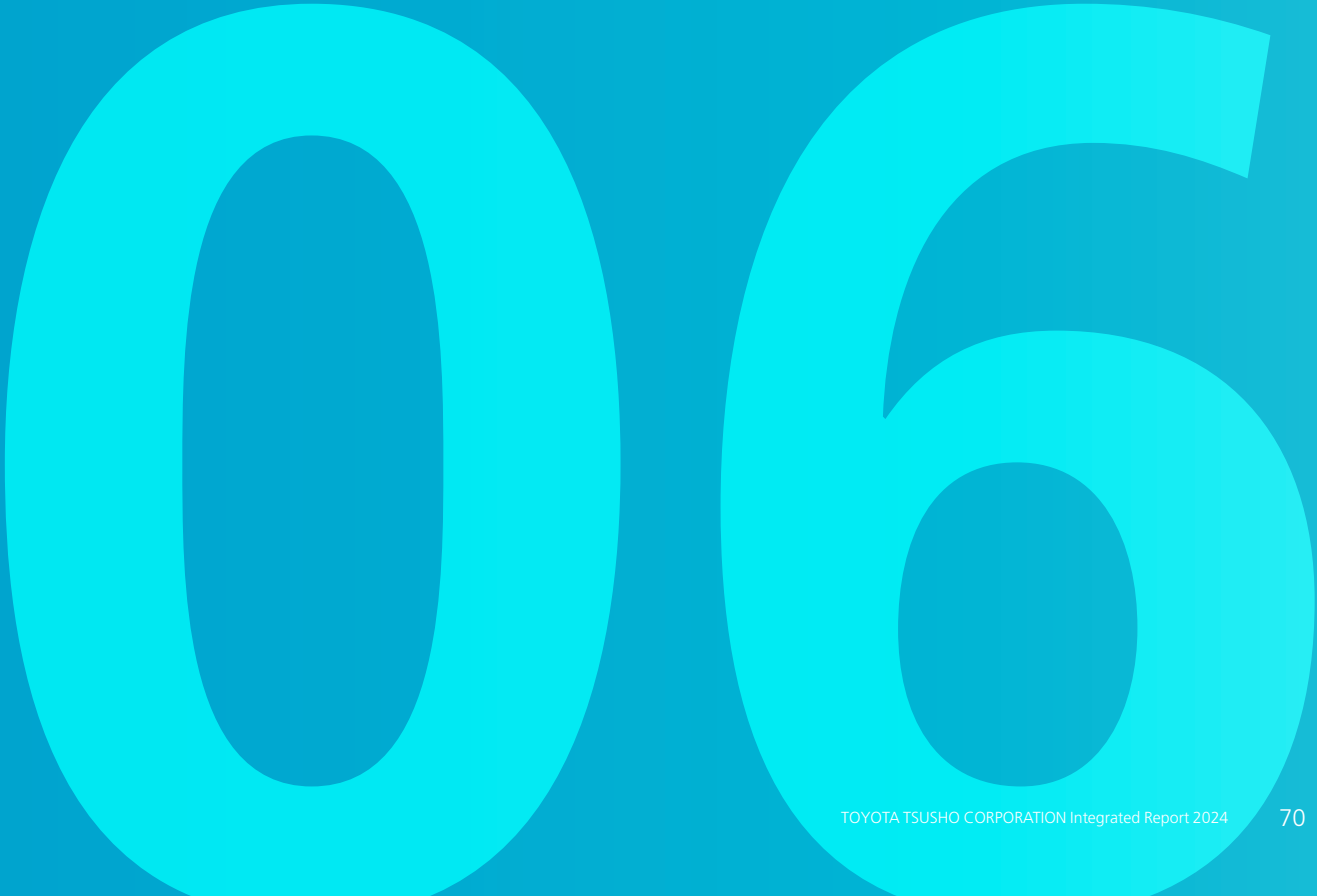


Human Capital Strategy

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CHRO's Message

CHRO Message

The Toyota Tsusho Group will become a group in which people and organizations shine the most through the strengthening of people and the creation of an environment that draws out the capabilities of individuals to the maximum extent, both aligned with our business strategies.



Makiko Hamase
Chief Human Resources Officer (CHRO)

At the Toyota Tsusho Group, we have established the vision “Be the Right ONE,” which means becoming a one-and-only, essential presence for our partners and stakeholders by working to solve social issues through our business activities. Success in realizing the vision depends entirely on people, and through investment to enhance the value of our people, we aim to realize “People Company Toyotsu” and be a value-generating corporation that contributes to the creation of prosperous societies.

While the term “human capital management” is becoming more and more common, our management has long been people-centric. By linking our business strategies and human capital strategy, and by clarifying how they will lead to increased corporate value, we will contribute to creating a better society and global environment with everyone.

The Toyota Tsusho Group has approximately 70,000 employees, and we are actively implementing “respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills,” which is one of our material issues. To this end, we encourage each one of our employees to play an active role energetically and vigorously on a global stage that spans roughly 130 countries and regions, fostering a sense of growth among them and expanding our business. Looking back on the group’s past 15 years, its business scale and number of employees have both increased significantly, and the environment surrounding the group has changed greatly. To realize our business strategies, all of our employees need to further improve their strengths on the individual level, and we are implementing measures to achieve this. One example is the overseas assignment of junior employees (up to 8 years since

joining the company) to enable them to gain business experience abroad. We also conduct training for superiors to encourage two-way dialogue between them and their subordinates, draw out the intrinsic motivation of employees, and increase employee’s desire to learn through their work. In the four years since its introduction, a total of 483 employees have undergone the training. To develop global leaders, we implement the Global Advanced Leadership Program (GALP)* for next-generation management candidates selected from around the world, and we are developing global leaders who can lead diverse and ambitious people. Furthermore, to secure people who can exhibit their capabilities on the global stage and assume business management, we are clarifying key positions at overseas subsidiaries and affiliates, defining the expected roles and necessary skills for each position, selecting successor candidates, and strengthening the link between training and placement.

Although we often hear the term “global company,” the ways of business and strategies of such companies differ. Looking at our business strategies, we are globally putting the right people in the right places and finding the right places for the right people regardless of nationality, age, gender, and other attributes. We also aim to take on the challenge of expanding into new domains boldly by maximizing the capabilities of individuals within our teams by multiplying them to become a company that continues to be chosen by customers. Being committed to this policy, we are implementing various measures.

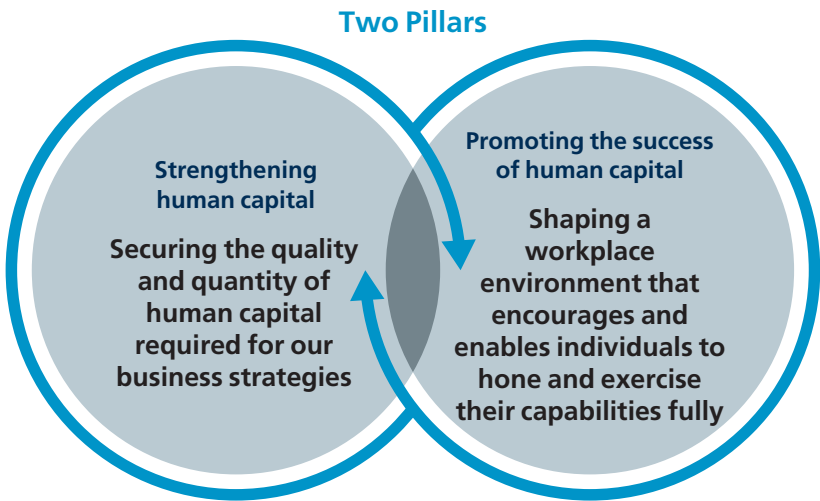
* For details on GALP, see page 73, “Human Capital Development” →

Overview of Human Capital Strategy

Ideal

Toward “People Company Toyotsu”

Human Capital Strategy toward the Ideal We Aspire To



To realize “People Company Toyotsu,” it is vital to conduct human capital management—management activities that link business strategies and our human capital strategy. We consider securing the quality and quantity of human capital required for our business strategies and shaping a workplace environment that encourages and enables individuals to hone and exercise their capabilities fully to be most important in maximizing the

power of people who play central roles in this human capital management. Under this recognition, we have set strengthening human capital and promoting the success of human capital as two pillars. These two pillars are the foundations of all of our human capital initiatives, and of such initiatives, we will share some representative ones as shown below.

Major Initiatives



Human Capital Development

Production of Managerial and Business-creating People Who Continue to Win Globally

	2024/3 Result*1
Number of employees working globally	609
Percentage of junior employees*2 with global experience*3	75.5%
Percentage of members of middle management who have received training (Hybrid Communication Program) to bring out the initiative and abilities of their subordinates	75.8%
Cumulative number of participants in the managerial talent and business-creating human capital development program	849

*1 Subject organization: 3,292 employees of Toyota Tsusho Corporation (non-consolidated)
 *2 Eighth year of employment, global position, average for the last three years
 *3 Subject employees: all global employees up to their eighth year of employment

Purpose and Policy

To flexibly address changes in the business environment and continuously create value together with our partners, we are focusing on cultivating managerial, business-creating global human capital.

Based on the 70:20:10 model for learning and development, which outlines that 70% of personal growth comes from (using our in-house terminology) putting into practice the principles of Genchi, Genbutsu, Genjitsu (On site, Hands on, In touch), 20% comes from advice and feedback from superiors and senior colleagues, and 10% comes from training and self-study, we have structured a system that emphasizes growth opportunities through work and leads to learning opportunities, thereby accelerating a cycle of growth unique to a Toyota Tsusho person.

The Growth Cycle of a Toyota Tsusho Person



Examples of Major Initiatives

Human Capital Cultivation through the Practice of Genchi, Genbutsu, Genjitsu (On Site, Hands On, In Touch)

• Work assignments and training linked to career aspirations
 To achieve both business goals and employee career development, we provide opportunities for employees to align their career aspirations with their work assignments through three annual interviews with their supervisors. We help employees acquire a wide range of skills through diverse assignments, such as cross-divisional experience and management experience at overseas entities, in line with their career aspirations.

• Overseas dispatch of junior employees

By providing opportunities for overseas assignments and hands-on training to all global employees up to their eighth year of employment, we are cultivating employees' sense of competition on the global stage from an early stage in their careers.

Human Capital Cultivation Through Advice and Feedback

• HCP (Hybrid Communication Program)

To increase employees' motivation to learn through their work by eliciting their intrinsic motivation through dialogue, we provide training in communication skills, including coaching, for middle management. (A total of 483 people have participated as of the end of March 2024.)

Human Capital Cultivation Through Training and Self-Study

• GALP (Global Advanced Leadership Program)

Aiming to cultivate global leaders with high aspirations and the ability to lead diverse human capital, we have partnered with top business schools overseas to implement a six-month program for selected next-generation management candidates from around the world to "learn about the world, the company, and oneself." Furthermore, we also aim to maintain and expand the global network among employees by continuously setting up opportunities for interaction as "alumni activities" for former participants.



GALP2023

• CEP (CEO Essentials Program)

This program is designed to develop human resources who are, and will be responsible for the management of Toyota Tsusho Group companies in Japan and overseas (approximately 800 companies), providing them with opportunities to acquire management aspirations and skills that are "unique to Toyota Tsusho."

• Language Intern Program

This is a program for junior employees to acquire language skills for approximately one year at overseas universities or language education institutions to develop human resources capable of adapting to our business model, which involves posting many of our employees overseas.

Right People in the Right Places and Right Places for the Right People

Right People in the Right Places and Right Places for the Right People so as to Maximize Individual and Organizations

	2024/3 Result
Percentage of global key management positions with successors selected*1	91.9%
Average number of candidates per global key management position	2.2

*1 Number of target positions: 211

Purpose and Policy

We are committed to putting the right people in the right places, thus promoting them to the most suitable positions for them to fully demonstrate their abilities based on their career aspirations. In addition, to link our business and human capital strategies, we are clarifying important business posts and their roles and focusing on providing the right places for the right people to ensure that the most suitable people are assigned to them.

Examples of Major Initiatives

• Strengthening the training process to enable selection for global positions

We are strengthening our training process to ensure the quality and quantity of global leaders.

We have clarified the global key management positions that are important for consolidated management and have defined the expected roles and necessary skills for these positions. We select candidates for each position and plan development plans based on the gap between the expected role and the current skill level. In particular, we are focusing on the development

and appointment of local talent to promote collaboration with locally based partners and locally-generated businesses. The progress of training is shared and discussed at company-wide meetings (Global Human Resources Committee) involving management, and the PDCA cycle is being implemented. We are unifying our information system infrastructure globally to promote these initiatives more efficiently and effectively.

• Promoting transfers based on employees' career aspirations
 To provide growth opportunities that match employees' career aspirations and to increase the fluidity of human resources within our organization, we have established a system that prioritizes transfers for employees who meet set requirements. We have introduced two systems: the Challenge Rotation System, in which the Global Human Resources Department coordinates transfers based on employee requests; and the Challenge Post System, in which employees apply for a post based on the organization's needs and in which the organization matches employees with such posts.

Diversity, Equity, and Inclusion (DE&I)

Diversity, Equity, and Inclusion (DE&I) to Respect Diversity and Generate Synergies

	2024/3 Result*1
Proportion of female employees in managerial positions	7.4%
Ratio of new graduates to mid-career hires	50:50
Percentage of employees taking childcare leave, etc.*2	91.6%
Male employees taking childcare leave, etc.*2	84.3%
Percentage of employees participating in career development support programs	91.3%

*1 Subject organization: Toyota Tsusho Corporation (non-consolidated)
*2 This includes the use of childcare leave and other leave systems for childcare

Purpose and Policy

We have historically expanded our business and operating regions through integration and partnerships with a variety of companies. As such, we have a globally diverse workforce of approximately 70,000 employees. In this setting, DE&I efforts are accelerating around three themes: “Outstanding performance of diverse human capital,” “Promotion of work style reform and support for balancing work and family life,” and “Fostering a corporate culture that leverages diversity and changes people’s mindset.”

Examples of Major Initiatives

Outstanding performance of diverse human capital

- Development of global human capital
We are selecting and cultivating employees from overseas subsidiaries at our head office to develop global leaders and globalize our head office. Most recently, a person from overseas who was appointed as a general manager at our head office was promoted to the post of executive officer in the Asia & Oceania region after gaining experience in Japan.
- Promoting active roles for female employees
Aiming to promote the success of diverse human capital, we have implemented mentoring programs to develop female leaders and early overseas assignments that take into account life events. We also support women’s career development and continuity through systems such as a leave of absence system for employees whose spouses are posted overseas and a career bridge system,*3 among other measures.

*3 A system that provides employees who have left the company due to marriage or a change of residence following the transfer of their spouses with the opportunity to return to the company to play an active role

Promotion of work style reform and support for balancing work and family life

- Providing a diverse range of career paths
With a system that allows employees involved in nursing care to transfer between job types, they can choose a career path (job type) that allows them to work in a way that suits them, depending on their life stage and aspirations, such as being able to work at a fixed location for a limited time.

- Provision of diverse career paths under the new human capital management system
We are providing a range of options to enable flexible work styles, including a flextime system, a work-from-home system, and a shortened working hour system for childcare. We are also working to create an environment that enables work-life balance, such as by promoting the taking of childcare leave by men and introducing a volunteer leave system.

Fostering a corporate culture that leverages diversity and changes people’s mindset

- Career development support program
We provide career design e-learning and career development support workshops for all employees to encourage them to become more aware of their career development and to provide opportunities for them to change their behavior accordingly. In addition, through career development support training and other programs, managers support the career development of their subordinates.
- Periodic review at executive meetings
To ensure that the entire organization is involved, division CEOs set annual DE&I initiative targets for each division and report on the progress and results of activities (e.g. accepting employees from overseas subsidiaries, promoting women’s success, etc.) at the Executive Officers Meeting and Board of Directors meetings.

- Office reform
To create new value and foster and pass on a corporate culture that is distinctive of Toyota Tsusho, we have renovated our offices to make them “hubs” for communication, introducing a free address system and expanding collaborative spaces. We are promoting dialogue between employees that transcends



Head Office (Nagoya) 11th floor

organizational boundaries, spontaneous information exchange, and the synergistic effect of teaching each other.

- Evolution HUB
We have established the Evolution HUB, which consists of organizational development professionals, to improve organizational capabilities. It creates cross-organizational collaboration opportunities (coaching, dialogue meetings, etc.).

- Engagement survey
To enable autonomous improvement at the organizational level, we conduct an engagement survey once a year to visualize the state of the organization. For issues that are shared company-wide, the global human resources department leads improvement measures and promotes the creation of an organization in which every employee can perform enthusiastically.

Well-being Management

Well-being Management to Energize Organizations with Employees Playing Active Roles in Their Unique Ways

	2024/3 Result*4
Health & Productivity Stock Selection	Selected for four consecutive years
Average implementation score for the Healthy Lifestyles Challenge 8 Program	5.51 points

*4 Subject organization: Toyota Tsusho Corporation (non-consolidated)

Purpose and Policy

We recognize that the physical and mental health of our employees is our most important asset. Based on this, we believe that health maintenance and promotion enhance engagement, invigorate the organization, and, ultimately, contribute to greater productivity. We have set improving health literacy, in which each person independently maintains and improves one’s health, as our top priority issue, and we are promoting various measures based on our “Three Guiding Principles of Well-being Management,” including Employee Health, Improvement of Workplace Vitality, and Social Contribution.

Examples of Major Initiatives

- Healthy Lifestyles Challenge 8 Program
We are implementing initiatives to promote behavioral change for the health of our employees. Employees are awarded one point for each of eight lifestyle factors (desirable weight, exercise, alcohol, smoking cessation, breakfast, snacks/sweets, sleep, and stress), with eight being a perfect score. We plan and implement measures for each of these eight lifestyle factors. The result for the fiscal year ended March 31, 2024, was 5.51 points, an increase compared to the result of 5.34 points for the fiscal year ended March 31, 2023, and our target is to raise this to 6.50 points by the fiscal year ending March 31, 2026.

- Reforms in work styles and increasing job satisfaction
To promote a highly productive work style, we have adopted a basic policy of reducing long work hours and are promoting various measures. These include turning off all lights at 8:00 p.m. to encourage employees to go home earlier, gradually lowering the upper limit of the 36 Agreement, improving employees’ knowledge and awareness of labor management, and encouraging employees to take paid holidays once a month as well as refreshment leave.*5 To promote these measures, we also revamped our attendance system in April 2024.

*5 Paid holidays with welfare allowance, which employees can take every five years of employment

- Selected as a Health & Productivity Stock by the 2024 Health and Productivity Stock Selection
In March 2024, Toyota Tsusho, in recognition of our efforts to build a foundation for each employee to maintain and improve one’s health and, by doing so, having achieved measurable improvements in employee performance, was selected by the Health & Productivity Stock Selection for the fourth consecutive year from among the companies listed on the Tokyo Stock Exchange for its strategic effort in addressing employee health from a management perspective.

