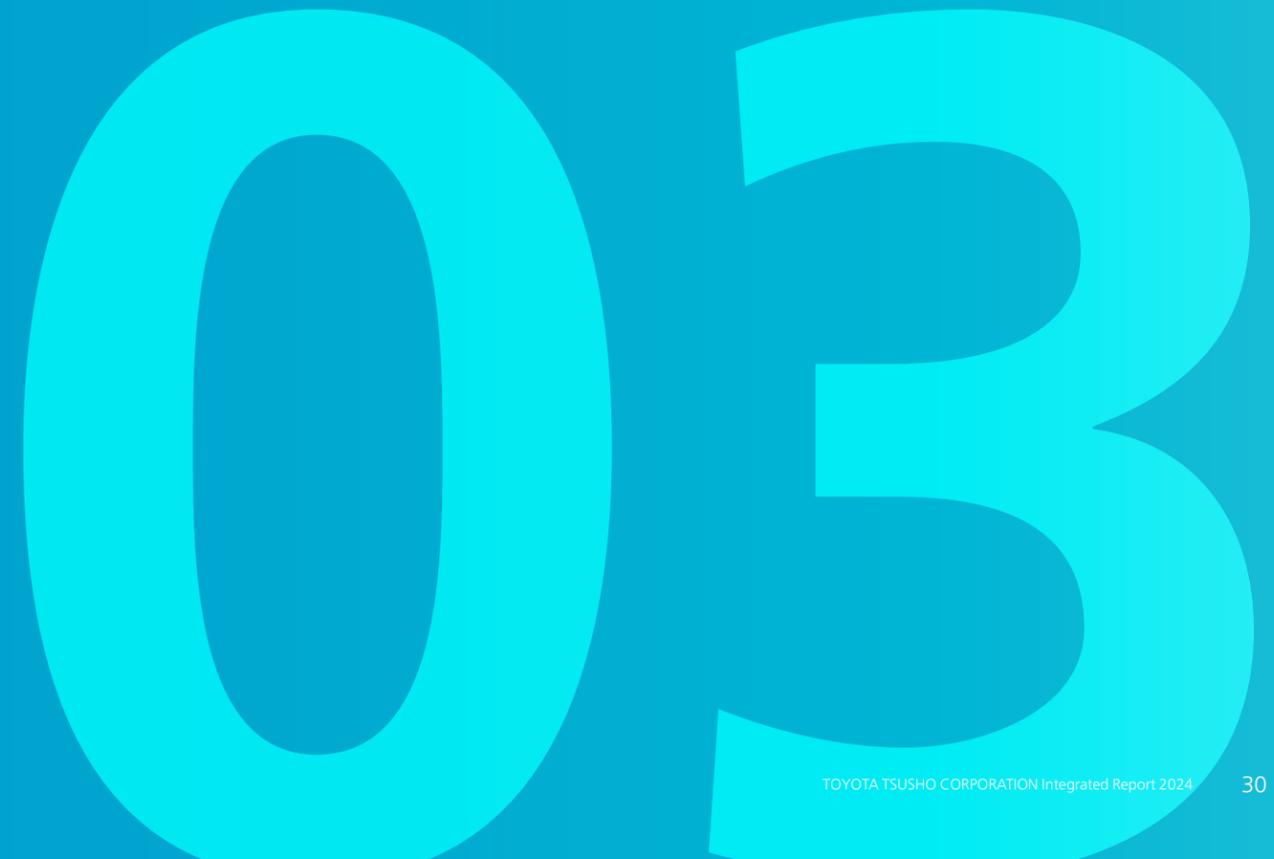


Growth Strategy

P.31	Long-term Vision and Understanding of the Business Environment
P.33	Long-term Vision and Business Domains to Focus on for the Future
P.34	Mid-term Business Plan (The Fiscal Years Ending March 31, 2025, through March 31, 2027)
P.37	Digital Transformation (DX)



Long-term Vision and Understanding of the Business Environment

We have established Key Sustainability Issues (Materiality) that we need to address to achieve our universal Long-term Vision, while at the same time developing a growth strategy based on our predictions of the impact that changes in the social environment surrounding Toyota Tsusho will have on our business.

We aim to achieve our Long-term Vision while flexibly addressing changes in the social environment that are progressing at an unexpected rate.

Future Social and Environmental Forecasts

Politics

- Economic stagnation due to conflict, terrorism, military conflict, etc., and financial market disruption
- Government regulations regarding autonomous driving
- Policy changes that are difficult to predict

Economy

- Sudden market fluctuations due to world events
- Economic instability and rising investment costs in developing countries
- New demand arising from changes in consumer and corporate behavior
- Price fluctuations in resources and instability in raw material procurement

Society

- Shortage of labor due to declining birthrates
- Outbreak of new infectious diseases
- Infrastructure and food shortages due to population growth in developing countries
- Occurrence of natural disasters
- Rise in ethical standards required of companies
- Increase in medical needs in developing countries
- Transition to a decarbonized society
- Changes in mobility needs due to changing values

Technology

- Intensifying competition to acquire rare metals and semiconductors due to the shift to electric vehicles
- Obsolescence of existing products and services due to technological innovation
- Evolution and spread of CASE in automobiles
- Advancement of recycling technology with low environmental impact
- Practical application of all-solid-state batteries / Evolution of battery technology

Impact of Environmental Changes on Toyota Tsusho

▲ Risks ● Opportunities

Transition to a safe and secure mobility society

- ▲ Obsolescence of existing businesses due to the electrification of automobiles
- ▲ Obsolescence of existing businesses due to accelerated technological innovation
- Increased demand for new materials, raw materials, and resources associated with the electrification of automobiles
- Creation of new businesses in response to changes in mobility

Shift to a circular economy

- ▲ Compliance with new regulations regarding waste and intensifying competition for the procurement of recycled raw materials due to increasing demand for recycled products
- Expansion of the recycling-related markets for metals, plastics, textiles, etc. and the creation of new business opportunities associated with such

Realization of a carbon-neutral society

- ▲ Restrictions on the sale of gasoline-powered vehicles due to stricter environmental regulations
- ▲ Intensifying competition due to an increase in renewable energy companies
- Increase in sales of next-generation eco-friendly vehicles and the creation of related businesses
- Rising demand for renewable energy in developing countries

Sustainable development in developing countries

- ▲ Instability in politics and the economy and the accompanying volatility of currencies, etc.
- ▲ Regional differences in business practices and work culture
- ▲ Spread of infectious diseases and poor sanitation
- Revitalization of automotive-related businesses and consumer-oriented business markets due to expanding consumption
- Creation of energy, plant and infrastructure development-related businesses in response to industrial development
- Expansion of our business through the improvement of living environments and the creation of employment opportunities in developing countries

Materiality

Key Sustainability Issues (Materiality) for Both Solving 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**
- Contribute to the transition to a decarbonized society by reducing CO₂ emissions from automobiles and factories/ plants 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**
- Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations**

What We Will Not Change

Values that remain important regardless of changes in the environment

Materiality

Key Sustainability Issues (Materiality) 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**
- Respect human rights and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills**

Growth Strategy

Materiality-linked priority domains

- Next Mobility
- Renewable Energy & Energy Management
- Africa
- Circular Economy
- Batteries
- Hydrogen & Alternative Fuels
- Economy of Life

We will allocate resources prioritizing key domains that should be addressed for the future.

Through this, we will contribute to solving social and environmental issues through growth.

Mid-term Business Plan for achieving growth strategy

P.34 →

- Promote investment in priority domains**
- Promote businesses for achieving the 2030 carbon neutrality target**
- Promote human capital management**
- Strengthen the foundations for further growth (safety and compliance)**

Corporate strategy and organization supporting the growth strategy

- Financial Strategy** P.59 →
- Human Capital Strategy** P.69 →
- Digital Transformation (DX)** P.37 →
- New Organizational Structure** P.39 →

Long-term Vision

To create a better society and global environment together with everyone by simultaneously providing social and nature value and economic value

- To continue to lead the way in creating a clean and sustainable society that is environmentally friendly and that brings smiles and happiness to people all over the world
- To continue to create a unique network of partners that can support and enhance each other, while working together with customers to achieve both social and environmental contributions and growth
- To continue to respect people, work with diversity, and remain on the path of a trusted company that adheres to safety and compliance

Global Vision

Be the **Right ONE**

Long-term Vision and Business Domains to Focus on for the Future

We will work with all stakeholders to create a better future through our businesses: businesses that reduce environmental impact and contribute to solving environmental issues; businesses that contribute to solving social issues such as waste reduction and inadequate medical infrastructure; and businesses that leverage our strengths and embody the distinctive traits of the Toyota Tsusho Group. In doing so, we will provide “Be the Right ONE” value to society and our customers by setting priority domains on which to strategically concentrate our management resources.

Long-term Vision

To create a better society and global environment together with everyone by simultaneously providing social and natural value and economic value.

Business Domains to Focus on for the Future

Nature Value Domain
Businesses that contribute to solving environmental issues

Social Value Domain
Businesses that contribute to solving social issues

Core Value Domain
Businesses that embody Toyota Tsusho’s distinctive traits

Seven Priority Domains + Core Business

Renewable Energy & Energy Management	Promoting the transition to a carbon neutral society by establishing a value chain for renewable energy such as wind, solar, and hydropower, and for the electricity it generates
Hydrogen & Alternative Fuels	Realizing a society without fossil fuels through businesses related to alternative fuels such as hydrogen and biofuels
Circular Economy	Realizing a society with a circular economy by establishing resources recycling system through waste collection, recycling, reuse, and proper disposal
Batteries	Supporting the transition to an electrified society of the future with reduced Greenhouse gas (GHG) emissions by establishing a total supply chain for batteries, from raw material to manufacture
Economy of Life	Contributing to improving the quality of people’s lives and realizing a highly convenient and healthy future society by developing businesses in countries and regions in which we have strengths, particularly in the field of healthcare
Next Mobility	Accelerating the transition to safe and convenient mobility society through the use of new technologies and the creation of services that will drive automotive evolution toward next-generation automobiles
Africa	Contributing to the development of Africa and improving the quality of life of its people through mobility, infrastructure, healthcare, consumer, and other domains
Core Business	Maximizing the value we provide to our customers by demonstrating Toyota Tsusho’s distinctive traits through businesses, particularly in the mobility domain, in which we have strengths

Mid-term Business Plan (The Fiscal Years Ending March 31, 2025, through March 31, 2027)

We believe that to achieve growth that goes beyond the previous trajectory, it is necessary to further accelerate our growth strategy. We will achieve this by collaborating not only with our various business partners but also with partners in solution-finding. Also, as a leading provider in the fields of carbon neutrality and the circular economy, we will contribute to solving social issues through corporate growth. In doing so, we aim to become a one-and-only, essential presence, in other words, to realize our Global Vision of “Be the Right ONE.”

Our Vision



Key initiatives during the Mid-term Business Plan period	1 Promotion of investment in priority domains
	2 Promotion of businesses aimed at achieving the 2030 carbon neutral target
	3 Promotion of human capital management
	4 Reinforcement of the foundations for further growth (safety and compliance)

As our growth strategy and the associated measures and characteristics have become very clear over the past few years, we will make the first year of the Mid-term Business Plan, the fiscal year ending March 31, 2025, a year for executing our strategy. We will accelerate our progress toward our vision through the allocation of capital, the promotion of distinctive businesses, the promotion of active engagement by the human resources that will drive them, and the cultivation of a positive working environment and mindset within the company.

Mid-term Business Plan (The Fiscal Years Ending March 31, 2025, through March 31, 2027)

There are four key initiatives in the Mid-term Business Plan (The fiscal years ending March 31, 2025, through March 31, 2027). We are making steady progress to “Be the Right ONE” by accelerating our growth strategy through these four key initiatives. To show the link between these initiatives and our past efforts, we explain the details of the key initiatives in this report. Please see the indicated pages for details.

Accelerating Our Growth Strategy Further Contributions to Solving Social Issues

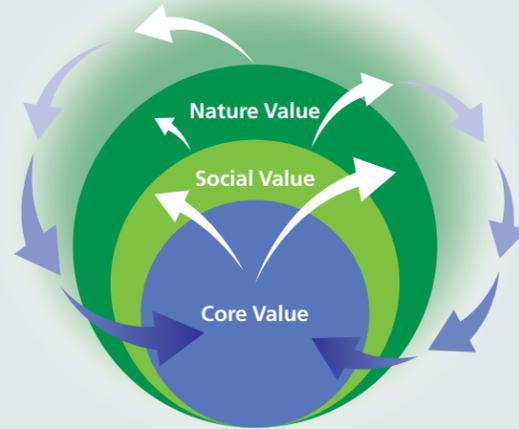
Key Initiatives during the Mid-term Business Plan Period

- 1 Promotion of investment in priority domains
- 2 Promotion of businesses aimed at achieving the 2030 carbon neutral target
- 3 Promotion of human capital management
- 4 Reinforcement of the foundations for further growth (safety and compliance)

1 Promotion of investment in priority domains

Approach to Investment – Corporate Value Enhancement Cycle

We have organized our approach to medium- to long-term growth investment domains from both qualitative and quantitative perspectives, and have formulated three new values. For more details, including our approach to cash allocation, see “CFO’s Message” (pages 61 to 65).



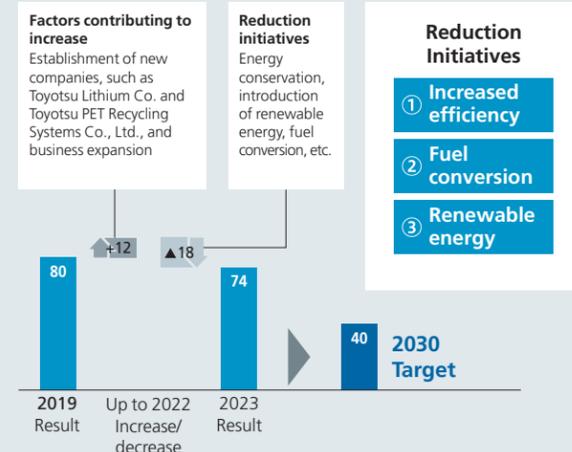
2 Promotion of businesses aimed at achieving the 2030 carbon neutral target

Scope 1^{*1}, Scope 2^{*2}
Achieve the 50% reduction target* by 2030

Scope 3^{*3}
Promoting reductions while improving profits through the distinctive traits of Toyota Tsusho Group businesses

*Base year: 2019

Scope 1 and Scope 2 Emission Trends (10,000 t-CO₂)



Our GHG emissions (2022 result)
Scope 3: Approx. 114.18 million t-CO₂

Focusing on emissions in the mobility supply chain

Initiatives to Reduce Scope 3 Emissions in the Mobility Supply Chain

- 1 Substitution of materials through the supply of recycled materials, etc.
- 2 Supply of renewable energy and energy-saving equipment
- 3 Transition to the manufacture and sale of electric vehicles

*1 Direct GHG emissions from Toyota Tsusho's use of fuel (coal, gas, etc.)
*2 Indirect GHG emissions from Toyota Tsusho's use of purchased electric power and heat
*3 Product GHG emissions from raw material procurement, manufacturing, and sales to consumption and disposal

For details, see the “Environment” section on pages 93 to 114 →

3 Promotion of human capital management

We define human capital management using two pillars, which are the basis for our main initiatives: “Securing the quality and quantity of human resources required for our business strategies” and “Shaping a workplace environment that encourages and enables individuals to hone and exercise their capabilities fully”

Two pillars of human capital management



*4 Positions important for consolidated management

For details, see the “Human Capital Strategy” section on pages 69 to 76 →

4 Reinforcement of the foundations for further growth (safety and compliance)

Safety and compliance are the cornerstones for all work. We have incorporated various indicators, systems, and training into our operations to ensure safety and compliance. However, the effectiveness of these systems and this mindset relies on an organization and culture in which people trust and support each other. We will focus on creating a culture in which people not only understand systems and training content but also, when an irregularity occurs or is detected, can call it out without hesitation by “pulling the Andon cord to light the lamp.”

Systems and Mindset

- Safety and compliance are the cornerstones for all work
- Priority order of S → Q → D → C^{*5}
- COCE^{*6}
- Safety workshops and safety education

Building an Organization and Culture

An organization and culture in which people not only understand but are also willing to pull the Andon^{*7} cord

*5 Safety, Quality, Delivery time, and Cost
*6 Global Code of Conduct & Ethics (COCE)

*7 An electric signboard installed in manufacturing plants that lights up when an irregularity occurs to notify personnel (pulling the Andon cord signals an irregularity in the production line and stops it)

Digital Transformation (DX)

Our Positioning of DX

Under the slogan of “Business Transformation by Digital,” we have positioned DX as an acceleration driver that will transform all of the Toyota Tsusho Group’s businesses and organizational culture.

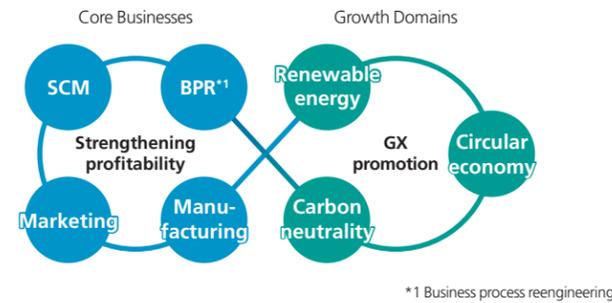
In the core businesses handled by sales divisions, we have been making continuous efforts to strengthen profitability around four themes: advancement of supply chain management (SCM), streamlining of business processes, marketing based on data, and advancement of manufacturing.

In addition, we aim to create new businesses and realize a sustainable society by combining green transformation (GX) domains such as renewable energy, circular economy, and carbon neutrality, with DX based on the latest digital technology as growth areas for the future.

Slogan

“Business Transformation by Digital”

Target of Transformation



Progress So Far and the Current State

In November 2018, a company-wide DX promotion initiative was launched in response to the president & CEO’s annual “Management Mission Statement.” After a preparation project in 2019, the CDTO*2 and the DX Acceleration Department, which serves as the implementation team, were established in April 2020. Since then, we have continued to promote DX with management participation, such as by holding “Digital Board” meetings, in which the executive vice presidents and executives from each division participate in monthly discussions and progress checks on DX, and at the Executive Officers Meeting, for which all executives gather once a year to hear each division report on its progress with DX.

Today, the importance of DX has been recognized throughout the company, with DX measures being incorporated into the

annual policy of each division and department and each employee coming to treat DX as their responsibility.

*2 CDTO: Chief Digital & Technology Officer
The title was changed to CTO (Chief Technology Officer) in April 2023

History of Our DX

Preparation Phase	November 2018	“Management mission statement” (top-down directive to promote DX)
	May 2019	Company-wide DX promotion preparation project
Transformation Phase	April 2020	CDTO established, DX Acceleration Department launched
	September 2021	Digital X Lab established
Establishment Phase	April 2023	Integrated into CSO*3 Unit
	Present	*3 CSO: Chief Strategy Officer

Framework of DX Promotion

We divide DX into three categories: 1.0 (improving business efficiency), 1.5 (adding value to existing businesses), and 2.0 (new business development), and provide the necessary support for each. For example, we provide a citizen development*4 environment for business efficiency in 1.0, and brainstorming services with specialist consultants for new business development in 2.0.

In addition, to promote the data utilization that is essential for all aspects of DX, we are implementing measures necessary for DX implementation in all areas, such as building databases that allow easy access to the data of multiple systems and developing

rank-specific training courses to foster DX personnel.

*4: A process in which employees develop systems themselves using simple system development tools.

Promotion Framework



Human Capital Development Through the Experiences of Each Employee

We have developed a wide range of measures to support departments and individuals so that digital technology is not seen as something special that only experts can handle, but rather as something that each employee uses as their own in their daily work.

Creating an Environment in Which Technology is More Accessible

We encourage citizen development, which enables employees to develop apps using low-code tools without specialized programming knowledge. In 2023, we held hands-on seminars and hackathon (business improvement contest) to foster a positive attitude to such utilization. In addition, about 650 volunteers have participated in an online community that was launched using an in-house social networking service to share case studies and exchange information across divisions. Furthermore, in January 2024, we set up a dedicated support desk to respond to technical inquiries from users in a face-to-face manner.

To promote generative AI, a technology with business application potential, in August 2023 we launched “Toyotsu

GChat” for uninhibited use by employees after confirming its security. Since its release, we have continued to update its features, such as by adding more templates (prompts) for questions to its AI function and having generative AI learn company information such as internal regulations.



Hackathon (business improvement contest)



Support for DX Implementation

Brainstorming—Refining of DX Projects

To move new DX projects into the practical phase swiftly, we regularly hold discussion sessions with external consultants for idea generation. We pick out the issues to be addressed in the implementation process through discussion and refine each aspect step by step to increase the probability of project success.

VOICE

Sustainable Food Group,
Food Solutions Department

Shohei Nomura

We received support in the concretization of digital technology-based sales strategies for the launch of a new agricultural business. We were able to quickly absorb from external experts the experience and knowledge we lacked in areas such as web marketing, which has allowed us to make speedy progress with building our business.

Digital X Lab—Turning Ideas into Reality

Working with the support of experts in fields such as business process reengineering, data analysis, user interface and user experience design, and other digital technologies, we provide a space for the testing of hypotheses that are vital for business innovation and business creation by turning ideas into tangible form in a period of a few weeks to a month.

VOICE

ENE-VISION Co., Ltd.
Sales Department

Nozomi Nakae and Fumiaki Ito

We tackled the challenge of using data analysis to improve the accuracy of forecasts for electricity prices, which fluctuate according to supply and demand. We were able to improve the accuracy of price forecasts by enabling AI-based projections that take into account historical data and the latest market conditions for oil, coal, and LNG, as opposed to the previous operational process, which relied on the experience of the forecasting staff. Today, we benefit from easy access to data analysis, which offers a good opportunity to raise awareness within the company of the importance of data-driven decision-making.