**Strengthen the foundation for further growth
(Safety and Compliance)**

Promote investment in priority areas

Approach to Investment: Cycle of corporate value enhancement

Create cash with strengths unique to Toyota Tsusho that have been developed in mainstay businesses and reinvest in projects that contribute to solving social issues and reducing environmental impact for the future. Enhance Natural Value and Social Value and funnel them back into the Company's corporate value.



Specific Initiatives - Core Value (Mainstay Businesses)



Specific Initiatives - Social Value



Battery

Contribute to CN through solving problems in the battery area, which is the key to popularizing electric vehicles



Lithium carbonate production

Second phase of plant construction completed
Production capacity increased to 42,500 tons



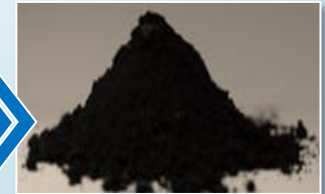
Lithium hydroxide production

Establishment of a stable supply system for high-quality battery materials



Automotive battery plant (North America)

Production scheduled to start in 2025



Black mass

Recycling of battery materials

Social Value

Strengthen relationships with customers and communities through businesses that contribute to solving social issues

Recycling

Recovery/utilization of CO2

Reduce
Recycling and secondary use of resources



Recycled resin material

Promote reuse
and proper disposal of recovered resources

Eliminate

Create

Develop the platform for the circular economy business



EoL

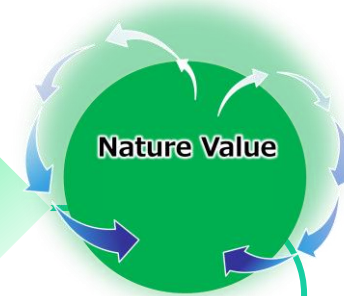
Contribute to the enhancement of the healthcare system in India

Illustrated image of the new hospital upon completion



Second general hospital to open in India in early 2027

Specific Initiatives - Nature Value



Produce

Collect/Condition/Deliver

Solution activities



Diversify power sources



Resolve supply-demand issues



Contribute to promoting CN for customers

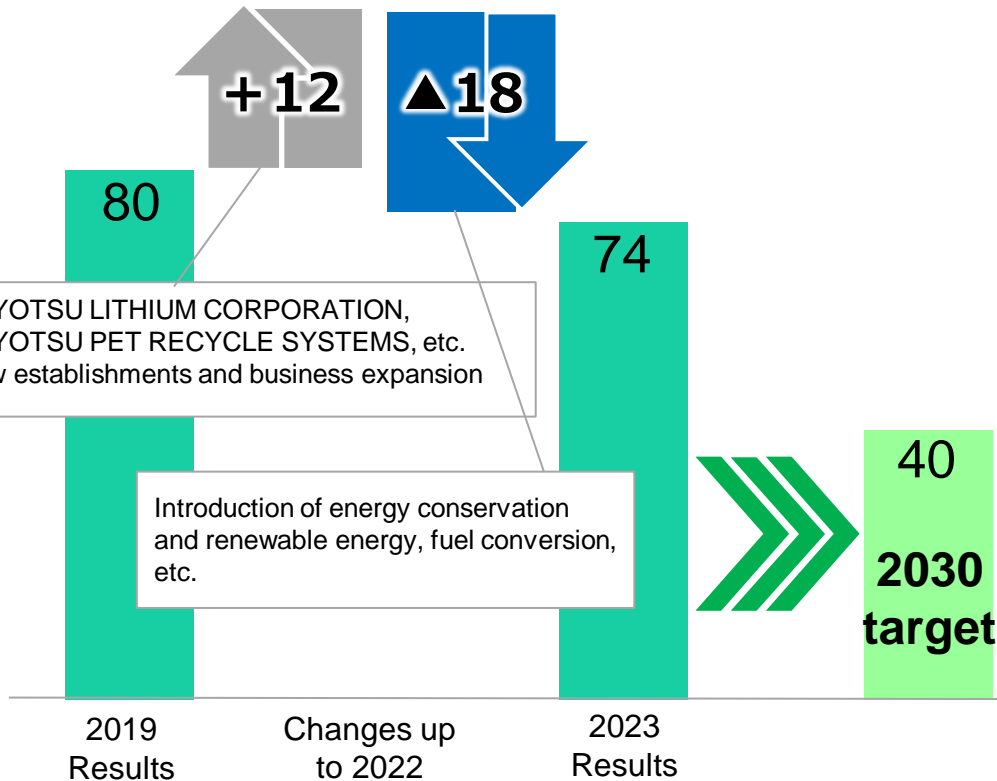


Promotion of Business for Achieving Carbon Neutrality Scopes 1 and 2

[Reduction road map for achieving the 2030 target]

Scope 1 and 2 emissions

(10,000 t-CO₂)



Efforts to reduce Scope 1 and 2 emissions

(i) Increase efficiency

- Energy conservation at existing facilities (Rulemaking and improvement)
- Introduction of energy-saving equipment



(ii) Fuel conversion

- Electrification of logistics equipment (forklifts, etc.)
- Introduction of biodiesel fuel
- Introduction of heat pumps at manufacturing sites



(iii) Renewable energy

- Solar panel installation
- Introduction of storage batteries and energy management systems



Committed to reducing our own emissions to achieve the 50% reduction target(*) by 2030

*Base year: 2019

Promotion of Business for Achieving Carbon Neutrality Scope 3

Company's GHG emissions (FY2022 Results)

Scope 1 and 2: Approx. 740,000 t-CO₂

Company's GHG emissions (FY2021 Results)

Scope 3 : Approx. 116 million t-CO₂



Few resources with high environmental impact are handled, and emissions are **mainly discharged by mobility SC.**

Focus on reducing Scope 3 → Business opportunities

<Scope 3 category> (10,000 t-CO₂)

1	Purchased goods and services	7,000
4, 9	Transportation and distribution (upstream, downstream)	750
11	Use of sold products	3,300
15	Investments	300
Other	Other categories total	250
Total		11,600

Efforts to reduce Scope 3 emissions

Production

Purchasing materials in the course of mobility production

➔ **Replacement of materials by supplying recycled materials, etc.**

Supply of renewable power and energy-saving equipment

Mainstay businesses

Recycling

Renewable energy/Energy management

Sales and services

Use of sold mobility (gasoline-run vehicles)

➔ **Transition to manufacturing and sales of electric vehicles**

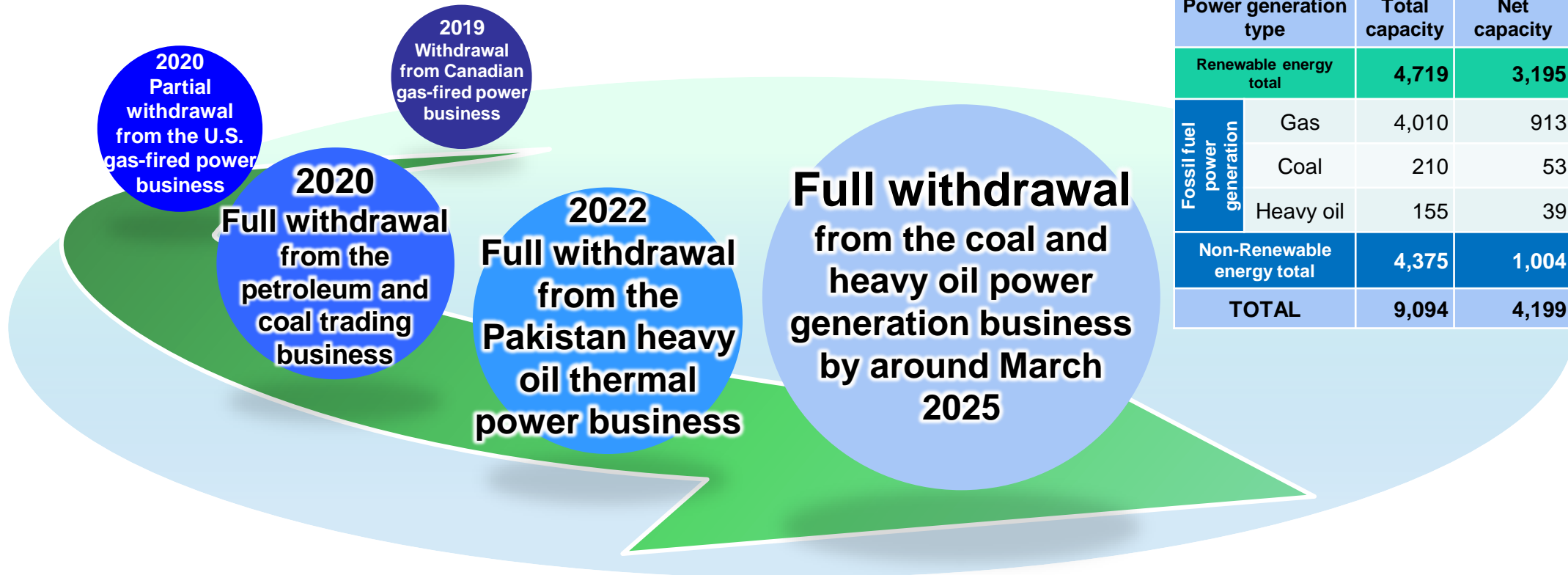
Battery

Next mobility

Hydrogen/
Alternative fuels

Scope-3 reduction by the Company leads to Scope-1 and Scope-2 reductions by suppliers/purchasers
Scope-3 reduction by the Company and contribution to customers' carbon neutrality and opportunities to earn profits

Withdrawal from Fossil Fuel-Related Businesses

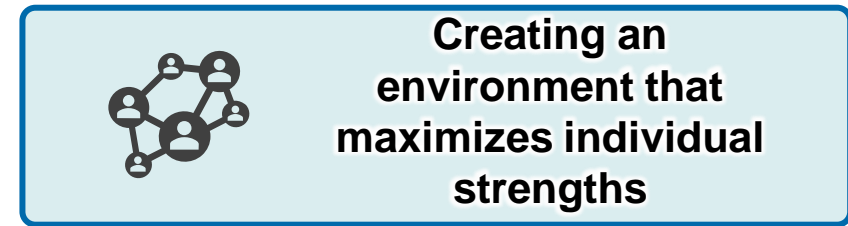


Amount of CO2 reduction through the withdrawals conducted by 2023:
CO2 reduction (Scope 3): 32 million t-CO2

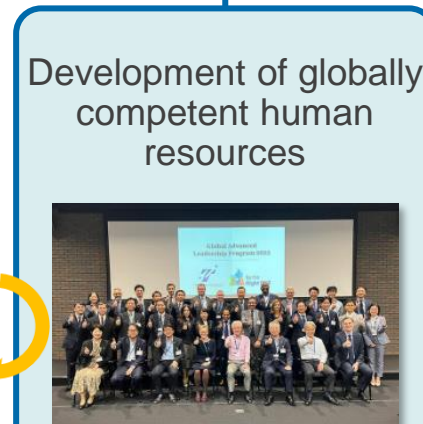
Promoted withdrawal from fossil fuel-related businesses since 2019.
Also pursued early withdrawal from gas-fired power generation business to focus on green energy investment.

Promote human capital management

Two pillars of human capital management



Major initiatives



Results

Global post^{*1} **succession plan cycle**

Development of **global leaders**
(Appointing approximately 1/3 to the post on the left)

Selected as Health & Productivity Stock for **four consecutive years**

Implementation of **human rights DD**^{*2} for consolidated subsidiaries and supply chains

FY2024:

Strengthening the linkage between succession planning → development → appointment

Continued to carry out health & productivity management

Further permeation of human rights DD



Published and disclosed as the Human Capital Report in accordance with ISO30414

➔ **7th company in the world and 2nd in Asia to obtain certification**

^{*1}. Important posts for consolidated management

^{*2}. Human rights due diligence

Strengthening the Foundation for Further Growth

(Safety and Compliance)

Work to create an organization with a climate where workers trust and support one another, in addition to developing structures and mindsets

<Structures and mindsets>

- **Safety and compliance are the gateway to all work**
- **Order of priority:
S→Q→D→C*₁**
- **COCE*₂**
- **Safe workplace and education on safety**



<Organization & organizational climate building>

Building an organization with a climate that makes it easy not only to understand but also to actually pull the Andon*₃ cord



*1 SQDC: Safety, Quality, Delivery time, Cost

*2 COCE: Global Code of Conduct and Ethics (COCE)

*3 Andon: An electronic display board installed at a factory in the manufacturing industry to illuminate a lamp and notify relevant persons when an abnormality occurs.

(If you pull the Andon cord, it will give notice of the production line abnormality, and the production line operations will stop.)

Succession to and Evolution of Toyota Tsusho DNA

Harkening back to Toyota Tsusho's roots, the Company is examining the strengths it has cultivated and the values we hope to acquire through the DNA Succession and Evolution Project (to be announced in July 2024).



Be the **Right ONE**

**Weaving our precious spirits and actions
from past to present and future
~For continuing to 'Be the Right ONE'~**

For us

Precious hearts
to be the
base of every actions

For you

Actions we accumulated
in our histories
and keep inheriting

For future

Aspirations to nurture
for our future

Mid-Term Business Plan (FY2024-FY2026) Quantitative Targets

Mid-Term Business Plan (FY2024-FY2026) - Quantitative Targets

Mid-Term Business Plan (FY2024-FY2026) Targets

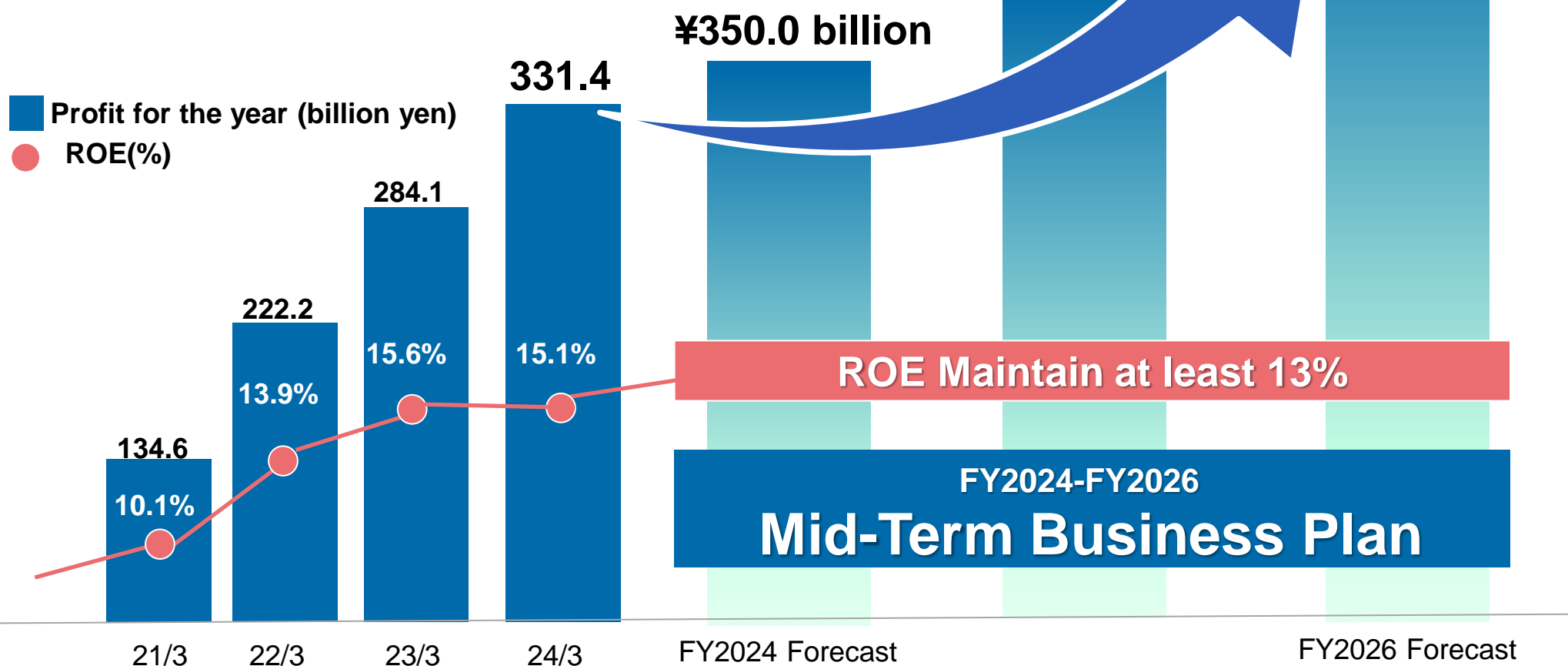
Profit for the year
FY2026

¥400.0 billion

ROE
FY2026

Maintain at least 13%

¥400.0 billion



Mid-Term Business Plan (FY2024-FY2026) - Cash Allocation

Basic financial policy

Net D/E ratio: Manage at within 1.0x

RA/RB: Manage at less than 1.0

FY2024-FY2026 3-year cumulative cash allocation

Operating CF
¥1,300.0
billion ~

Cash IN

Shareholder
returns
¥300.0
billion ~

Investments
¥1,000.0
billion ~

Cash OUT

Strengthen
shareholder returns

Nature
Value

¥300.0 billion ~

Social
Value


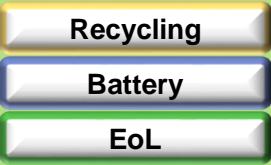

¥300.0 billion ~

Core
Value

¥400.0 billion ~

Acceleration of Growth Investment - Approach to Investment Returns

Pursue active and effective investment allocations in both “Social” and “Nature” areas without undermining investment efficiency in the Core areas. Through the growth of both “Social” and “Nature” areas, aim to establish an investment portfolio that maintains a balance between the three areas in the future.

	<u>Direction and vision</u>	<u>ROIC</u>
Nature Value 	<p>Achieve long-term value through businesses that support a sustainable global environment</p> <p>Increase resilience of power VC to accommodate customer demand as "Japan's No. 1 renewable energy supplier"</p>	<p>5%~</p>
Social Value 	<p>Strengthen relationships with customers and communities through businesses that contribute to solving social issues</p> <ul style="list-style-type: none"> • “Circular ecosystem provider” that controls arterial and venous recycling • Solution provider for electrified supply chain that contributes to CN/CE 	<p>10%~</p>
Core Value Mainstay 	<p>Actively generate cash through businesses having strengths unique to Toyota Tsusho and maintain the core for long-term growth</p> <ul style="list-style-type: none"> • Further increase sophistication of the supply chain as a leader in the material revolution and functional revolution • Accelerate efforts to achieve the No. 1 presence by strengthening the downstream business in Africa 	<p>15%~</p>

Mid-Term Business Plan (FY2024-FY2026) - Summary of Quantitative Targets

	Mid-Term Business Plan (FY2024-FY2026)
Profit for the year FY2026	400.0 billion yen
Operating CF FY2024-FY2026 3-year cumulative total	1,300.0 billion yen ~
Investment CF FY2024-FY2026 3-year cumulative total	1,000.0 billion yen ~
ROE FY2026	Maintain at least 13%
Net D/E ratio End of FY2026	Manage at within 1.0x
RA/RB End of FY2026	Risk managed at less than 1.0
Shareholder returns	Return of over 300.0 billion yen in 3 years

未来の子供たちに、
よりよい地球環境を。



豊田通商は **ジブリパーク** を応援しています。

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