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Further Information Regarding Financial Results
https://www.toyota-tsusho.com/english/ir/library/briefs/

Information Related to Sustainability
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Online Integrated Report
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TOYOTA TSUSHO CORPORATION Integrated Report 2024

Be the **Right ONE**

Integrated Report 2024

Fiscal year ended March 31, 2024

TOYOTA TSUSHO CORPORATION

Editorial Policy

The Toyota Tsusho Group positions its annual Integrated Report as a medium for communicating with a wide range of stakeholders, promoting a sustainable increase in corporate value through dialogue.

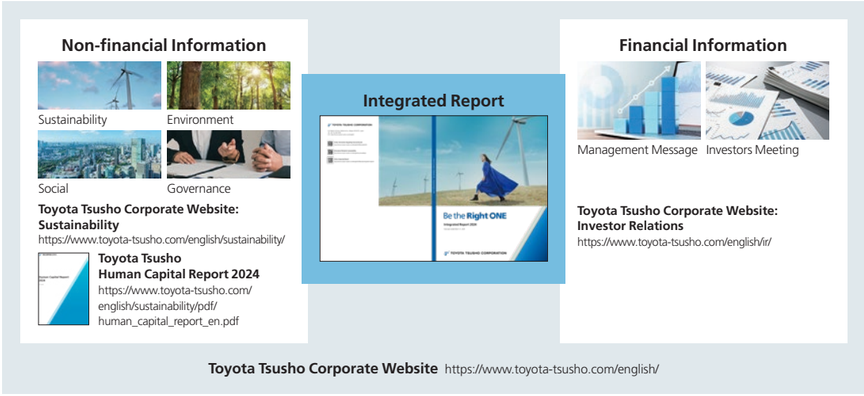
The report was planned and produced while referring to the Integrated Reporting Framework proposed by the IFRS Foundation and the Guidance for Collaborative Value Creation issued by Japan's Ministry of Economy, Trade and Industry (METI), as well as through dialogue with stakeholders.

While the report covers the activities of Toyota Tsusho and its consolidated subsidiaries, some parts focus on the parent company Toyota Tsusho alone. Going forward, taking into consideration stakeholder feedback, we will review the content of the report and make continuous enhancements for easier reader understanding.

The Integrated Report contains financial and non-financial information that is extremely important for the continued enhancement of our corporate value. For more detailed information, please refer to the Sustainability and Investor Relations pages on our corporate website.

The report is a translation of the Japanese version.

Positioning of the Integrated Report



Cautionary Note on Forward-looking Statements

The Integrated Report contains forward-looking statements regarding the Toyota Tsusho Group's future earnings plans, strategies, principles, and performance outlook that are not historical facts. These forward-looking statements are presented to inform readers of the views of management within the Toyota Tsusho Group but are not intended to be relied on when making investment and other decisions. Readers are cautioned not to place undue reliance on these forward-looking statements.

Scope of the Integrated Report

Period covered: April 1, 2023 to March 31, 2024
(including some activities before and after the reporting period)

Organizations covered: Toyota Tsusho Corporation and the Toyota Tsusho Group

Listed in Key ESG Investment Indexes

As of July 2024, Toyota Tsusho is listed in the following key environmental, social, and governance (ESG) investment indexes.

FTSE4Good*	FTSE Blossom Japan Index*	FTSE Blossom Japan Sector Relative Index*	S&P/JPX Carbon Efficient Index

* As a result of third-party reviews, Toyota Tsusho Corporation has met the requirements for inclusion in the FTSE4Good Index, FTSE Blossom Japan Index, and FTSE Blossom Japan Sector Relative Index, which are indexes maintained by FTSE Russell (registered trademark of FTSE International Limited and the Frank Russell Company), and is a constituent stock in these indexes. These indexes are widely used in the creation and evaluation of sustainable investment funds and other financial products.

CDP Evaluation Results for the Fiscal Year Ended March 31, 2024

Climate change	Water security	Forests		
		Timber	Palm oil	Soy
A	A-	A	B	B

Quality Assurances Regarding Environmental Performance Data

The Toyota Tsusho Group has received assurance from Lloyd's Register Quality Assurance Ltd. for its amounts of greenhouse gas emissions, energy use, water consumption, and waste.

Personnel-related Evaluations

Platinum Kurumin | Eruboshi | Health & Productivity Stock Selection | White 500 | ISO30414

DX-related Evaluations

DX認定

For more information on external evaluation, please see "External Evaluation" section on Toyota Tsusho's corporate website.
https://www.toyota-tsusho.com/english/sustainability/evaluation.html

Graphics and Photos on the Cover and P.1

Toyota Tsusho has produced a new commercial and graphics titled "Open mind. Envision the future." that express our hope of "Passing on a better global environment to the children of the future."

The story is set in an imaginary "Toyota Tsusho Gallery," where paintings relating to Toyota Tsusho's various businesses are displayed. It features actress Mirika Otsuki stepping into the world of our company's Africa business, where we have the No. 1 presence in Africa, and the Renewable Energy Business, the largest of its kind in Japan, to envision the future.

Please take a look at the commercial and graphics, which integrate live action, animation, and music in a way that is unique to Toyota Tsusho.

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President & CEO's Message

P.7 President & CEO's Message

01

CEO Message

Ichiro Kashitani
President & CEO*
*CEO:Cheif Executive Officer

We at Toyota Tsusho are committed to refining unique businesses, to unveiling new possibilities for customers and partners through our "Be the Right ONE" vision, and to making the world a happier place.

Gratifying Progress through Asserting Internal Strengths

The Toyota Tsusho Group's profit for the year attributable to owners of the parent ("profit for the year") increased 16.6% in the fiscal year ended March 31, 2024, to 331.4 billion yen. That was our third consecutive year of record-high earnings. And profit for the year exceeded by far the 180.0 billion yen in our Mid-term Business Plan announced during the fiscal year ended March 31, 2022.

Our strong earnings performance in the fiscal year ended March 31, 2023, had benefited greatly from external factors; notably, the weakening of the yen, upward price movement in product markets, and business recovery in the automotive industry supply chain. We resolved to fortify our earnings momentum in the latest fiscal year by making the most of our internal strengths. And we marked gratifying progress in in building momentum in our priority domains.

Especially notable was our progress in expanding business in connection with automobile manufacturing. We increased our investment, for example, in our automotive battery factory in the United States. In another priority domain, we completed the construction of a wind power generation facility in Hokkaido. That facility is one of the largest of its kind in Japan, and the project has included building power transmission and storage capacity.

Our market capitalization grew some 30-fold from March 31, 2001, to March 31, 2024. That was about 10 times the rise in the Nikkei Stock Average during the same period. It is a tribute to targeting management resources on growth sectors.

Toyota Tsusho operated until the first decade of this century as a support player, as a helpful follower. We worked primarily behind the scenes in support of Toyota Group companies and other partners.

Our organization became in the 2010s more of an equal partner with customers. We became more active in conceiving and carrying out projects with customers in the manner of an escort runner. That included expanding our business scale through domestic and international mergers and acquisitions. We acquired CFAO, which is France's largest trading company and has an extensive business network in Africa, and Eurus Energy Holdings Corporation, which is a global leader in renewable energies.

The number of Toyota Tsusho subsidiaries and affiliates has increased from 140 in 2000 to more than 1,000 today. Mergers and acquisitions have benefited us hugely by bringing capable individuals into our organization as well as by broadening our

	Fiscal year ended March 31, 2001 (FY2000)	Fiscal year ended March 31, 2020 (FY2019)	Fiscal year ended March 31, 2024 (FY2023)
Market capitalization	¥117.9 billion	¥895.7 billion	¥3,611.9 billion
Profit for the year	¥8.2 billion	¥135.5 billion	¥331.4 billion
Subsidiaries & Affiliates	140	1,012	1,022
Employees	9,493	66,067	69,517
Nikkei Stock Average	¥12,999	¥18,917	¥40,369

	FY2000→ FY2023	FY2019→ FY2023
Market capitalization	30.6x	4.0x
Profit for the year	40.4x	2.4x
Subsidiaries & Affiliates	7.3x	1.0x
Employees	7.3x	1.1x
Nikkei Stock Average	3.1x	2.1x

business scope. The capabilities and imagination of those individuals have contributed immensely to our growth momentum.

The COVID-19 pandemic wrought profound change in global supply chains over its approximately three-year span. And it was an occasion in the Toyota Tsusho Group for forging stronger relationships with suppliers, customers, and partners. We helped ensure business continuity sharing information on supply and demand and market conditions and otherwise increased transparency in our approach to business transactions.

Our pandemic-strengthened relationships have become a foundation for helping resolve issues faced by customers. That has included bringing the collective capabilities of our divisions to bear in devising solutions that evince distinctly Toyota Tsusho strengths. It has spawned business opportunities for several units by engendering new customer interfacing. We have identified new avenues, meanwhile, for deploying products and services to the benefit of customers.

We in the Toyota Tsusho Group, working hand in hand with customers and partners, are eyeing possibilities beyond the horizon and blazing new trails as a pioneer. I envision an increasingly proactive stance for the group in fulfilling its immense potential in a leadership manner. We will exert greater initiative on behalf of customers even as we remain supportive in behind-the-scenes capacities.

Revisiting Essential Questions and Redefining Our Mission

The seven priority domains* that we delineated in 2023 comprised businesses familiar to our customers and new and promising lines of business. We have since reappraised the value that we provide to customers. That reappraisal has been with an eye to accelerating progress in the growth strategy centered on our seven priority domains. Organization follows strategy, and we realigned and renamed our sales divisions in April 2024.

Japan's general trading companies typically name their sales divisions for the products and services handled by those divisions. The essence of the products and services provided to customers, however, is the value generated by the providing of those products and services.

We have sought in renaming our sales divisions to redefine our mission and to articulate the distinctively Toyota Tsusho value that we impart to customers and to society. That has entailed revisiting the essential questions as to why and for whom the Toyota Tsusho Group exists, what we are here to do, how we can do that in ways that make the world a happier place, and what issues in society we should be striving to help resolve.

The value that we impart as a company, as sales divisions, and as individuals unfolds in the manner of concentric circles. We gain a sense of maximal satisfaction and achieve maximal performance when the social benefits of our work emanate through the company directly into the community. That means grasping our work in terms of the value that we impart to customers rather than simply in terms of importing and exporting commodities and selling goods and services. I want every employee to approach their work in the spirit of fulfilling their mission to enrich society.

* Next Mobility, Renewable Energy & Energy Management, Africa, Circular Economy, Batteries, Hydrogen & Alternative Fuels, and Economy of Life

For more information, see "New Organizational Structure and Mission" on page 41 ➡

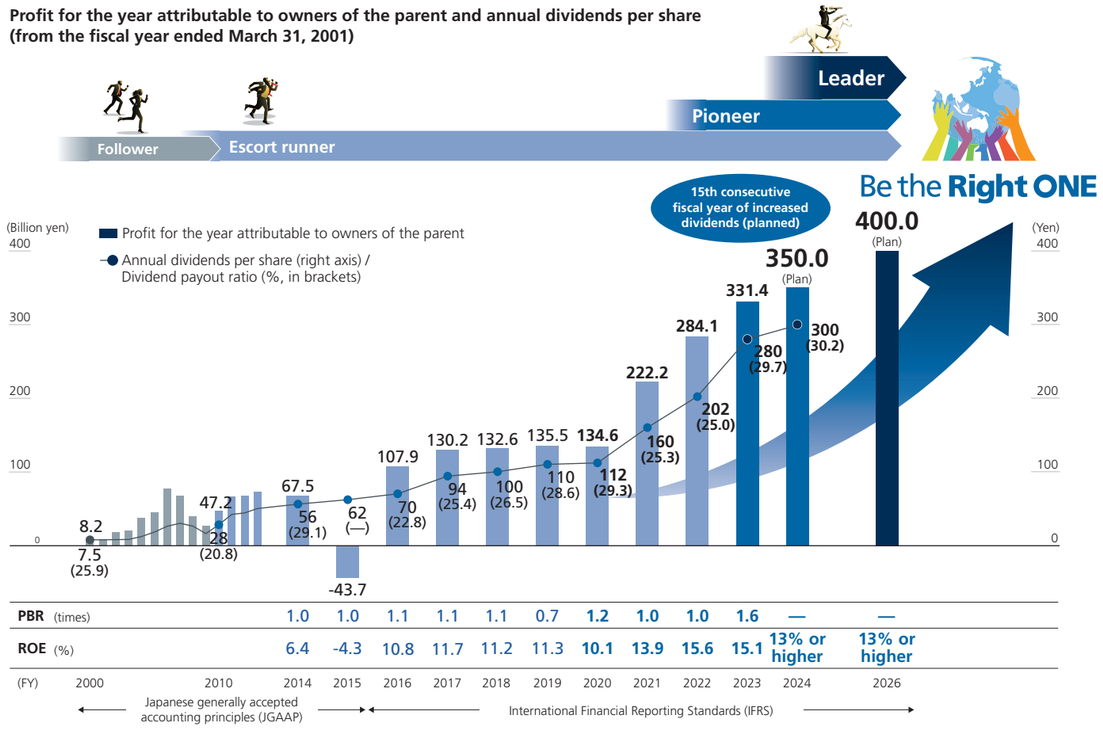
Nurturing People Who Nurture Change

My mission as the CEO includes nurturing people who nurture change. I have seen a lot of companies wither on account of fearing change. Lasting vitality for any company depends on the ability to respond agilely to change and to cultivate new demand on a continuing basis.

The Toyota Group's *kaizen* culture of continuous improvement is integral to our values and to our approach to work. We foster a mindset in every workplace oriented toward refusing to settle for the status quo and striving for ever better results. Essential to *kaizen* is belief in people's infinite potential and unlimited capacity to summon ever greater effort.

All work begins, meanwhile, with ample precautions for ensuring absolute safety. Our attention to safety is a reflection, meanwhile, of the uncompromising value that we place on human life. All of us in management in the Toyota Tsusho Group abide rigorously by the Genchi, Genbutsu, Genjitsu commitment to on site, hands on, in touch. That includes participating in safety inspections at production workplaces at Toyota Tsusho Group companies and at suppliers. We monitor adherence to safety guidelines and ask people in the workplaces about any safety-related concerns that they have. Thoroughness in safety assurance underlies the trust and credibility that we seek to earn in human capital management.

Profit for the year attributable to owners of the parent and annual dividends per share (from the fiscal year ended March 31, 2001)



Observing safety adherence at Toyotsu Smelting Technology Corporation's Kanda Plant

The Present Fiscal Year as a Time for Implementing Strategies

This is a time for implementing strategies to unleash the competitive potential of our newly realigned and renamed sales divisions. Our target for profit for the year in the fiscal period to March 31, 2025, is 350.0 billion yen—an approximately 20.0 billion yen increase over the past fiscal year. Our focus on capital efficiency remains strong, meanwhile, and we aim to keep our return on equity above 13%.

We also aim to accelerate progress in fulfilling our growth strategies in our seven priority domains. That will be in conjunction with striving to fulfill our "Be the Right ONE" vision; with striving, that is, to be a one-and-only, essential presence for customers and for society. That means offering distinctively Toyota Tsusho solutions that bring us to mind when people think of carbon neutrality, the circular economy, Africa, and other domains that we serve. Our commitment to asserting a unique presence means, conversely, a readiness to cede the initiative when competitors offer higher-value alternatives. It behooves us to identify lines of business where we can assert characteristic strengths and thereby achieve sustainable growth, as well as addressing issues of global concern. Our sights are on attaining continued progress as a company that will earn the lasting confidence of stakeholders and will remain the company of choice for customers and partners.

Numerous companies today, including Toyota Tsusho, are expressing a commitment to contributing to resolving issues of global concern. Accompanying the Toyota Tsusho commitment to addressing issues of global concern, however, is a broader commitment to enriching society. We are genuinely and powerfully determined to make the world a happier place.

More Important than Ever: Individuality

Fostering a culture of free, open, and vibrant dialogue that transcends organizational boundaries will be crucial to fulfilling our vision for the Toyota Tsusho Group. I therefore want equip our organization with diagonal lines of communication, as well as vertical and horizontal channels. We enjoy the benefit of low barriers between our organizational units, which facilitates cross-divisional initiatives.

As we deploy our collective capabilities through teamwork, we need to do better at asserting another facet of competence: individuality. Our traditional, teamwork-focused approach serves us perfectly well in familiar sectors where we assert a compelling competitive edge. But our growth strategies are carrying us into new terrain, such as carbon neutrality and the circular economy. Our activity there entails interaction with sophisticated counterparts around the world. And we need our employees to bring individuality and world-class competence to that interaction.

Reflecting Stakeholder Input in Management

We resumed our overseas investor relations roadshows in 2023. The pandemic had forced the suspension of the roadshows, and resuming them has been instrumental in promoting dialog with institutional investors and securities analysts. We hear increasingly from investors that they recognize Toyota Tsusho as a distinctive identity among Japan's trading companies. Highlighting our competitive edge in such sectors as the automotive industry supply chain, renewable energy, and Africa has won high regard in the investment community.

Our dialogue with members of the investment community yields valuable input, and we reflect that input in management policy in the spirit of fulfilling our responsibility to the capital markets. Witness the target for operating cash flow in our updated Mid-term Business Plan, announced in April 2024. That target calls for generating aggregate cash flow of 1.3 trillion yen during the three years to March 31, 2027. We plan to allocate 1 trillion yen of that amount to investments in growth projects and to return at least 300.0 billion yen to shareholders, which compares with aggregate dividend payout of 226.0 billion yen in the previous three years. We are alert to our responsibility, meanwhile, to disclose quantitatively how we plan to maximize return on the cash generated.

For more information, see "Financial Strategy" on page 59➡

Capable and motivated human resources are an indispensable condition for achieving the targets in our Mid-term Business Plan and fulfilling our vision and corporate philosophy. Companies are responsible for nurturing individuals who can contribute to enriching society and for providing those individuals with opportunities to give full reign to their capabilities.

Our approach to human resources management is twofold: One, secure the quality and quantity of human resources required for our business strategies through training programs. And two, shape a workplace environment that encourages and enables individuals to hone and exercise their capabilities fully. Skills and knowledge acquired through hands-on experience are the stuff of personal development, and providing employees with useful experience is the core emphasis in cultivating human resources in the Toyota Tsusho Group.

I engage in reverse mentoring with young employees where I hear directly from them about their work and aspirations. "You will earn a meaningful return," I assure each of them, "on all-out effort that you pour into your work. Make yourself indispensable in whatever work you are assigned, and you are certain to advance to a higher stage in your professional development."

Corporate value is the sum of the love that employees have for their company, the passion and pride that they bring to their work, their attainment in giving full play to their capabilities, and their effectiveness in translating their effort into benefits for the community. Thus do I regard stepped-up engagement with employees as a priority in my work as CEO.

For more information, see "Human Capital Strategy" on page 69➡

Sustainability management is another emphasis for us in steering the Toyota Tsusho Group. Environmental stewardship and social responsibility have become more than ancillary considerations in corporate activity. Those themes have become substantive factors in corporate activity, and addressing them has become a business prerequisite.

We assess through stakeholder dialogue the potential environmental impact and prospective social benefits of every project that we consider undertaking. "Passing on a better global environment to the children of the future." With that slogan did we articulate our stance in formulating the Toyota Tsusho Group Environmental Policy, which we issued in 2022. It expresses the future vectoring that animates all phases of our management.

Shaping our operations to engender happiness for future generations and to earn their gratitude is our responsibility. A future-oriented orientation is a continuous emphasis in management decisions at our company.

For more information, see "Sustainability Management" on page 77➡

Positioning the Group as a Sound Organization

Three challenges confront us as we move to assert a leadership stance in unveiling new possibilities for customers and partners: partnering, cultivating and deploying individuals of world-class competence, and practicing sound corporate governance.

Partnering commands attention because nearly all the work we perform as a trading company includes working with manufacturers and other collaborators. Lasting vitality and continued growth for the Toyota Tsusho Group depend on reinforcing ties with established partners and cultivating relationships with new partners. We need to position ourselves as an appealing partner in the eyes of counterparts and shape win-win business arrangements.

Cultivating and deploying individuals of world-class competence are ever more important as we build a broadening business portfolio around the world. That competence is essential as we adopt the perspective of consolidated accounting ever

Reverse mentoring—a source of valuable feedback for the CEO

more rigorously in management and as we absorb a growing diversity of human resources.

Deploying competence effectively will need to start with illuminating the key posts at subsidiaries and project operations outside Japan. The next step will be to define the role of each of those posts and the skills that it requires. We will then need to identify candidate successors to the individuals who presently fill the posts and equip them with the required skills. That will need to include, as we strive to earn and maintain a trusted identity in each market, promoting local individuals. The competence we are seeking to deploy optimally needs to include the intimate familiarity with local characteristics, culture, and business practices that those individuals bring.

Practicing sound corporate governance includes, of course, strategic, operational, and accounting coordination among our more than 1,000 group companies. But it also includes rigorous adherence to our SQDC order of priorities: safety assurance, quality assurance, reliable delivery, and cost minimization.

Our emphasis on keeping supply chains moving through the COVID-19 pandemic was extremely stressful for our people and our organization. I now perceive that emphasis to have been somewhat excessive. It enabled us, to be sure, to achieve almost uninterrupted delivery in supply chain activity under our responsibility. But it occasionally disrupted our SQDC priority sequence.

The experience with supply chain management in the COVID-19 pandemic has prompted a redoubling of efforts to ensure SQDC adherence. We are propagating employee awareness of the importance of the SQDC priorities with a renewed sense of urgency. And we are streamlining communication to ensure anyone who is uncertain about how to address an SQDC issue can seek guidance easily from colleagues or supervisors.

We are reinforcing, meanwhile, our Toyota Production System mechanisms for calling attention to problems. Those mechanisms enable anyone who encounters a problem that they cannot resolve on their own to summon assistance. Knowing that help is readily available if needed is extremely effective in alleviating stress for employees.

Adherence to the SQDC priorities ensures that all our activity begins with ensuring safety for our customers and employees and with ensuring compliance with laws and regulations. We will continue to propagate that adherence throughout our operations in the spirit of reinforcing our reputation as a sound organization.

Weaving Our Precious Mindset and Behavior from the past to the Present and the Future

We launched the Toyota Tsusho DNA Inheritance and Evolution Project in September 2023. That project is an initiative for reaffirming our roots and passing on our values globally to the next generation.

The idea for the Toyota Tsusho DNA Inheritance and Evolution Project arose through my activity in reverse mentoring. Most of the employees with whom I interacted in reverse mentoring were familiar with the teamwork and on site, hands on, in touch principles that we articulate in the Toyota Tsusho Group Way as Team Power and Genchi, Genbutsu, Genjitsu. Several employees told me, however, that they were unfamiliar with the passion for business principle that we articulate in the Group Way as Shokon.

Observing operations at a joint-venture lithium mine

My reverse mentoring experience highlighted the need for updating occasionally the Toyota Tsusho Group Way and other articulations of our values. We launched the Toyota Tsusho DNA Inheritance and Evolution Project to identify bedrock principles that we should pass on unchanged to future generations, to identify values that should evolve across generations, and to work out phrasing for conveying our determinations to group employees of different ethnicities, nationalities, and ages.

The project team comprised 22 midlevel employees: 14 Japanese and 8 non-Japanese, 15 men and 7 women. Members of senior management also took part in project team deliberations. The team members reviewed our corporate history all the way back to our founding and tackled their work from three perspectives: precious mindset to be the base of our behavior, important behaviors we accumulated throughout our history and keep inheriting, and aspirations to nurture for our future.

A milestone in the project work was the January 2024 unveiling of the Toyota Group Vision by 17 Toyota Group companies, including Toyota Tsusho. They titled the vision "Inventing Our Path Forward, Together." The Toyota Tsusho DNA Inheritance and Evolution Project team members took a cue from the values evoked in the Toyota Group Vision and brought a fresh approach to elucidating our corporate DNA. Their deliberations led them to the concept of weaving our precious mindset and behavior from the past to the present and the future.

We can hardly expect the individuals of diverse backgrounds and values who constitute our workforce to understand our corporate DNA. Thus do we need to propagate that understanding and impart a sense of belonging to all our employees. We will tackle that task through diverse initiatives in the months and years ahead.

We in the Toyota Tsusho Group will always be grateful for having had the opportunity to grow together with our customers and partners. In that spirit, we will continue striving to fulfill our customers' and partners' highest expectations of our organization. We will help each employee maximize their individual capabilities and will bring the collective strengths of the Toyota Tsusho Group to bear on serving customer needs.

All of us will take part in honing distinctively Toyota Tsusho strengths and functions in sustainable operations. We will do that in keeping with our "Be the Right ONE" vision and with an eye to being the company of choice for customers, partners, investors, neighbors, employees, and other stakeholders worldwide. Our work will include redressing the negatives of global concern. It will also include maximizing positives as we do our part to make the world a happier place.

Ichiro Kashitani
President & CEO

Value Creation Story

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02

Value Creation Model

Through businesses that leverage our strengths, we will work to contribute to solving social and environmental issues and create a better society and global environment together with everyone.

We will create a strong cash flow through business domains that embody Toyota Tsusho's distinctive traits (Core Value domains) and reallocate it to business domains that contribute to solving social issues (Social Value domains) and environmental issues (Nature Value domains). We will then work to expand our Social Value and Nature Value businesses, and, by creating synergies with the Core Value domain, achieve a cycle that will allow the Core Value domain to grow.

We will make this cycle faster and larger to link each business to sustainable growth and realize our Long-term Vision "To create a better society and global environment together with everyone by simultaneously providing social and nature value and economic value."

This initiative is the essence of Toyota Tsusho's sustainability, and we regard it as an "integral component of management." For more information about our sustainable management, see pages 77 to 92.

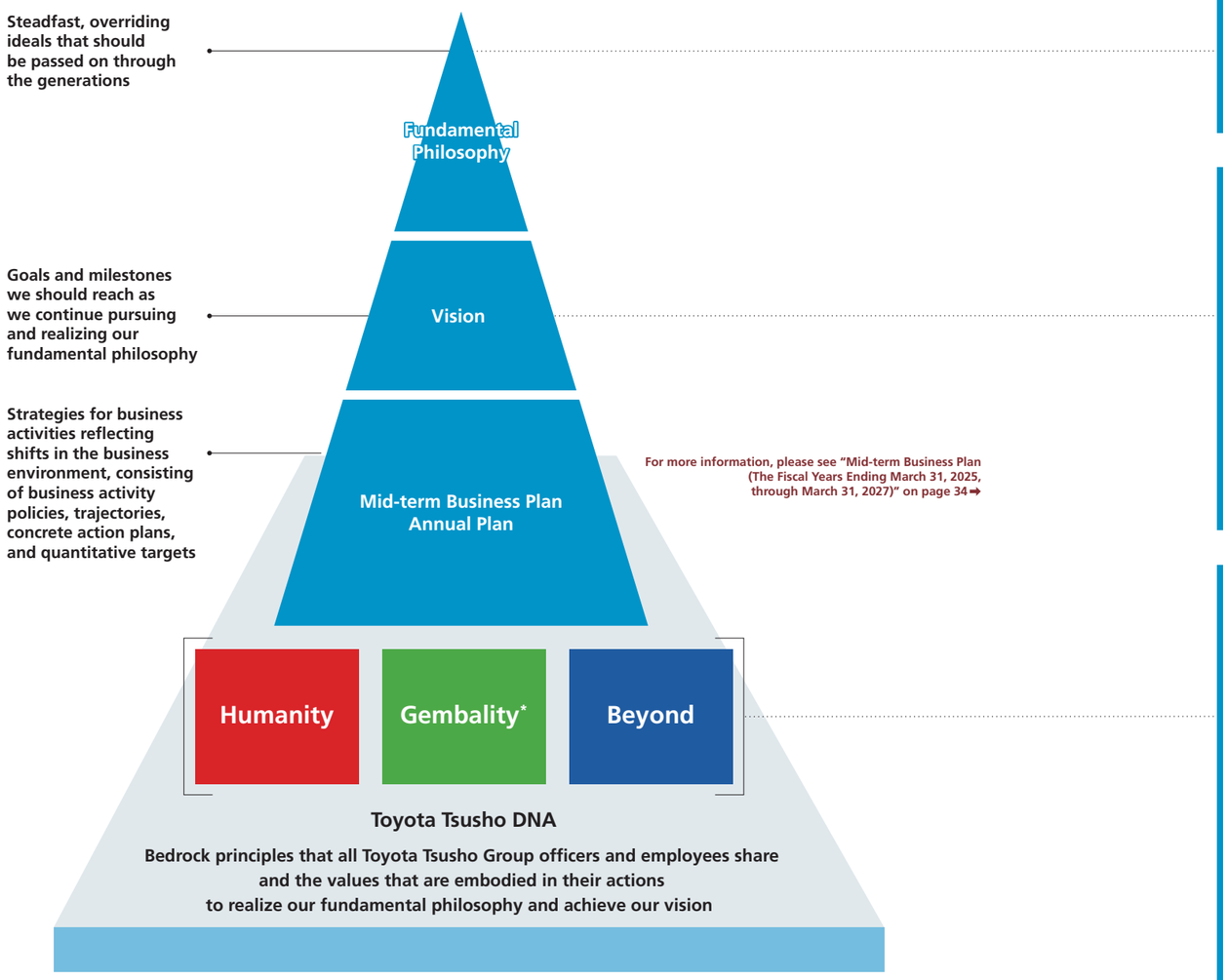
Seven priority domains and core business for achieving our Long-term Vision

Next Mobility	Business domain related to next-generation automobiles
Renewable Energy & Energy Management	Business domain related to renewable energy and the electric power value chain
Africa	Business domain related to Africa
Circular Economy	Business domain related to resources recycling
Batteries	Business domain related to the total battery supply chain
Hydrogen & Alternative Fuels	Business domain related to alternative fuels such as hydrogen and biofuels
Economy of Life	Business domain related to medicine, textiles, food, and housing, with a focus on healthcare
Core Business	Business domain representing our strengths with a focus on mobility

Philosophy and Vision

We, the Toyota Tsusho Group, deliver to countries around the world a diverse range of products and services essential for building prosperous and comfortable societies and managing the global environment.

We are guided by a four-level philosophy system that enables us to successfully meet the challenges of each new age.



For more information, please see "Mid-term Business Plan (The Fiscal Years Ending March 31, 2025, through March 31, 2027)" on page 34➡

* Gembality: Combination of "Gemba" [Gemba = "Genchi" (on-site) + "Genbutsu" (hands-on)] + "reality"

Toyota Tsusho has established a corporate philosophy and behavioral guidelines as its fundamental philosophy for creating a better society and global environment together with everyone.

Corporate Philosophy

Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies.

Behavioral Guidelines

As a good corporate citizen,

We will strive for open and fair corporate activities;	We will be socially responsible and strive for conservation of the natural environment;	We will be creative and strive to provide added value;	We will respect people and strive to create an engaging workplace.

We have established the Global Code of Conduct & Ethics (COCE) to link our behavioral guidelines to specific actions.

For more information, please see "Global Code of Conduct & Ethics (COCE)" on page 123➡

Global Vision

To achieve further evolution as a truly global company, the Toyota Tsusho Group has set our Global Vision as a guideline to be followed in unison by all officers and employees throughout the world.

Ideal Image

The Toyota Tsusho Group will continue to pursue and strive to achieve our ideal of

Be the Right ONE

The Right ONE for you

In response to our stakeholders' needs (the *gemba*), we will strive to provide optimal safety, service, quality, and reliability.

The Right ONE for us

Maximizing the capabilities of each individual, global networks, and diversity, we will unite to bring out the most in our comprehensive strengths.

The Right ONE for future

Applying our unique insights and capabilities, we strive to lead the way for a sustainable society and the future.

Toyota Tsusho DNA

Weaving our precious mindset and behavior from the past to the present and the future for continuing to "Be the Right ONE"

For more information, please see "Evolution from the Toyota Tsusho Group Way to Toyota Tsusho DNA" on page 22➡

Humanity	Integrity Empathy Passion
Gembality	Live in Gemba Face Reality Accomplish
Beyond	Beyond Borders Open up New World Together Create Future

The Source of Toyota Tsusho's Strength: Toyota Tsusho's Distinctive Traits

Toyota Tsusho has grown significantly by taking on challenges as a trading company and diversifying its business through mergers with Kasho Company, Ltd. and the Tomen Corporation and the acquisition of CFAO, all the while maintaining the importance of its origins as a member of the Toyota Group. Throughout this history of growth, Toyota Tsusho has nurtured its distinctive traits, which are the source of its strength.

Toyota Tsusho will continue to provide society and customers with the "Be the Right ONE" value that only it can offer based on its distinctive traits.

Establishment–1970s

Developing as the Toyota Group's trading company

Toyota Kinyuu Kaisha, Toyota Tsusho's predecessor, was established in 1936 to provide sales financing for Toyota vehicles. After World War II, Toyota Kinyuu Kaisha (then known as Toyota Sangyo Kaisha) was dissolved under the second zaibatsu designation, which prohibited the existence of holding companies. However, the company's trading division continued in the form of Nisshin Tsusho Kaisha Ltd., which was established in 1948.

Nisshin Tsusho would later evolve to become today's Toyota Tsusho Corporation, which grew, largely by exporting automobiles, as the trading company of the Toyota Group. Toyota Tsusho eventually came to be listed on both the Nagoya Stock Exchange and the Tokyo Stock Exchange.

1980s & 1990s

Stepping up overseas forays as Toyota globalizes

During this period, Toyota Group companies began moving beyond only exporting automobiles from Japan and started producing automobiles in various countries overseas. To respond to the globalization of the Toyota Group, Toyota Tsusho accelerated its efforts toward overseas expansion. In addition to establishing a series of vehicle sales bases overseas, it also commenced the production of Toyota vehicles in Pakistan. Also, Toyota Tsusho carried out business development that was not limited to the automotive sector. This included a business alliance with Kasho Company, Ltd. in 1999.

2000–2015

Expanding value chains outside the automotive sector through mergers and tie-ups

In 2000, Toyota Tsusho entered a capital and operational tie-up with Tomen Corporation and then merged with Kasho Company, Ltd. In 2006, it merged with Tomen Corporation, which had a broad customer base and diverse business ventures. In 2012 Toyota Tsusho entered a capital alliance with CFAO, which operated businesses throughout Africa. These tie-ups and mergers enabled Toyota Tsusho to commence its full-fledged advance beyond the automotive sector into fields such as infrastructure, chemicals, and foods, and its value chains were greatly expanded as a result.

2016 onward

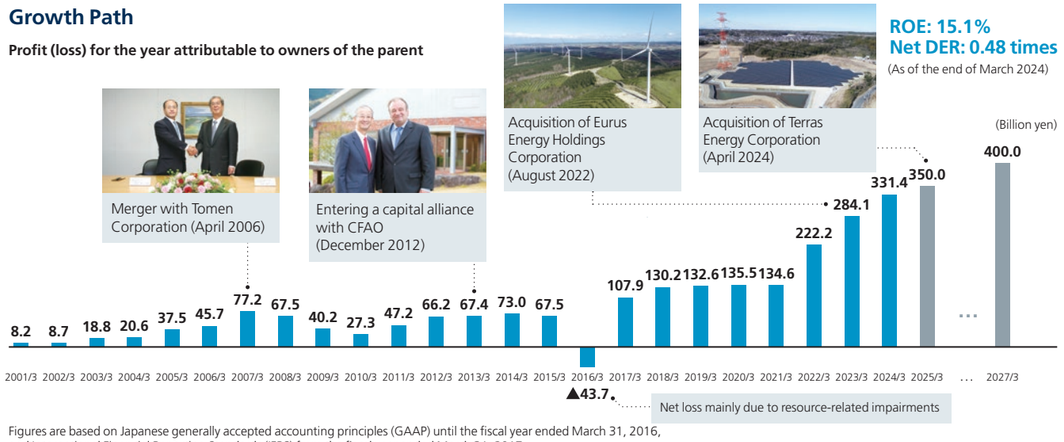
Moving to a new stage while demonstrating Toyota Tsusho's distinctive traits

Toyota Tsusho established its Global Vision of "Be the Right ONE" in 2016 as a vision of what the company should be in 10 years. Under this Global Vision, Toyota Tsusho is accelerating growth in new business domains. This growth includes the acquisition as wholly owned subsidiaries of CFAO in 2016, which operates mainly in Africa, and Eurus Energy Holdings Corporation in 2022, which operates a wind power generation business. The further acquisition of Terras Energy Corporation as a wholly owned subsidiary in 2024 established Toyota Tsusho as one of the largest solar power generation companies in Japan.

Toyota Tsusho will continue to fulfill its social and environmental responsibilities in business fields in which society's needs are great and its strengths can be demonstrated.

Growth Path

Profit (loss) for the year attributable to owners of the parent



Figures are based on Japanese generally accepted accounting principles (GAAP) until the fiscal year ended March 31, 2016, and International Financial Reporting Standards (IFRS) from the fiscal year ended March 31, 2017.

Evolution from the Toyota Tsusho Group Way to Toyota Tsusho DNA

Toyota Tsusho's distinctive traits, which are the source of our strength, have been passed down through the Toyota Tsusho Group Way, a set of shared values and bedrock principles. To pass on Toyota Tsusho's distinctive traits to employees around the world and evolve them further, the Toyota Tsusho Group Way has been revised into the Toyota Tsusho DNA.

We will cherish and refine this new Toyota Tsusho DNA to provide worldwide the "Be the Right ONE" value that only we can offer and open up a new future.

Humanity
Gemblality
Beyond

Thoughts Behind Toyota Tsusho DNA

for us Precious mindset to be the base of our behavior **Humanity**	Integrity Empathy Passion	● Integrity in prioritizing "Safety and compliance." ● Empathy for colleagues, and respect for society, environment, and customers. ● Never give up with passionate heart.
for you Important behaviors we accumulated throughout our history and keep inheriting **Gemblality**	Live in Gemba Face Reality Accomplish	● Always live in Gemba and refine *Kaizen*. ● Face reality, respond the true needs of customers. ● Accomplish tasks with toughness.
for future Aspirations to nurture for our future **Beyond**	Beyond Borders Open up New World Together Create Future	● Keep challenging and go beyond all the borders. ● Unite diverse individuals, open up a new world together. ● Create "the Right ONE" future.

Points kept in mind while discussing the Toyota Tsusho DNA

As we discussed the Toyota Tsusho DNA, we thought of DNA as "weaving precious mindset and behavior from the past to the present and the future." We then discussed what kind of mindset and behavior we should pass on and evolve for the future. In doing so, we reexamined our conceptions of the precious mindset that is part of the foundation we share, the behavior that has been nurtured throughout our history and should continue to be cherished as our strength, and the aspirations that we want to nurture to create our future. In the process of analyzing our DNA, we also came to a fresh understanding of our company's human profile, corporate culture, and strengths from various perspectives, including the viewpoints of not only Toyota Tsusho employees but also overseas group company employees and customers. We will continue to create businesses that are distinctively Toyota Tsusho by passing on to the next global generation and further evolving the Toyota Tsusho distinctive traits that we have nurtured in the course of our growth.

Project members engaging in discussion

Brainstorming

Project members who participated in discussions

Nurtured Toyota Tsusho DNA

Ever since its founding as the trading unit of the Toyota Group,
Toyota Tsusho DNA has been nurtured
through global business expansion and diversification,
as well as mergers and acquisitions involving a variety of different companies.
We will create a new future by inheriting and evolving this DNA.

for us
Precious mindset to be the base of our behavior
Humanity

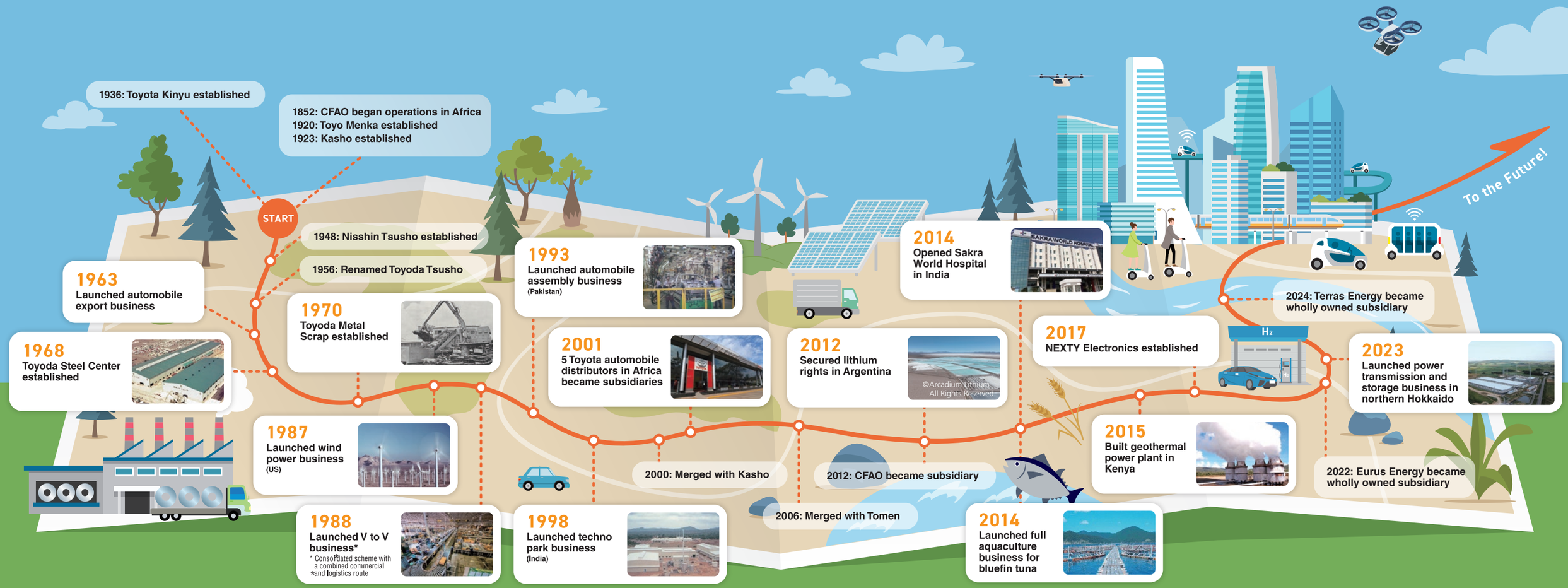
Integrity
Empathy
Passion

for you
Important behaviors we accumulated throughout our history and keep inheriting
Gembality

Live in Gemba
Face Reality
Accomplish

for future
Aspirations to nurture for our future
Beyond

Beyond Borders
Open up New World Together
Create Future



Competitive Business Edge Built Up Through the Growth Process

The Toyota Tsusho Group has accumulated contributions to solving social and environmental issues through its businesses by meeting the needs of society and customers. We will pursue the realization of "Be the Right ONE" and accelerate our growth momentum by leveraging the business strengths we have cultivated.

Business Domains

Seven Priority Domains and Core Business

Nature Value Domain

Renewable Energy & Energy Management

1987
Beginning of the former Tomen Group's wind power generation business

2012
Conversion of Eurus Energy Holdings Corporation into a subsidiary, accelerating contribution to carbon neutrality through the renewable energy business

2022
Conversion of Eurus Energy Holdings Corporation into a wholly owned subsidiary, further accelerating contribution to carbon neutrality through the renewable energy business

2024
Conversion of Terras Energy Corporation, one of the largest solar power generation companies in Japan, into a wholly owned subsidiary, with the cutting-edge renewable energy technology of Terras Energy enabling the Toyota Tsusho Group to accelerate the evolution of renewable energy technology and create new businesses

2024
Establishment of Aeolus by CFAO and Eurus Energy Holdings Corporation, combining the expertise of both companies to promote renewable energy business entities in Africa

Hydrogen & Alternative Fuels

2015
Opening of a stationary hydrogen station to promote the Toyota Mirai fuel-cell electric vehicle (FCEV)

2022
Starting of demonstration project at the Port of Los Angeles to implement a model for local production and local consumption of clean hydrogen for large-scale port cargo handling machinery

2023
Starting of supply of biofuel to ships on a commercial basis for the first time in Japan, taking on the challenge of establishing a supply chain and the constant use of biofuels in Japan

Social Value Domain

Circular Economy

1970
Establishment of Toyota Metal Co., Ltd., starting an automobile recycling business

1973
Establishment of Toyota Chemical Engineering Co., Ltd., starting a waste oil recycling and industrial waste treatment business

2000
Establishment of Green Metals, Inc., in the United States, starting a recycling business for materials generated at factories

2018
Establishment of PLANIC Co., Ltd., one of the largest recycled plastic manufacturing businesses in Japan, with full-scale operation starting in 2022, contributing to plastic material recycling

2020
Establishment of Toyotsu PET Recycling Systems Co., Ltd, with full-scale operation starting in 2022, contributing to domestic PET bottle circulation through horizontal recycling

Batteries

2006
Beginning of full-scale delivery of battery materials in Japan, promoting training and development support for specialized human resources, and finding and building relationships with suppliers

2012
Beginning of full-scale participation in the lithium business at Salar de Olaroz, Argentina.

2018
Establishment of Toyotsu Lithium Corporation, Japan's first lithium hydroxide refining company, in Naraha, Fukushima Prefecture, with production starting in 2022, contributing to the stable supply of lithium to the battery supply chain

2021
Beginning of investment in Toyota Battery Manufacturing, North Carolina for establishing a supply chain for peripheral businesses in response to growing demand for batteries in North America.

Economy of Life

1931
Starting of food business at Kato Shogyo Co., Ltd. (former Kasho Co., Ltd.)

1946
Starting of food-related business by the former Tomen Group

2000
Merger with the former Kasho Co., Ltd., to expand full-scale value chains for non-automobile fields

2006
Merger with Tomen Corporation, inheriting know-how for food-related business, including grain imports.

2014
Beginning of Toyota Tsusho's first hospital business in India.

2014
Establishment of Toyota Tsusho All Life Corporation through business integration between a nursing section of Toyotsu Lifecare and Gut Rihability, with the development of comprehensive services related to nursing care and welfare

2015
Acquisition of NovaAgri S.A. in Brazil, expanding the global supply chain of grain and oilseeds

2023
Investment in Good Life Design Inc., promoting total health support comprised of medical support, health support, and nursing support, for contributing to a future society in which people live with peace of mind

Core Value Domain

Next Mobility

1983
Establishment of the former Tomen Electronics Corporation by the former Tomen Group, building a foundation for the semiconductor business

2002
Establishment of Anjo Sales Office Electric Device Center (electronics parts quality management) in Anjo City, Aichi Prefecture

2003
Establishment of the former Toyota Tsusho Electronics Corporation, specializing in the semiconductor business for automotive applications, with the subsequent establishment of a business model to sell software embedded into semiconductors

2012
Conversion of Elematec Corporation into a wholly owned subsidiary, with the creation of synergies through a diverse product lineup and the complementing of global sales routes

2017
Establishment of the "Next Mobility Development Department," a cross-divisional special organization in charge of weight reduction, new materials, and the latest safety measures and services for next-generation mobility

2017
Establishment of NEXTY Electronics Corporation, following the merger of Tomen Electronics Corporation and Toyota Tsusho Electronics Corporation, responding to needs for advanced technologies in the automotive field, such as connected technology, autonomous driving, and artificial intelligence (AI)

Africa

1852
Start of CFAO operations in Africa

1922
Starting of handling of cotton by the former Tomen Group in Uganda

1964
Starting of exporting finished cars to Kenya, entering the mobility business in Africa

2001
Acquisition of automotive business from Lonrho of the United Kingdom and establishment of Toyota automotive distributors in six countries in Southeast Africa

2012
Capital participation in CFAO, France's largest trading company specializing in Africa. Acquired a strong business network throughout Central and West Africa.

2016
Making of CFAO, a wholly owned subsidiary, leading to the development of a variety of businesses centered on the mobility business

2017
Establishment of the Africa Division as our first region-focused division, with the promotion of four businesses: mobility, healthcare, consumer, and power infrastructure technology

2019
Full-scale transfer of Toyota Motor Corporation's automobile sales and marketing operations in Africa, assuming jurisdiction over all 54 African countries and accelerating contribution to the growth of the mobility market and regional development

Core Business

1968
Establishment of Toyota Steel Center Co., Ltd., responding to customer needs and expanding business by strengthening processing and logistics functions for the wide variety of metal materials held at domestic and overseas coil centers

1988
Via a global logistics network in various countries and regions around the world, expansion of the vendor-to-vendor (mixed parts shipment) business, which provides optimally integrated parts logistics with added supply and demand management functions such as ordering and inventory management, thereby achieving a stable supply of parts, reduced transportation costs, shorter delivery times, and reduced inventory.

Since 1990s
Operation of automobile distributor business and dealership businesses by utilizing partner networks in countries and regions around the world, providing customers, through the expansion of automobile sales, a safe, secure, and comfortable mobility society and achieving revitalized local economies

1997
Expansion of business by providing integrated support services (machine installation) such as trading in manufacturing and logistics equipment, mainly for the automotive industry, and associated design, repair, and installation work

Establishment of Industrial Tech Services, Inc., in the United States in 1997

Competitive Advantages of Our Business

Accumulated experience in the renewable energy business and group network

Since 1987, we have been involved in the wind power generation business ahead of other companies and have accumulated experience for nearly 40 years. We now hold Eurus Energy Holdings Corporation, the largest wind power generation company in Japan with a global presence, and Terras Energy Corporation, one of the largest solar power generation companies in Japan, as group companies. We are also creating new businesses through the combination of our strengths, such as expanding our renewable energy business to developing countries in Africa and other regions, as well as using the built-in storage batteries of electric vehicles for energy management.

History of tackling social issues and comprehensive value chain

Since 1970, we have been pioneering the circular economy business and expanding it globally. Today, we engage in recycling a wide range of materials, including metals, plastics, and textiles, and have achieved a recycling rate of more than 99% for end-of-life vehicles. In addition, we are working to secure important battery-related resources (lithium) in response to the growing demand for electric vehicles, as well as building a global supply chain. In our Economy of Life business, we have been working to improve access to healthcare in developing countries by expanding our healthcare business, with a focus on our hospital business in India, which we have been engaged in since 2014.

Through these efforts, we are achieving both the solution of social issues and business growth in a way that is Toyota Tsusho's distinctive traits.

Unparalleled business scale centered on mobility and Africa, with the experience that we have accumulated

We will continue to contribute to improving the lives of people in Africa by leveraging our business scale, which includes approximately 21,000 employees and more than 1.0 trillion yen in revenue in Africa. In addition, we are working to further enhance our competitive advantage by creating synergies between companies such as NEXTY Electronics, which boasts the world's largest sales in the field of in-vehicle electronics, and Tomen Devices, with its strong partner base.

In core business, we are promoting business expansion through the cross-fertilization of our domestic and overseas partner network, which we have cultivated, and other priority fields, including the mobility field, where we have a long track record and knowledge.

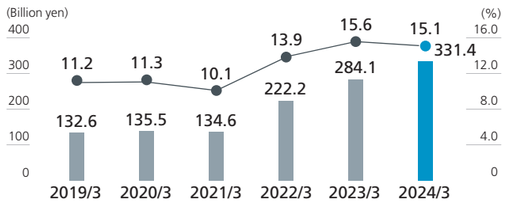
Value Creation (Financial / Non-financial Highlights)

This section highlights the Toyota Tsusho Group's financial data as well as non-financial data that supports sustainable value creation that is uniquely Toyota Tsusho.

Financial Highlights

Profit for the Year Attributable to Owners of the Parent / ROE

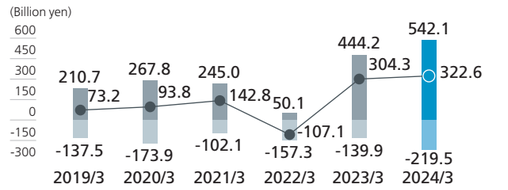
Profit for the Year: **331.4** billion yen ROE **15.1** %



Profit for the year reached a record high for the third consecutive year due to the recovery of automobile production after COVID-19 and increased automobile sales in Africa and emerging countries. Toyota Tsusho strives to achieve management with an awareness of capital efficiency. ROE has reached a high level of more than 15%, reflecting recent profit growth.

Operating Cash Flow / Investing Cash Flow / Free Cash Flow

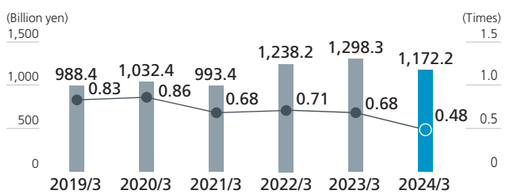
Operating Cash Flow: **542.1** billion yen
Investing Cash Flow: **-219.5** billion yen
Free Cash Flow: **322.6** billion yen



Toyota Tsusho is generating strong operating cash flow through profit growth and the thorough implementation of lean management. It is also balancing investments for growth between refining core businesses and focusing on priority domains such as renewable energy. The company invests within the scope of its operating cash flow, in principle, and continues to generate positive free cash flow.

Net Interest-bearing Debt / Net Debt-equity Ratio (Net DER)

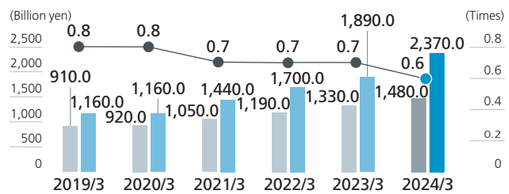
Net Interest-bearing Debt: **1,172.2** billion yen
Net Debt-equity Ratio (Net DER): **0.48** times



Toyota Tsusho has maintained strict control of interest-bearing debt, staying within a net DER of 1.0 times. The balance sheet has been improving recently as it maintains stability.

Risk Assets (RA) / Risk Buffer (RB)

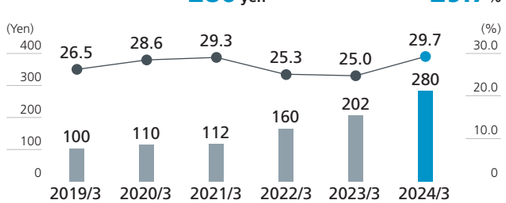
Risk Assets (RA): **1,480.0** billion yen
Risk Buffer (RB): **2,370.0** billion yen RA/RB **0.6** times



The ratio of risk assets to risk buffer, which indicates the financial strength of Toyota Tsusho, is also managed at less than 1.0 times to prepare for risk and maintain a strong financial position.

Annual Dividends per Share / Dividend Payout Ratio

Annual Dividends per Share: **280** yen Dividend Payout Ratio: **29.7** %

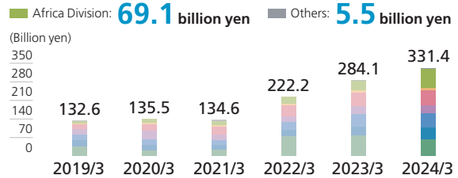


Toyota Tsusho's policy is to pay progressive dividends and achieve a dividend payout ratio of 30% or more for the period from the fiscal year ended March 31, 2024, to the fiscal year ending March 31, 2026. In addition, the company considers additional flexible total return measures based on cash flow trends to enhance shareholder returns.

Note: Toyota Tsusho carried out a three-for-one split of its common stock effective July 1, 2024. The annual dividends per share up to the fiscal year ended March 2024 is the amount of the actual dividend before the share split. Please see "Notice regarding Implementation of share split, Partial amendments to Articles of Incorporation accompanying share split, and Revision of dividend forecast" for details.
https://www.toyota-tsusho.com/english/press/upload_files/Notice%20regarding%20Implementation%20of%20share%20split%2C%20Partial%20amendments%20to%20Articles%20of%20%282%29.pdf

Profit for the Year Attributable to Owners of the Parent by Segment

Metals Division: **60.7** billion yen
Global Parts & Logistics Division: **45.5** billion yen
Automotive Division: **55.9** billion yen
Machinery, Energy & Project Division: **27.9** billion yen
Chemicals & Electronics Division: **55.0** billion yen
Food & Consumer Services Division: **11.8** billion yen
Africa Division: **69.1** billion yen
Others: **5.5** billion yen

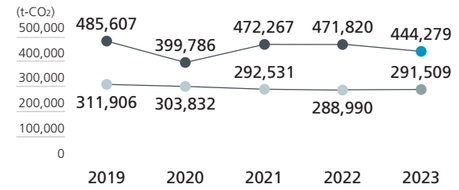


For more information, please see "Financial Strategy" on pages 59 to 68➡

Non-financial Highlights

Greenhouse Gas (GHG) Emissions (Scope 1 and Scope 2, Domestic and Overseas)

Scope 1 (Domestic and Overseas): **444,279** t-CO_2
Scope 2 (Domestic and Overseas): **291,509** t-CO_2

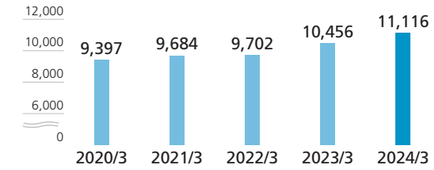


While emissions increased due to the start of new business operations and increased production, Toyota Tsusho was able to reduce total CO_2 emissions by promoting energy-saving activities and introducing renewable energy facilities.

For more information, please see "Environment" on pages 93 to 114➡

Participants in Safety Education Activities (Total Number of People)

Total Number of Participants until the fiscal year ended March 31, 2024: **11,116**

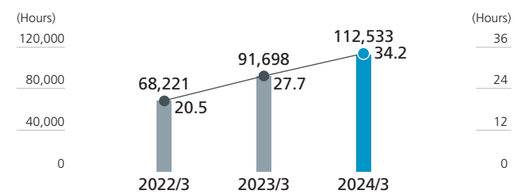


The Practical Safety Workshop provides safety experience education to prevent accidents by using a hands-on program and tools utilizing VR technology, focusing on those that could lead to serious accidents such as caught-in-between and entrapment accidents. This workshop has had a total of more than 11,000 participants since its establishment in 2009. Toyota Tsusho will continue to encourage more people to participate and further raise safety awareness.

For more information, please see "Health and Safety Policy" on page 122➡

Employee Training Hours

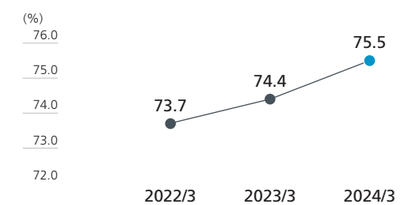
Total Training Hours: **112,533** hours
Average Training Hours Per Person: **34.2** hours



To continue to nurture human resources that are uniquely Toyota Tsusho, the company implements career design e-learning, which is mandatory for all employees, as part of its support for autonomous development based on an individual's current situation and goals.

Ratio of Junior Employees with Global Experience

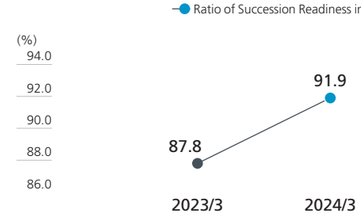
Ratio of Junior Employees with Global Experience: **75.5** %



Toyota Tsusho aims to enhance the strength of individuals by providing all employees in global positions up to their eighth year of employment at the company with opportunities for overseas assignments and practical training. Doing so allows these employees to develop a sense of competing on the global stage early in their careers.

Ratio of Succession Readiness in Global Posts

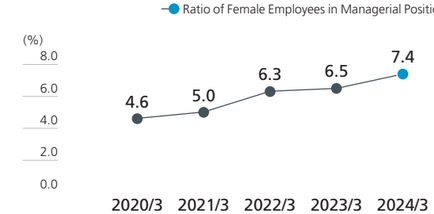
Ratio of Succession Readiness in Global Posts: **91.9** %



Toyota Tsusho is strengthening its training processes to ensure the quality and quantity of its global leaders. In particular, the company is focusing on the development and promotion of local human resources to promote collaboration with locally based partners and locally born businesses. Training progress is shared and discussed at company-wide meetings (Global Human Resources Committee), which also include management, and a PDCA cycle is used to achieve a 100% succession readiness ratio by the fiscal year ending March 31, 2025.

Ratio of Female Employees in Managerial Positions

Ratio of Female Employees in Managerial Positions: **7.4** %



Toyota Tsusho implements a mentoring program to develop and increase the number of female leaders, in which managers from other departments and experienced female managers from outside the company serve as mentors to raise career awareness. The company also formulates and reviews individual development plans and provides opportunities for women to gain management experience in Japan and overseas and to receive overseas assignments at an early stage, taking into account women's life events, to increase the ratio of female employees in managerial positions to 10% by the fiscal year ending March 31, 2026.

For more information, please see "Human Capital Strategy" on pages 69 to 76➡

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)

03

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 CO_2 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 ➡

1. Promote investment in priority domains
2. Promote businesses for achieving the 2030 carbon neutrality target
3. Promote human capital management
4. 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 ➡

Global Vision

Be the Right ONE

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

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	Seven Priority Domains + Core Business	
Nature Value Domain Businesses that contribute to solving environmental issues	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
Social Value Domain Businesses that contribute to solving social issues	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
Core Value Domain Businesses that embody Toyota Tsusho's distinctive traits	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

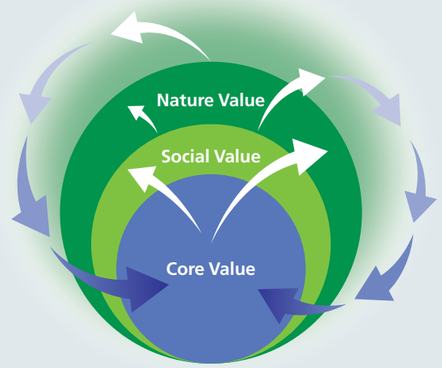
Key Initiatives during the Mid-term Business Plan Period

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

*Base year: 2019

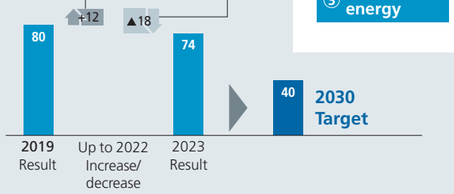
Scope 3*3
Promoting reductions while improving profits through the distinctive traits of Toyota Tsusho Group businesses

Scope 1 and Scope 2 Emission Trends

(10,000 t-CO_2)

Factors contributing to increase
Establishment of new companies, such as Toyotsu Lithium Co. and Toyotsu PET Recycling Systems Co., Ltd., and business expansion

Reduction initiatives
Energy conservation, introduction of renewable energy, fuel conversion, etc.



Reduction Initiatives

1. Increased efficiency
2. Fuel conversion
3. Renewable energy

Our GHG emissions (2022 result) Scope 3: Approx. 114.18 million t-CO_2 → **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

	Securing the quality and quantity of human resources required for our business strategies		Shaping a workplace environment that encourages and enables individuals to hone and exercise their capabilities fully	
Major initiatives	**Succession planning cycle** for global positions*4	**Global leader** development (roughly 1/3 appointed to the positions mentioned on the left)	Selected as a Health & Productivity Stock Selection Brand for **four consecutive years**	**Human rights due diligence** for consolidated subsidiaries and supply chains
	▼	▼	▼	▼
	Strengthening the coordination of succession planning, development, and placement		Continuing implementation of well-being management	Further dissemination of human rights due diligence

*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.

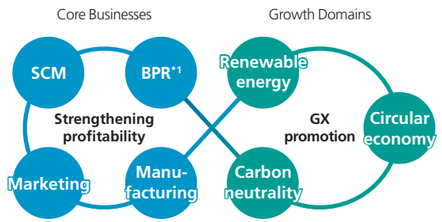
In the core businesses handled by sales divisions, we have been making continuous efforts to strengthen profitability around four themes: advancement of supply chain management (SCM), streamlining of business processes, marketing based on data, and advancement of manufacturing.

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



*1 Business process reengineering

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

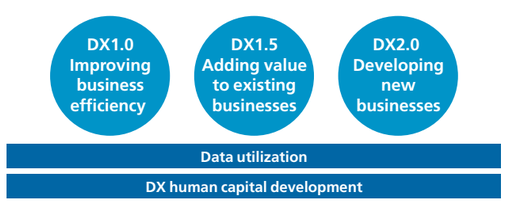
Framework of DX Promotion

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)

Toyotsu GChat

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.

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

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.

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.

New Organizational Structure and Mission

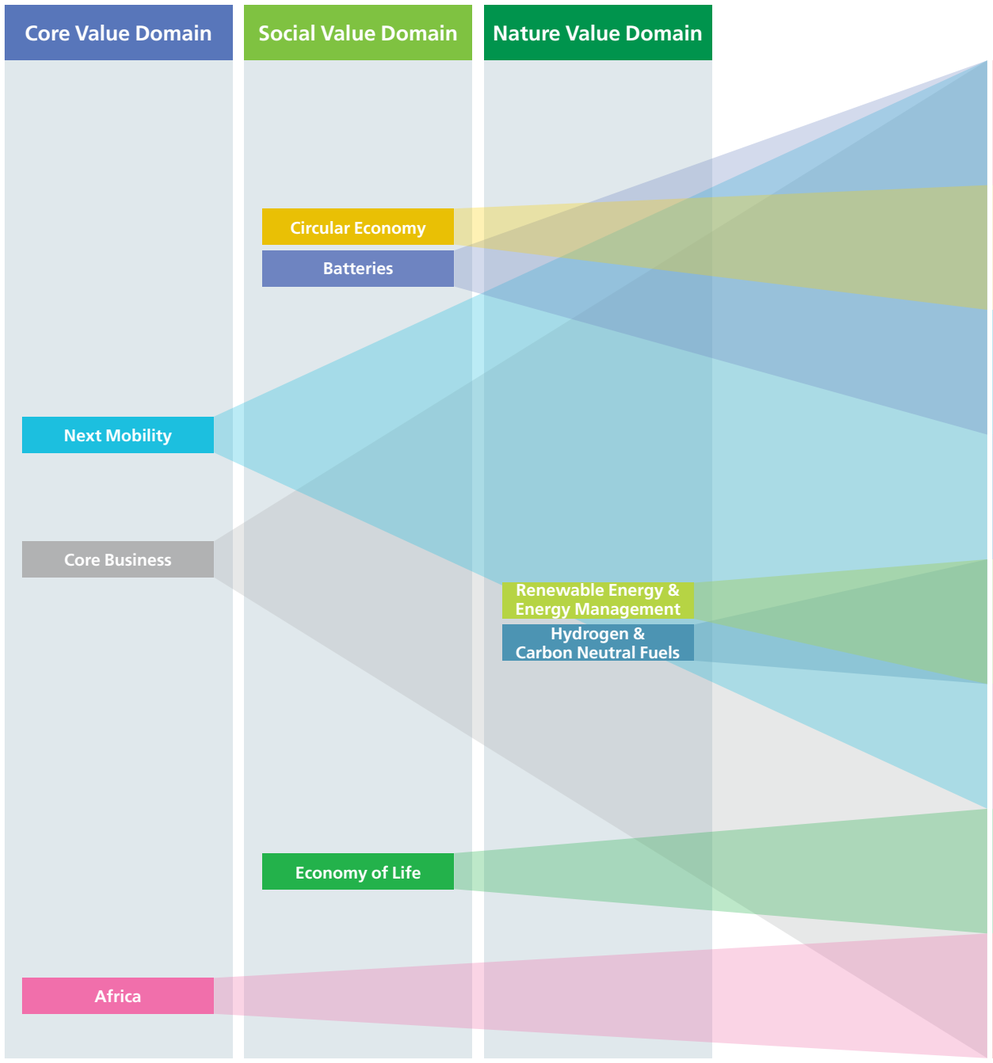
P.41	New Organizational Structure to Accelerate the Realization of the Growth Strategy
P.43	Metal+ (Plus) Division
P.45	Circular Economy Division
P.47	Supply Chain Division
P.49	Mobility Division
P.51	Green Infrastructure Division
P.53	Digital Solutions Division
P.55	Lifestyle Division
P.57	Africa Division

04

New Organizational Structure and Mission

New Organizational Structure to Accelerate the Realization of Our Growth Strategy

Based on the thinking that "Organization follows strategy," we reviewed our organizational structure in April 2024 and set the value to be provided to society and customers by each sales division as each sales division's mission. We also reviewed the names of each sales division to align with the value provided.
We will accelerate our growth strategy by pursuing and realizing our sales divisions' missions through the new sales division framework. Through growth, we will work together with everyone to create a better society and global environment.



New Organizational Structure	Each Sales Division's Mission
Metal+ (Plus) Division	To hand over a path to a carbon-neutral society to children of the future as a leader of materials transformation and functional reform in the field of metals by unifying our colorful individual strengths and the keys for the future and creating unique and innovative + (Plus)
Circular Economy Division	Delivering a better environment and new affluence to future generations, by designing a new style of resources recycling
Supply Chain Division	Further refine the function of protecting and connecting supply chains to respond to a wide range of geopolitical risk challenges and diversifying global needs
Mobility Division	Produce happiness for future society through transportation by building a new business model
Green Infrastructure Division	Contribute to the realization of social infrastructure that supports a sustainable global environment through synergy between renewable energy and the on-site ability of the machinery business
Digital Solutions Division	Always stay ahead of technological innovation and digital transformation, and further expand our solutions business, including solutions for the next-generation mobility society, by using devices and software
Lifestyle Division	Create businesses unique to Toyotsu as the EoL* business promotion division * Economy of Life: Healthcare, foodstuffs, and other businesses that are essential to daily life and that contribute to the realization of a comfortable and healthy society in the future
Africa Division	Accelerate being the No. 1 presence in Africa, steadily anticipate change, and contribute to solving Africa's problems and promoting its future development

New Organizational Structure and Mission

Metal+ (Plus) Division

Message from the Division CEO

Takashi Hirobe
CEO for Metal+ (Plus) Division

The Metals Division, from which our division originated, had long provided not only supply chain management for steel and nonferrous metals but also added value proposals for optimal products, logistics, processing, and other services to meet the needs of users, suppliers, and partners.

The new Metal+ (Plus) Division has been launched as a new mission-oriented organization. Going forward, we will continue to further refine our core functions and provide value in each segment, such as materials, distribution, and manufacturing, to continue to be the preferred choice of our customers, suppliers, and society.

At the same time, the steel business is facing the major social issue of reducing greenhouse gas (GHG) emissions. The trends and innovations in "venous" businesses are attracting a lot of attention in terms of realizing a carbon-neutral society. However, in "arterial" businesses, in which our core business is based, in addition to continued efforts to reduce Scope 1*1 and Scope 2*2 emissions, there are many ways we can contribute to the realization of carbon neutrality. These include deepening the search for GHG emission reduction possibilities, including the search for new technologies in the Scope 3*3 area, and creating businesses that contribute to GHG reduction. We will contribute to the creation of a green steel supply chain that will lead to the future together with our stakeholders, including the concept of integrated "arterial" and "venous" businesses, which has always been one of our strengths.

*1 Scope 1: Direct GHG emissions from Toyota Tsusho's use of fuel (coal, gas, etc.)
*2 Scope 2: Indirect GHG emissions from Toyota Tsusho's use of purchased electric power and heat
*3 Scope 3: GHG emissions, encompassing production processes through raw material procurement, manufacturing, sales, consumption and waste

Business Overview

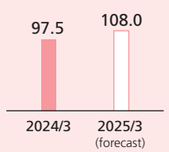
Mobility Materials Solutions	Establishment of a green steel supply chain and provision of solutions to realize a carbon-neutral society through sales, distribution, and processing of metal materials for mobility (steel sheets, nonferrous metals, etc.)
Metal Solutions	Establishment of a green steel supply chain and provision of solutions to realize a carbon-neutral society through sales, distribution, and processing of metal materials to a wide range of industries, including energy and infrastructure-related industries

Market Environment

With the transition to a decarbonized society, the steel industry is facing a major challenge in reducing GHG emissions. In addition, the paradigm shift in the mobility industry requires a transformation of materials and functions in the metal field. While securing competitiveness on the traditional axes of cost and function, there is expected to be an increasing need for products and functions that enable green transformation (GX) to solve these social issues.

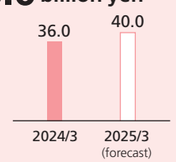
Gross Profit

97.5 billion yen



Profit for the Year Attributable to Owners of the Parent

36.0 billion yen



2024/3

Total Assets
821.8 billion yen

ROA*
4.39 %

* To calculate return on assets (ROA), the average of total assets at the beginning and end of the fiscal year is used as the denominator.

Business Model Based on Mission

The Metal+ (Plus) Division consists of two strategic business units (SBUs): the Mobility Materials Solutions SBU and the Metal Solutions SBU. The word "Solutions" that is common to both SBUs expresses our desire to go beyond mere materials trading and provide one-and-only new added value to solve social issues together with our stakeholders. Through both business strategies and human capital management, we aim to achieve our mid- to long-term goals by both developing existing businesses and creating new businesses that emerge through that development.

Mobility Materials Solutions SBU
The Mobility Materials Solutions SBU will contribute to sustainability in the mobility industry, starting from the refinement of supply chain management and processing functions for automotive steel sheets. We are also expanding our value chain beyond the automotive industry to cover the entire mobility materials domain, promoting the greening of the mobility society of the future through GX and digital transformation (DX) in materials, distribution, and manufacturing.

Metal Solutions SBU
The Metal Solutions SBU will expand its business domains and create new businesses with added value in the three areas of electrification parts/components, green steel and resources recycling, and renewable energy and new energy components, in response to changing steel needs and growing carbon neutrality needs associated with the development of an electrified society.

*Strategic Business Unit

Business Examples

In addition to creating businesses that integrate "arterial" and "venous" businesses by pursuing synergies between divisions, such as collaboration with the Circular Economy Division, which has "venous" businesses as its core, we will take on challenges for the future, such as the creation of new green steel "arterial" businesses.

"Arterial" businesses

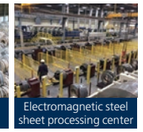
Creation of Toyota Tsusho's unique green steel business
- Deepen midstream functions
- Evolve into upstream/downstream domains

Mobility/ social infrastructure

"Venous" businesses

Evolution of Toyota Tsusho's unique integrated "arterial" and "venous" businesses
- Collaborate with the Circular Economy Division

Coil center


Electromagnetic steel sheet processing center

Specialty steel storage and logistics

Transformer laminated core manufacturing

Blanking processing

Processing business groups cultivated by Toyota Tsusho
33 business sites in 11 countries (● Number of sites in each country)

VOICE

The sales function of the automotive steel sheets business was transferred to TOYOTA STEEL CENTER CO., LTD. and PROSTEEL Co., Ltd., which are companies associated with the division, to further deepen and evolve the business by integrating manufacturing and sales.

We aim to become a company that continues to be chosen by customers and suppliers by engaging in dialogue with customers, responding to future changes and problems, and promptly providing value while concretely and effectively moving things.

TOYOTA STEEL CENTER CO., LTD. and the Mobility Material Business Department

PROSTEEL Co., Ltd. and the Mobility Material Business Department

We aim to become the No. 1 trading company in our niche market and a one-and-only group of professionals by creating synergies through business integration, evolving the functions that we have refined until now, and responding competitively to small-lot, high-mix orders.

New Organizational Structure and Mission

Circular Economy Division

Message from the Division CEO

Akihiro Sago
CEO for Circular Economy Division

The Circular Economy (CE) Division was formed by merging four SBUs —the Nonferrous Metals SBU, Resources Recycling SBU, Automotive Materials SBU, and Chemicals SBU —that had provided the integrated "arterial" and "venous" functions of the former Metals Division and Chemical & Electronics Division to strongly promote a circular economy —one of the seven priority domains in which the Toyota Tsusho Group has strengths.

The new CE Division enables us to quickly and expertly provide optimal proposals that transcend the boundaries of the industry and product axis to respond to the wide-ranging needs of our customers as well as the changing needs of society. Specifically, we will provide the functions needed by customers and society by integrating "arterial" businesses that develop rare and important resources and procure and supply materials and components with "venous" businesses that collect and recycle used products (recycled resources), without being confined by the boundaries of industry such as metals and chemicals.

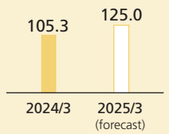
By regarding all waste as a resource, we will help create a circular economy based on reuse and recycling and contribute to the realization of carbon neutrality.

The CE Division will design a new way of resources recycling suitable for the coming era and deliver a better global environment and new prosperity to the children of the future through human resources development and organizational development based on diversity, equity & inclusion (DE&I) together with the members of the division, each of whom works with enthusiasm and a sense of fulfillment.

Business Overview	Resources Development	Development of critical metals (essential metals) essential for electrification and rare inorganic resources essential for daily life and the operation of intermediate products manufacturing businesses
	E-Mobility Supply Chain	Expansion of the supply chain for materials and components related to electrification and the operation of the sales, processing, and distribution businesses for nonferrous and other metals and products essential to social infrastructure
	Resources Recycling	Providing integrated functions from material supply to recycled resource collection, recycling, and production of recycled materials to support new sustainable manufacturing focused on resource circulation
	Sustainable Materials	Sales of raw materials and products for detergents, sanitary materials, packaging, and coatings that are essential for daily life, with the operation of manufacturing businesses, as well as operation and promotion of bio-chemical handling/plastic recycling businesses, to realize a sustainable society
Market Environment	As the transition to a decarbonized society and demands for resources recycling and decarbonization increase, and with response to these demands becoming an essential requirement for business continuity, customers have high expectations for the global expansion of integrated "arterial" and "venous" businesses, which represent one of our division's strengths. At the same time, there is a need for business continuity plans (BCP) that anticipate natural disasters and geopolitical risks as well as responses to business changes such as mobility reforms. Expanding needs for optimal building functions for each region are also expected.	

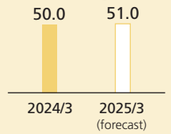
Gross Profit

105.3 billion yen



Profit for the Year Attributable to Owners of the Parent

50.0 billion yen



2024/3

Total Assets
914.5 billion yen

ROA*
5.47 %

* To calculate ROA, the average of total assets at the beginning and end of the fiscal year is used as the denominator.

Business Model Based on Mission

In the mobility area, this division will focus on building a global supply chain of local production for local consumption to ensure a stable supply of metal materials and components for batteries and motors, demand for which is increasing in line with mobility electrification. In addition, we are building a car-to-car recycling system that covers not only conventional internal combustion vehicles but also electrified vehicles, from collection and proper disposal of end-of-life vehicles to recycling.
In the Economy of Life (EoL) domain, the division will focus on promoting raw material recycling and raw material conversion, as well as product recycling, particularly regarding the sale of raw materials and products for detergents, sanitary products, packaging, and coatings, for which the company possesses a strong sales network, and manufacturing business operations related to such. Regarding the production of the important resource of iodine, of which the company has the largest share in the global market, the division is strengthening its value chains through activities such as the manufacture and sale of iodine compounds.

Business Examples

Resources Recycling SBU

Waste Recycling Business
Operation of businesses that collect, sort, and recycle end-of-life vehicles and a variety of other waste and that manufacture and sell recycled materials

Toyota Metal Co., Ltd. (Japan)

Molten Aluminum Business
Manufactures recycled molten aluminum and ingots from scrap aluminum generated from waste

Toyotsu Smelting Technology Corporation (Japan)

Resources Development SBU

Lithium Development and Production Business
Develops lithium, one of the main raw materials for batteries, and produces intermediate products

Sales de Jujuy S.A. (Argentina)

Iodine Development and Production Business
Develops iodine, a chemical that is indispensable for daily life as a disinfectant and raw material, for X-ray contrast media and produces intermediate products

Algorta Norte S.A. (Chili)

Sustainable Materials SBU

PET Bottle Recycling Business
Manufactures recycled pellets for PET bottles from used PET bottles collected in cooperation with municipalities and businesses

Toyotsu PET Recycling Systems Co., Ltd. (Japan)

Detergent Product Manufacturing Business
Manufactures and sells detergents, soaps, toiletries, cosmetics, and quasi-drugs essential for daily life

DAIICHI SEKKEN CO., LTD. (Japan)

E-Mobility Supply Chain SBU

Battery Manufacturing Business
Participates in an automotive battery manufacturing business to meet the growing demand for electrified vehicles in North America

Toyota Battery Manufacturing, North Carolina (U.S.)

Battery Component Manufacturing Business
Processes and distributes the various materials constituting batteries and manufactures and sells battery parts

Sama Aluminum (South Korea)

VOICE

We have been working to acquire and sell recycled resources within Europe in response to the growing demand for recycled materials due to stricter environmental regulations. When recycling a variety of materials centered around automobiles, the supply sources for metals and chemicals often overlap, creating opportunities to share information on each other's suppliers. One of our strengths is that we are now able to propose total recycling support that transcends the boundaries of materials, whereas our recycling proposals were limited to certain materials in the past. Now that we have expanded the range of materials we can handle, we will work as a team to make better proposals to customers looking to recycle.

Shiori Hasebe
Seconded to Toyota Tsusho Europe

New Organizational Structure and Mission

Supply Chain Division

Message from the Division CEO

Jun Eyama
CEO for Supply Chain Division

The mission of the Supply Chain Division is to further refine its functions to protect and connect the supply chains of customers and suppliers and respond to a wide range of geopolitical risk issues and diversifying global needs.

There are various challenges related to supply chains, and our division aims to solve them ahead of time by combining new technologies from perspectives such as carbon neutrality, business continuity management (BCM), and traceability to create a deep and broad foundation.

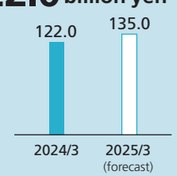
Our vision for 2030 is to "transform the concepts of production, transportation, and connectivity* to fulfill our responsibilities to future society through the evolution of supply chains." We will expand the scope and functions of supply chains through the use of digital technology and other resources while staying close to our customers and partners.

*Production: We develop the manufacturing and processing business for mobility parts, the battery business, and products that are easy to recycle, and we promote these on a global scale. Furthermore, we promote circular manufacturing by collecting and recycling scrap materials (airbags, etc.) generated during the manufacturing and scrapping of vehicles.
Transportation: We promote CO_2 reduction in the field of logistics by promoting logistics optimization, automation of warehouse operations, and the development and reuse of packaging materials used in transportation.
Connectivity: We visualize supply chains using an online logistics platform. We can provide solutions to manage disaster, geopolitical risks, and other risks and can centrally manage data, contributing to solving issues faced by customers not just in the mobility industry but also in other industries.

Business Overview	Global Parts	Construction of optimized supply chains with mixed loading and supply-and-demand management functions in the export/import and global procurement of parts
	Logistics and Module	Logistics services linked to customer production activities, mobility parts assembly services such as overseas tire and wheel assembly, battery assembly and wireless power supply system development for various EVs, and the operation of technopark businesses to support businesses aiming for overseas expansion
	Parts and Accessories	Material procurement, production, sales, design/development, and service development of interior and exterior parts and accessories for mobility Offering of fuel cells and other environmental solutions
	Business Development	New business creation with a focus on aircraft part material development and supply, airport management, and electrification products
Market Environment		In the mobility industry, which is the main market for this division, the environment surrounding mobility and the required technologies are drastically changing and becoming more sophisticated, such as electrification, autonomous driving technologies, and tighter safety standards. In addition, increased digital demand has led to the accelerated transformation of products, services, and business models through DX promotion.

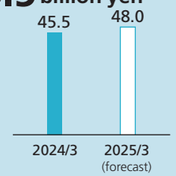
Gross Profit

122.0 billion yen



Profit for the Year Attributable to Owners of the Parent

45.5 billion yen



2024/3

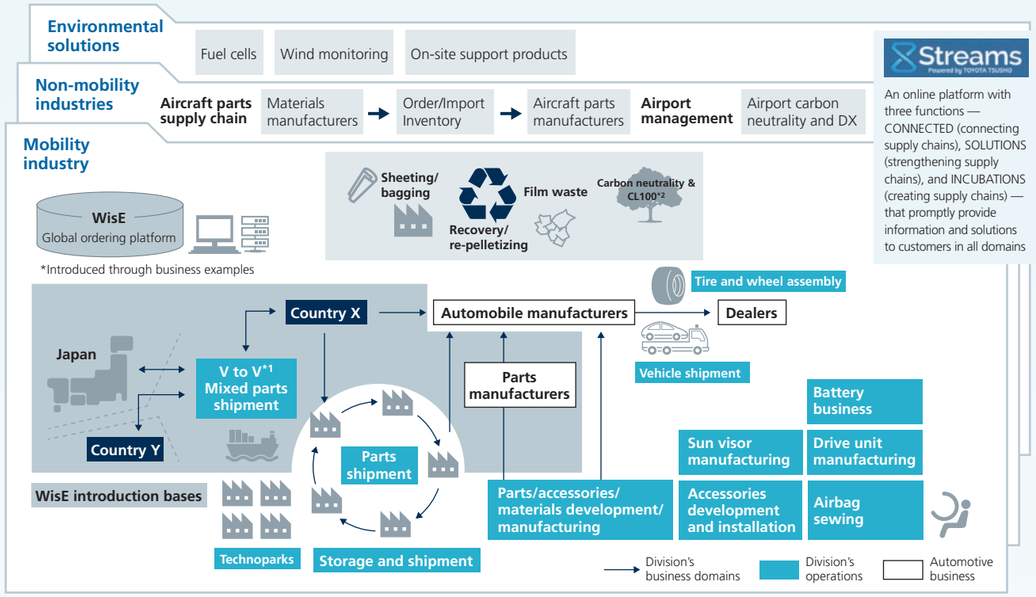
Total Assets
626.3 billion yen

ROA*
7.27 %

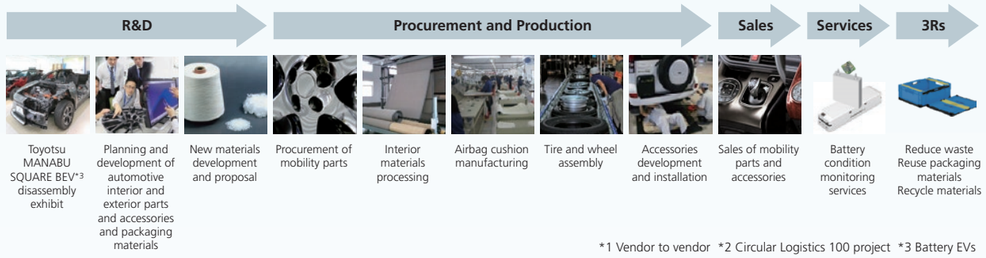
* To calculate ROA, the average of total assets at the beginning and end of the fiscal year is used as the denominator.

Business Model Based on Mission

We are expanding the scope and capabilities of our mobility supply chain, as well as exploring other industries.



Value Chains Provided by the Supply Chain Division



*1 Vendor to vendor *2 Circular Logistics 100 project *3 Battery EVs

Business Examples

WisE (Global ordering platform)

WisE is a global ordering platform that promotes transaction efficiency and enhances BCM through data visualization.

e-Axle (EV drive units for motorcycles)

Musashi Delta e-Axle India was established to manufacture and sell the world's No. 1 motorcycle e-Axle in India. Together with its partners (Musashi Seimitsu Industry Co., Ltd. and Delta Electronics), it contributes to the electrification of motorcycles by expanding sales in India, ASEAN countries, and Africa.

VOICE

The BPR Group is working together with the WisE team and users to ensure the stable operation of the platform, which became fully operational in May 2024.
We believe that WisE has unlimited growth potential, so we will continue to improve the platform to make it even more convenient and user-friendly.

BPR Group, Supply Chain DX Department

India is the world's largest motorcycle market, and while further economic growth is expected, air pollution is becoming an increasingly serious issue. We believe that the electrification of motorcycles is one solution. We will participate in the manufacturing of key parts and establish a new supply chain to contribute to India's future growth and the widespread use of electric motorcycles globally.

Kento Kagami
Seconded to Toyota Tsusho India Private Limited

New Organizational Structure and Mission

Mobility Division

Message from the Division CEO

Shigeru Harada
CEO for Mobility Division

The mission of the Mobility Division is to bring happiness for future society through transportation by building a new business model. We aim to provide new value through transportation by expanding our business areas from our traditional Core Business Area of automotive sales to the mobility area (transportation of people and goods) and synergy area (becoming a nexus with other industries through transportation).

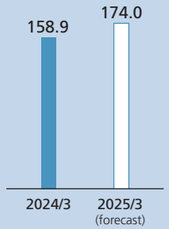
The mobility industry is currently changing at an unprecedented pace with technological innovations such as autonomous driving, electrification, and the birth of new mobility services. However, actual needs vary from region to region. It is essential to be aware of the characteristics of each market. Our division possesses knowledge and expertise in each market, including emerging countries, that we've gained through our global business development. We will leverage the strengths we have cultivated in each country and region to provide the Right ONE solutions that meet the diverse mobility needs of our customers.

We will continue to solve the problems of our customers to bring smiles to their faces. In addition, we will become a truly trusted presence by working together with our approximately 12,000 division colleagues and our valued partners around the world to lead the way toward the realization of a sustainable future and a mobility society.

Business Overview	**TOYOTA SBU**	Import/export, wholesale, and retail of Toyota products (vehicles, parts, etc.) and vehicle assembly businesses in emerging countries
	Multi Brands SBU	Import/export, wholesale, and retail of commercial, passenger, industrial, and other types of vehicles, as well as vehicle installation and conversion and the logistics solutions business
	Value Chain SBU	Supply of spare parts and after-sales service, used vehicle distribution, captive finance and leasing, and other mobility value chain-related businesses
Market Environment	In the entire mobility industry is accelerating its efforts to contribute to the global trend of carbon-neutrality. The electrification of automobiles and technological innovations such as autonomous driving are also progressing. In addition, geopolitical risks are increasing due to recent international situations in countries where we run business. Amid this change in the market environment, we are being called on to provide services that can help solve social issues in each region.	

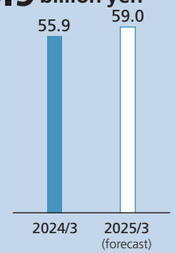
Gross Profit

158.9 billion yen



Profit for the Year Attributable to Owners of the Parent

55.9 billion yen



2024/3

Total Assets
482.7 billion yen

ROA*
11.59 %

* To calculate ROA, the average of total assets at the beginning and end of the fiscal year is used as the denominator.

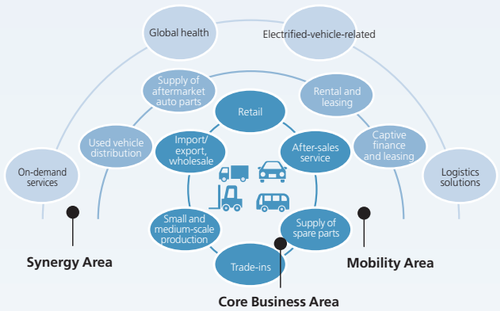
Business Model Based on Mission

Core Business Areas

Our division exports passenger, commercial, industrial, and other types of vehicles produced by by Toyota Group companies and other automotive and transportation equipment manufacturers in Japan and overseas, to 154 countries and regions around the world. We also operate distributor & dealership business, vehicle assembly (knockdown production), after-sales service and supply of spare parts, used vehicle distribution, captive finance and leasing, and other businesses in 48 countries and regions where we do business.

Mobility and Synergy Areas

We operate a logistics solutions business that provides customers with solutions tailored to their needs, and a used vehicle distribution business. Furthermore, we seek to contribute to the development of societies and economies by utilizing data obtained through customers and vehicles.



Our Global Business

Business Examples

Refrigerated Vaccine Transport Vehicle

Toyota Tsusho developed refrigerated vaccine transport vehicles in collaboration with Toyota Motor Corporation and B Medical Systems, a manufacturer of refrigerators for medical use, to transport vaccines at the appropriate temperature. In March 2021,the vehicles were the first in the world to obtain Performance, Quality and Safety (PQS) prequalification as set by the World Health Organization (WHO). The company is contributing to global health in developing countries, especially in Africa, through the *kaizen* (continuous improvement) of last-mile transportation for the vaccine cold chain.

Commencement of Vehicle Assembly and Production in Cambodia

In August 2022, Toyota Tsusho established Toyota Tsusho Manufacturing (Cambodia), a vehicle assembly company in Cambodia, and started local assembly and production of the Toyota Hilux pickup truck and Fortuner SUV in May 2024. This project is an initiative based on the "MOU on Cooperation for the Development of the Automobile Industry" signed between the government of Cambodia and Toyota Tsusho as part of an ASEAN-Japansummit held in November 2022.

VOICE

Luc Provost
CEO of
B Medical Systems

Last-mile transportation has always been a challenge in the vaccine cold chain. In many parts of the developing world, health facilities are located in remote areas that are difficult to access due to topography and infrastructure. We are very proud to work with Toyota and Toyota Tsusho to bring this solution to the market. Refrigerated vaccine transport vehicles have the power to revolutionize the way vaccines are delivered, as they can easily travel over rough terrain and narrow roads, and vaccine containers do not break during delivery, thus enabling effective vaccine cold-chain transportation.

Ryoji Fujita
Managing Director of Toyota Tsusho Manufacturing (Cambodia)

We will work together with our excellent staff in Cambodia to create vehicles of the highest quality. Through this new initiative in the vehicle assembly business, we will strengthen our relationship with the Cambodian government even further and contribute to the country's industrial development and creation of a prosperous mobility society.

New Organizational Structure and Mission

Green Infrastructure Division

Message from the Division CEO

Kosuke Kunihiro
CEO for
Green Infrastructure Division

The mission of the Green Infrastructure Division is to contribute to the realization of social infrastructure that supports a sustainable global environment through synergy between renewable energy and the on-site ability of the machinery business. To realize this mission, we are focusing on maximizing synergies between the energy business and machinery business more than ever. We are also building robust and resilient supply chains and value chains that are distinctly Toyota Tsusho under the new Green Energy SBU vision of "Renew Energy, Renew Our Future" in the renewable energy area. In doing so, we will focus on maximizing the carbon neutrality value that can be provided to customers.

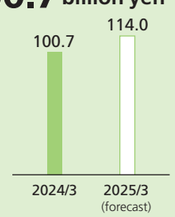
To achieve this, the plant business has been transferred to the Machinery & Infrastructure SBU, and the energy business has been reorganized and renamed the "Green Energy SBU" to devote all resources to renewable electricity and carbon-neutral fuel.

We aim to be a leader that is continuously chosen by adding to and refining the strengths of both SBUs that we have cultivated until now, concentrating resources, and building strong relationships of trust with our customers and the those on the front lines. We will come together to create a strong, dynamic, and highly productive organization that will continue to solve customers' problems and achieve sustainable growth as "Be the Right ONE" so that people think of Toyota Tsusho when it comes to carbon neutrality.

Business Overview	**Machinery & Infrastructure**	Domestic and international trading in manufacturing and logistics equipment and parts primarily for the automotive industry and provision of integrated support functions for related design, repair, and installation Infrastructure development and business operation of social infrastructure such as energy, port infrastructure, and construction equipment
	Green Energy	Development and business operation of renewable energy such as wind, solar, hydroelectric, and biomass Supply businesses for carbon-neutral fuels such as LNG and biodiesel
Market Environment		The mobility industry is undergoing a once-in-a-century transformation, and electrification is advancing rapidly. Moreover, to reduce global GHG emissions, measures for creating a carbon-neutral society will proceed at a rapid pace. For example, markets for renewable energy, including offshore wind power, are expected to expand rapidly, and ships are switching from diesel fuel to clean fuels, including LNG and biofuel.

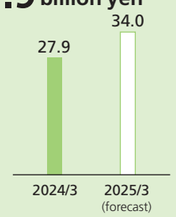
Gross Profit

100.7 billion yen



Profit for the Year Attributable to Owners of the Parent

27.9 billion yen



2024/3

Total Assets
1,236.6 billion yen

ROA*
2.26 %

* To calculate ROA, the average of total assets at the beginning and end of the fiscal year is used as the denominator.

Business Model Based on Mission

In the machinery business of the Machinery & Infrastructure SBU, we provide solutions to customers' problems by leveraging our integrated support capabilities for production equipment and operational strength, mainly for the automotive industry. We are also striving to build a new business foundation through DX and to reduce CO_2 emissions from manufacturing centered on plants through energy-saving environmental diagnosis to realize a carbon-neutral society. In the infrastructure project business, we are engaged in infrastructure development and business operations, including business proposals, financing, basic engineering, equipment procurement, and construction work for energy and port infrastructure and construction machinery in the Middle East and emerging countries where we have a strong presence.

The Green Energy SBU contributes to achieving carbon neutrality for customers and a sustainable society as a leading player in the industry by building renewable energy value chains and carbon-neutral fuel supply chains from the customer's perspective. The division is expanding renewable energy power generation businesses around the world, including wind, solar, hydroelectric, and biomass. With a priority on coexistence with local communities, we are aiming to establish renewable energy power value chains not only through the generation of competitive renewable energy but also by strengthening the aggregation, regulation, and transfer of such energy through the provision of energy management services. In the carbon-neutral fuel business, we are aiming to build carbon-neutral fuel supply chains by providing solutions necessary to reduce our customers' environmental impact, including supplying woody biomass (recycling of forest resources) and biodiesel (circular economy-oriented model using waste cooking oil), switching marine fuel to LNG, and efforts toward realizing a hydrogen society.

Business Examples

Feature 1 Integrated Support for Social/Manufacturing Infrastructure

We not only procure and sell various types of machinery and equipment as social/manufacturing infrastructure but also provide comprehensive support services from planning, proposals, and technological development to quality control, efficient logistics, installation, and after-sales services, significantly contributing to the building of customers' production systems.

Machinery and equipment

Equipment manufacturing
Equipment manufacturing/
Prototyping

Equipment procurement
Optimal procurement

Logistics
Export/Import/Offshore trade

Installation
Installation/Safety management

After-sales services/Parts
Technical proposals/
Maintenance parts

Feature 2 Strengthening the Renewable Energy/ Carbon-neutral Fuel Business

We are working to strengthen our renewable energy supply system, including solar power and wind power, as well as our overseas business in Africa and other countries. We are also aiming to establish an integrated system not only for the generation of renewable energy but also for its aggregation, regulation, and transfer, such as in the energy storage plant business. In the carbon-neutral fuel business, we supply biofuels for ships and other applications, aiming to provide total services that will make our customers choose Toyota Tsusho when they think of carbon neutrality.

Establishment of Aeolus by CFAO and Eurus Energy Holdings Corporation to strengthen the renewable energy business in Africa

Entrance into energy storage plant business

Ship biofuel supply business

Feature 3 Business Operation of Transportation Infrastructure

We aim to contribute to solving social issues and economic development by developing competitive transportation infrastructure services at airports and port terminals, mainly in emerging countries and developing regions and strengthening industrial competitiveness and supply chains.

Operation of Sendai Airport

Operation of automobile terminals

Operation of automobile inspection facilities

Feature 4 Solution Activities for Customers' Carbon Neutrality

We are working on carbon neutrality and solving the problems of customers through integrated proposals by the entire Toyota Tsusho Group, such as energy management using storage batteries and a wealth of energy-saving commercial products that we have uncovered through Toyota Tsusho's network.

VOICE

I am working on the formation of corporate PPAs (renewable energy supply to customers), which are increasingly in demand these days. At our Toyota Branch, I am engaged in sales activities to promote the transition to carbon neutrality for Toyota Group companies and other customers. The transition to carbon neutrality is a pressing issue for each company, and there are high expectations for our company as we own many renewable energy sources, so I find it very rewarding. I will work diligently to achieve results that make people talk about Toyota Tsusho when it comes to carbon neutrality.

Hitoshi Kawauchi
Renewable Energy in Japan Group
Renewable Energy Strategy Department

New Organizational Structure and Mission

Digital Solutions Division

Message from the Division CEO

Eiji Matsuzaki
CEO for Digital Solutions Division

The Digital Solutions Division is engaged in the two fields of devices & software and Information and Communication Technology (ICT) to further expand the solutions business, including solving issues for the next-generation mobility society by utilizing devices and software, while always staying ahead of technological innovation and DX.

The electronics and ICT handled by our division contribute to the creation of a comfortable and safe mobility society, making people's work easier and their lives prosperous. Our role is not to sell products and services for this purpose but to contribute to helping people realize value and enrich their lives.

Our division seeks to expand people's possibilities with electronics and make the world more convenient, comfortable, enjoyable, and prosperous in all areas. To this end, we will stay attuned to the problems of people and society, keep asking how we can be of service, and work together with our customers and partners around the world to realize a friendly future. Our division is committed to providing value for this purpose and aspires to lead the way in transcending and connecting generations. We will fulfill our social responsibility by maintaining safety and functionality with a thorough focus on the quality of our products and services.

Business Overview

Device & Software Solutions: Global sales of electronic devices embedded in automobiles, home appliances, information and communications equipment, industrial equipment, etc.; development and sales of hardware, software, and services to realize CASE*

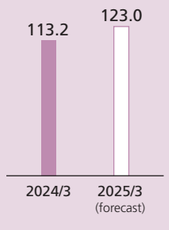
ICT Solutions: Global sales of products and services related to ICT; promotion of a vehicle security business and a wireless communication business for onboard software that supports the safety of connected cars; sales of computing resources and various tools that contribute to AI development, etc.

* CASE: Connected, autonomous, shared, and electric

Market Environment: Changes to the environment surrounding us and technological evolution are occurring rapidly, and digital technologies and AI have become commonplace in our surroundings and daily lives. With the evolution of semiconductors, AI, and other technologies, business models, and value offerings are shifting to services (intangible, purpose-based) in addition to goods (tangible, commercial products).

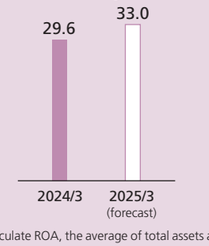
Gross Profit

113.2 billion yen



Profit for the Year Attributable to Owners of the Parent

29.6 billion yen



2024/3

Total Assets
564.9 billion yen

ROA*
5.25 %

* To calculate ROA, the average of total assets at the beginning and end of the fiscal year is used as the denominator.

Business Model Based on Mission

In the devices & software business, we own industry-leading electronics trading companies (NEXTY Electronics Corporation, Tomen Device Corporation, and Elematec Corporation) and provide a diverse range of electronic devices and software globally. In anticipation of technological change, we are working to provide the electronic devices and services necessary for safe and reliable automobiles, develop systems and build infrastructure to realize an autonomous driving society, propose environmentally friendly semiconductors, and distribute software.

In the ICT business, we provide a diverse range of IT services with a global support system that is available 24 hours a day, 365 days a year. We provide digital tools and software that accelerate the transformation of work styles, utilize quantum technology and AI for advanced computing, build security and communication platforms to ensure connected automobiles, and construct telecommunication infrastructure and data centers that lead to the development of emerging countries.

Feature 1 — **Japan's largest-scale semiconductor/electronic device revenue (sales)**

2024/3 Revenue (Sales)
- NEXTY Electronics Corporation: **567.1 billion yen**
- Tomen Device Corporation: **370.7 billion yen**
- Elematec Corporation: **194.5 billion yen**

Feature 2 — **More than 2,000 corporate group engineers active globally**

Engineer Breakdown
- Hardware engineers*1: **Approx. 220**
- Software engineers*2: **Approx. 530**
- IT engineers: **Approx. 1,260**

*1 Engineers who design and develop embedded software
*2 Engineers who support the development of corporate IT platforms, etc.

Business Examples

Device & Software Solutions Business: Support Business for Customer Product Development

Defect analysis
- Part opening/scanning electron microscope analysis
- Defect reproduction testing
- X-ray inspection, etc.

Design
- AI development and verification environment provision
- AI image recognition ECU* design, etc.

Development
- Provision of self-developed model distribution platform (Modelix)
- Software development, etc.

Evaluation/certification
- Customer part certification support
- Chemical substance survey
- Reliability testing, etc.

Mass production
- Memory data writing
- Taping/packing work
- ECU assembly, etc.

* Electronic control unit

ICT Solutions Business: Examples of Major ICT Business Initiatives

Operation/monitoring

24/7/365 global help desk

Digital infrastructure

Provision of secure wireless communication environments for onboard software

Infrastructure construction in emerging countries

IT infrastructure export and sales to emerging countries (mainly Uzbekistan)

Provision of computing resources

Provision of computing resources for quantum computers/supercomputers, etc.

Kitting

Kitting service for customer IT equipment

VOICE

Akira Yamaguchi
General Manager of AI&IoT Business Promotion Department
NEXTY Electronics Corporation

We launched GPU Advanced Testdrive (GAT), a mobility industry-specific AI supercomputer computing resource service, in April 2024. We will expand this service with the collective strength of the Toyota Tsusho Group to contribute to the acceleration of AI development by mobility companies in Japan.

NVIDIA DGX H100 system

Yuki Yamashita
Overseas Infrastructure Group, Data Infrastructure Department

Since 2019, I have been in charge of the Telecommunication Infrastructure Development Project aimed at enriching the lives of people in Uzbekistan and neighboring countries. The delivery of telecommunication equipment started at the end of 2023, and preparations are underway for the operation of the data center. Our corporate group is working hard together every day to help connect government officials and various stakeholders in the country and ensure smooth project operations.

New Organizational Structure and Mission

Lifestyle Division

Message from the Division CEO

Tatsuya Watanuki
Executive Vice President
CEO for Lifestyle Division

The mission of the Lifestyle Division is to create businesses unique to Toyotsu as the EoL business promotion division. We aim to be a "Be the Right ONE" presence that supports, nurtures, and connects people's lives. To this end, each of our SBUs has its unique mission and aims to exceed expectations as a "Be the Right ONE" partner for our customers.

The mission of the Food & Agribusiness SBU can be summed up as "Make people happy and lead to a prosperous future through the power of food!" This SBU maximizes our unique strengths in the grain business to protect supply chains and lifelines and support people's food. In the food business, it contributes to improving people's QoL and solving social and customer issues through food.

The mission of the Wellness SBU can be summed up as "Create sustainable communities and bring smiles to the next generation!" In the textile business, this SBU strives to realize a circular economy for apparel that is unique to Toyota Tsusho. In the living environment business, it strives to realize well-being through facility solutions. In the insurance business, this SBU strives to create new value by combining its business with other existing business domains. In the healthcare and medical business, this SBU strives to realize well-being by providing safe and reliable medical care and nursing care.

Business Overview

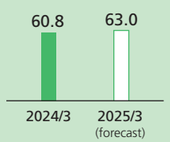
Food & Agribusiness
Grain business: Grain import/export business, domestic grain silo business, etc.
Food business: Import/export wholesale and processing business for food products and agricultural, livestock, and marine products, domestic food provision business, etc.

Wellness
Insurance business: Domestic and international insurance agency business, insurance brokerage business, etc.
Textiles business: Planning, production, logistics, and sales business for raw materials, textiles, and fiber products
Living environment business: Overseas hotel residence development and management business, effective utilization business for corporate-owned real estate, rental and condominium development and management business, office and factory renovation business, original furniture planning and sales business, etc.
Healthcare and medical business: Overseas healthcare-related business, rehabilitation business, nursing care product business, etc.

Market Environment
The world is becoming increasingly complex and the future is difficult to predict. In addition, people's lives are changing at an unprecedented pace on a global scale. Even in times like these, people continue to demand a safe, secure, and comfortable environment to live in, and the division must meet their expectations.

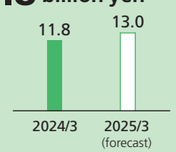
Gross Profit

60.8 billion yen



Profit for the Year Attributable to Owners of the Parent

11.8 billion yen



2024/3

Total Assets
355.5 billion yen

ROA*
3.32%

* To calculate ROA, the average of total assets at the beginning and end of the fiscal year is used as the denominator.

Business Model Based on Mission

Food & Agribusiness SBU

- **Grain business**
  In the grain business, we supply grains from all over the world to Japan and other countries. We are strengthening stable supply through a grain origination and export business in Brazil in particular. In Japan, our strength is the many years of experience and operational excellence we have cultivated in the grain silo business.
- **Food business**
  In the food business, we are committed to safety management unique to Toyota Tsusho at manufacturing and processing centers and food provision service companies in Japan and overseas to supply high-quality products. We are also focusing on reducing food waste.

Wellness SBU

- **Insurance business**
  In the insurance business, our strengths are our insurance agency business in Japan and our insurance brokerage business in Japan and overseas. We are also strengthening our support for renewable energy projects, which are of great interest in carbon neutrality initiatives.
- **Textile business**
  In the textile business, our strength is our comprehensive supplier function that handles everything from materials development to production and product sales. We are working to reduce apparel loss and environmental impact.
- **Living environment business**
  In the living environment business, we are developing and operating hotel residences to support companies that are expanding operations overseas, making effective use of company-owned real estate, operating a leasing business for houses and other properties, renovating offices and updating factories, and selling original branded-furniture.
- **Healthcare and medical business**
  In the healthcare and medical business in Japan, we are strengthening our early and preventive testing business, medical institution support business, and nursing care products business. Overseas, we are developing the hospital business centering on the expansion of the Sakra World Hospital medical zone in India, along with peripheral businesses for hospitals such as pharmaceutical wholesaling and linen supply.

Business Examples

- **AXIA Business**
  In 2014, we started operating AXIA Tower 1, a serviced apartments for Japanese expatriates and business travelers in Indonesia, and in 2016, we started developing and operating AXIA Tower 2. In 2021, we started operating AXIA Tower 3 for families to meet the further needs of our customers. We will contribute to the development of Indonesian society through the operation of four buildings, including a commercial building, with a total of 557 guest rooms.

- **Bungasari Flour Mills Indonesia**
  This is an Indonesian flour milling business launched in 2012. We contribute to improving the quality of our customers' products such as bread, noodles, and confectionery as the country continues its economic development. We will continue to grow in the Indonesian food business together with our partners.

- **PATCHWORKS® Project to Promote Circular Economy in the Textile and Fashion Domain**
  This project promotes the construction of a circular economy system by connecting businesses in the reverse supply chain, which recycles materials, with apparel manufacturers, retailers, and consumers in the forward supply chain, which carries out procurement, production, and sales activities, in cooperation with related parties in Japan and overseas.
  ▼ **Visit the link below for more information about PATCHWORKS®.**
  https://www.patchworks-project.jp/ (in Japanese)
- **Fishing Net Recycling Business**
  We are entering the fishing net recycling business with Bureo Inc., which owns and operates the NetPlus® brand of recycled nylon materials made entirely of waste fishing nets. We are also assisting Ellange, Inc., a company that collects and recycles waste fishing nets in Chiba Prefecture, Japan, to introduce Bureo's South American waste fishing net collection program to Japan. By expanding its waste fishing net collection and sorting base in Japan, the three companies intend to build a stable supply system for the NetPlus® brand and will work to develop and operate programs to preserve the marine environment and create local communities in Japan.

Waste fishing nets are transformed into down jackets.

- **Grain Business in Brazil**
  In central and northeastern Brazil, the Toyota Tsusho Group is using its grain infrastructure business, starting with company-owned warehouses and export terminals, to strengthen the stability of grain procurement and supply systems. We aim to be a leader with the strong conviction to never break our supply chains and to contribute further to the stable supply of grain globally. Also, our cottonseed oil production and sales business is one of the leading businesses in Brazil in terms of the quality and quantity of cottonseed oil handled.

- **Operation of Sakra World Hospital and Peripheral Businesses in India**
  In India, which is showing remarkable economic growth, we are developing a hospital business with an excellent partner. A unique feature of this business is that we are going to the front lines to refine our operations. In addition to the construction of a second hospital, we have added a pharmaceutical wholesale business and linen and medical equipment leasing business as peripheral businesses. We anticipate the possibility of further business expansion in the future.

VOICE

Hospitals gather professionals in their respective fields, such as doctors, nurses, and technicians. Patients with various diseases come to hospitals trusting in the knowledge and skills of these professionals. These professionals always have access to the necessary information, equipment, and working environment to provide the best medical care to patients. We face challenges in the field every day to create this environment.

Naoya Matsumi
Deputy Managing Director of Sakra World Hospital

New Organizational Structure and Mission

Africa Division

Message from the Division CEO

Richard Bielle
CEO for Africa Division

Now with more than 23,000* employees and a business network in all 54 African countries that gives us a presence across the entire continent, we have been involved in the necessary economic development of Africa for over 150 years.

The exceptional longevity and our solidity can be explained by the diversity of our business domains - Mobility, Infrastructure, Healthcare, and Consumer, and our presence in a very large number of countries. This unique combination provides us with somewhat natural cover against risks as well as access to opportunities, which have offset each other over the years and fueled steady growth in revenue (sales) that is generally higher than that of the continent's gross domestic product.

Our global strategy aims to manage every stage of the value chain - from import to production, and from distribution right through to the end customer - which is an important condition in emerging markets as a way to guarantee the quality of our services and products.

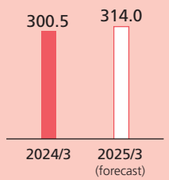
Each business domain has its own roadmap and a specific mission that is both useful for the continent and inspiring for those who collaborate with us, our partners, and our customers. Our "WITH AFRICA FOR AFRICA" promise unites us all around a shared mission that is both ambitious and ever so important to make a useful contribution to the development of Africa and for the future children of Africa.

*Number of employees including temporary employees

Business Overview	Mobility	New car sales and after-sales service, automotive production support, used-car sales, vehicle assembly, distribution and maintenance of a wide range of capital goods, such as machinery and handling equipment, distributor business, next mobility, and MaaS business
	Infrastructure	Infrastructure businesses for renewable energy, seaport development, water supply, etc. Design, installation, and maintenance business for elevators, air conditioners, solar panels, etc.
	Healthcare	Production, wholesale, and retail of pharmaceutical products
	Consumer	Development of retail businesses (shopping mall, supermarket, etc.). Import and production of everyday consumer goods. Local production and distribution of beverages
Market Environment		The African continent, also known as the "greatest frontier of the 21st century," is full of potential. Africa's economy is expected to outperform the growth rate of the world, due to the attractiveness of the African market, which is characterized by the growing affluent population, especially among the younger generation, and the growing middle-income class.

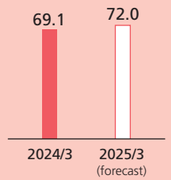
Gross Profit

300.5 billion yen



Profit for the Year Attributable to Owners of the Parent

69.1 billion yen



2024/3

Total Assets

966.3 billion yen

ROA*

7.15%

* To calculate ROA, the average of total assets at the beginning and end of the fiscal year is used as the denominator.

Business Model Based on Mission

The Africa Division currently has a network encompassing all 54 countries in Africa with more than 23,000* employees and engages in a diverse range of businesses in four business domains.

*Number of employees including temporary employees

Mobility
Mobility is one of the keys to the continent's development. We constantly try to find the most efficient mobility solutions for the greatest number of people. Whenever we operate, we need to move from selling vehicles to providing solutions for everyone. We aim to renew the African vehicle fleet with safer and cleaner mobility solutions.

Infrastructure
We aim to accelerate green infrastructure development through sustainable, innovative solutions using environment-friendly technologies such as those related to renewable energy resources suited to each country's situation. We invest in the green energies value chain to support low-carbon growth and prepare E-mobility infrastructures.

Healthcare
We are expanding our business areas to include local production, wholesale, and retail of pharmaceutical products. With complete value chain integration, we will continue to strengthen our efforts to secure access to high-quality medicines for all African countries.

Consumer
We respond to consumer expectations. We offer consumers the possibility to have a good time in our shopping malls and to shop in comfort at supermarkets. We also touch the local economy with the production of everyday consumer goods such as household hygiene products and beverages. We will continue to contribute to the development of modern distribution.

Business Examples

The Africa Division's global strategy aims to expand and integrate the value chains in four business domains, from imports to the production business (upstream) and the retail business to end users (downstream).

Accelerating the Renewable Energy Business in Africa with the Establishment of a New Company
In March 2024, CFAO and Eurus Energy Holdings Corporation each made a 50% investment to establish Aeolus in France. With this, the renewable energy business that the Toyota Tsusho Group is developing in Africa will be consolidated in stages so that business development can be carried out more flexibly and swiftly than ever before. Through Aeolus, we aim to develop and expand the introduction of renewable energy sources suited to the conditions in each African country. Going forward, we will contribute to further green and sustainable economic growth in Africa with a view to provide solutions and develop new businesses that utilize the renewable energy business.

Ceremony for the establishment of Aeolus

VOICE

Hideharu Toba President and Managing Director of Aeolus

We are very pleased to announce the establishment of this joint venture company between CFAO and Eurus Energy Holdings Corporation. We will combine the knowledge and experience of these two companies and their different backgrounds in order to contribute to sustainable growth in Africa through the renewable energy business.

Financial Strategy

P.61 CFO's Message

P.66 Investment Cycle Management

P.67 Risk Management

05

CFO Message

We will implement a minimum return ratio, and actively invest in businesses in the domains of natural and social capital, to achieve long-term growth.

Hideyuki Iwamoto
Member of the Board &
Chief Financial Officer (CFO)

Review of the Mid-term Business Plan and Main Points of the New Plan

Our policy of safeguarding our supply chains has borne fruit, with three consecutive fiscal years of record-high earnings.

In terms of business performance and financial structures, our Mid-term Business Plan for the fiscal years ended March 31, 2022, through March 31, 2024, produced great results.

The main reason behind our three consecutive fiscal years of record-high earnings was that we were able to meet the expectations of customers and society. We did this by conducting a detailed review of our businesses in each country and region in line with our policy of safeguarding our supply chains, even during the COVID-19 pandemic. We also successfully launched a series of businesses that helped us mitigate new issues that have developed in society, including the deterioration in U.S.-China relations and other geopolitical risks, and natural disasters. What was perhaps most significant was our ability to instantly respond to problems in the workplace as a trading company with very close ties to the front lines.

In terms of financial structures, we focused on eliminating waste from our operations and became deeply involved in each business to appropriately control working capital turnover periods, which we prioritize in our businesses. As a result, we were able to steadily strengthen our balance sheet over three years after it had excessively grown.

With operating cash flow of more than 500.0 billion yen also exceeding our target, I am happy to say that this three-year period has gone exactly as I had hoped.

We are continuing to strengthen our foundations for long-term growth while targeting 400.0 billion yen in profit for the year attributable to owners of the parent (hereafter "profit for the year").

In our Mid-term Business Plan for the fiscal years ending March 31, 2025, through March 31, 2027, announced at the end of April 2024, we established an aggressive target of 400.0 billion yen in profit for the year ending March 31, 2027. As we enter a time for reaping the benefits from the businesses and investments we built up over many years, coupled with enhancements to our lean operations, we are improving our cash-generating capabilities, and it seems highly likely that we will achieve just under 7% average annual growth.

In this Mid-term Business Plan, we have established and announced our approach to three medium- to long-term growth investment domains from qualitative and quantitative angles. The first domain is core value (our core businesses), which is where our strengths lie, including our mobility, semiconductor-related, and African businesses. The second domain is social value (value generated by businesses that contribute to resolving social issues), where we use the social capital of our battery, recycling, and other businesses and return the added value generated to social capital. The third is nature value (value generated by businesses that reduce impact on the environment), where we return added value to natural capital, including our renewable energy and hydrogen-related businesses. Fundamentally, we maximize revenues through the distinctive traits of Toyota Tsusho that we have developed through our core value, and we invest in sustainable domains, including social value and nature value, that will become the main pillars of our businesses in the future.

During the period of this Mid-term Business Plan, we will invest in additional CapEx* in our core value domain, the base of our company, and further enhance functions and efficiency to strengthen our ongoing cash-generating capabilities.

We consider social and nature value domains to be business domains that offer future upside. By adding our specialized "Be the Right ONE" vision to the mix, we will create further value that will increase corporate value going forward.

* CapEx: Capital expenditures are funds used for maintaining and improving the value of assets.

WEB **Refer to Mid-term Business Plan for the fiscal years ending March 31, 2025, through March 31, 2027, for a review of Mid-term Business Plan for the fiscal years ended March 31, 2022, through March 31, 2024.**
https://www.toyota-tsusho.com/english/ir/earnings-presentations/upload_files/E_chukei_103_4Q.pdf

Cash Allocation Plan

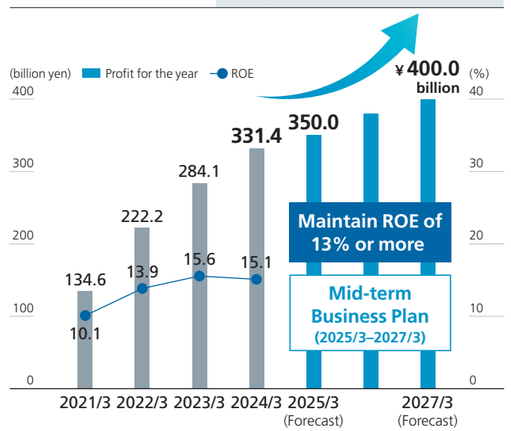
We are investing 1.0 trillion yen for long-term growth while managing ROE and net DER.

Over the three years of the Mid-term Business Plan, we expect to generate 1.3 trillion yen or more in cash by refining our existing businesses, centered on the mobility-related value chain, and reaping the benefits of years of investments. Of that amount, we plan to spend 1.0 trillion yen or more on growth investments and return 300.0 billion yen or more to shareholders.

Of this allocation to growth investments, we will spend 400.0 billion yen or more in the core value domain and specifically on businesses that contribute to advancements in the supply chain. We will also spend 300.0 billion yen or more each in the nature value domain, which includes renewable energy, and the social

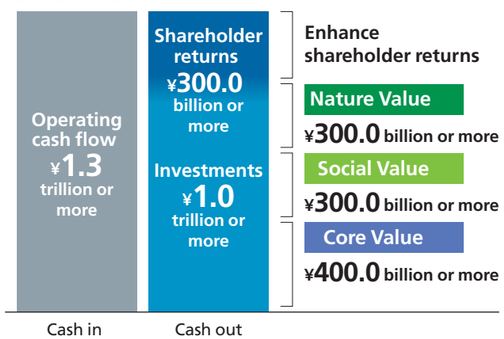
Mid-term Business Plan (2025/3–2027/3) Targets

Profit for the year (2027/3)	¥400.0 billion
ROE (2027/3)	Maintain at 13% or more



Finance basic policy	Net DER	RA/RB*
	Control to within 1.0x	Control to less than 1.0x

2025/3–2027/3 (3-year Totals) Cash Allocation



* RA/RB: An indicator that signifies whether the total amount of risk is within the scope of financial strength
RA = Risk assets (maximum expected loss that can arise in the event of a contingency)
RB = Risk buffer (Toyota Tsusho's financial strength [Total equity – Non-controlling interests + Allowance for doubtful accounts (current) – Goodwill])

value domain, which includes helping to develop resource recycling systems. When investing in the domains of nature value and social value, we need to think about returns from the medium- to long-term time frame. However, we again set our company-wide ROE target at 13% or more over the coming three years based on growth investments that promise shareholders a return of shareholders' equity over the short term as well.

Net DER is another important indicator that we manage. From the perspective of increasing borrowings to create leverage as a trading company, we consider our current DER of 0.48 times to be a little low. It is important therefore that we lift this figure and tightly control it within the range of 0.6 to 1.0 times. In the current situation, even if we were to borrow around 1 trillion yen for large-scale M&A activities, we would still be able to hold DER to around 0.8 times. Therefore, we hope to maintain this level of safety over the coming three years.

Growth Investments and ROIC Management

We set separate ROIC targets for each of our three value domains, and we are managing with an awareness of the cost of capital while working to merge ROIC and TVA, a unique Toyota Tsusho indicator.

In addition to setting a company-wide ROE target, we have also set separate ROIC*1 targets for each of the three value domains in which we invest and clarified the returns to achieve in each domain. Our ROIC targets are 5% or more for the nature value domain, 10% or more for the social value domain, and 15% or more for the core value domain. Rather than ignoring nature value because it is a domain in which it is difficult to achieve profitability, investment is possible whenever the target line is exceeded in any value domain. However, we consider it important to invest with an eye to higher returns with additional upside synergies after three years. The ROIC figures at this stage are our first step in ensuring that all employees and people outside the Ccompany understand the importance of investments that aim to resolve environmental and social issues. I have had several opportunities to speak with investors since announcing this Mid-term Business Plan, and I noticed a significant reduction in the number of people questioning why we are involved in low-return renewable energy businesses, so I feel people are gradually coming to understand our way of thinking.

In the domains of nature value and social value, we can increase returns at the same time as solving our Key Sustainability Issues (Materiality). We will promote long-term sustainable businesses with a balance between these two ideals while pursuing the realization of our "Be the Right ONE (a one-and-only, essential presence)" corporate group vision.

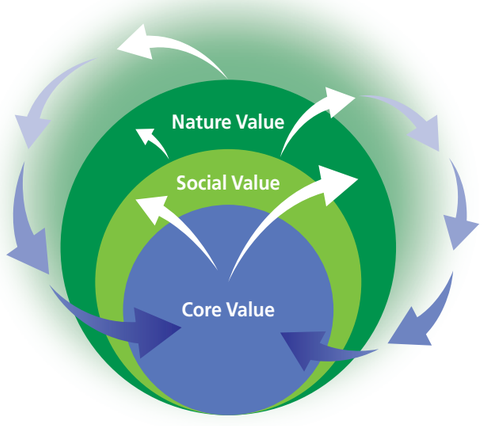
At Toyota Tsusho, we use a unique in-house indicator called Toyotsu Value Achievement (TVA),*2 in addition to ROIC. TVA is an indicator that measures the amount of added value over expected profits (cost rate of invested capital) from invested capital (funds used), so we monitor TVA to ensure we achieve the income expected of our invested capital. ROIC, as an indicator of profit ratio, is better for gauging the level of achieving the ideal image for which we aim when creating new businesses, but TVA, as a quantitative indicator, is more suitable for monitoring whether a business is profitable. However, trying to use these two indicators together can be confusing, so we are currently working on a project to develop a key performance indicator (KPI) that merges the two. With many of our younger members also participating in the project, we hope to achieve a KPI that can function for the next 20 or 30 years.

*1 An abbreviation for "return on invested capital," ROIC indicates the level of profits generated from funds borrowed from creditors.

*2 TVA = (Ordinary income – Interest income or expenses) × (1 – Respective country's tax rate) – Invested capital × Cost rate of invested capital by country; ordinary income is profit before income taxes, adjusted for non-recurring, extraordinary, and significant gains and losses arising from non-operating activities, which indicates the "earning power" of a sales division or business entity. The cost rate of invested capital by country is the cost rate derived from the weighted average of the cost of capital and government bond yields by country, resulting from the invested capital used in operating and business activities.

Investment Approach: Corporate Value Enhancement Cycle

Our investment approach is to generate cash through businesses having strengths unique to Toyota Tsusho (core businesses) and to reinvest that cash for the future into businesses that contribute to resolving social issues and businesses that reduce our environmental impact. Improving nature value and social value in this way will flow back to us by way of corporate value.



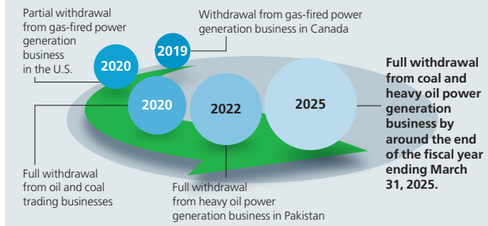
	Relevant seven priority domains and core businesses	ROIC
Nature Value Achieve long-term value through businesses that support a sustainable global environment	Renewable Energy & Energy Management; Hydrogen & Alternative Fuels	5% or more
Social Value Strengthen relationships with customers and communities through businesses that contribute to resolving social issues	Circular Economy; Batteries; Economy of Life	10% or more
Core Value Actively generate cash through businesses having strengths unique to Toyota Tsusho and maintain the core for long-term growth	Core Business; Africa; Next Mobility	15% or more

We will continue to focus on renewable energy businesses in the nature value domain.

In the nature value domain, we are continuing to focus on renewable energy businesses. We have been implementing priority investments since our previous Mid-term Business Plan, such as wholly owned subsidiary of Eurus Energy Holdings Corporation and Terras Energy Corporation as our acquisition. Eurus Energy Holdings Corporation brought with it years of knowledge and data from its work in renewable energy businesses from the 1980s, and that is something that cannot be replicated overnight. Going forward, we aim to establish a solid position for ourselves as Japan's No.1 renewable energy company. We will continue to focus on renewable energy businesses as we pursue the considerable potential of this field, including the utilization of hydrogen, and virtual power plants (VPPs*), which are gaining attention as a method that eliminates the disadvantages of unstable power supply from renewable energy.

Ten years ago, we anticipated the unsustainability of fossil fuel-related businesses, so we set about quickly divesting ourselves of those businesses as we shifted to businesses that are unique to us. We have now decided to completely withdraw from the coal and heavy oil power generation business during the fiscal year ending March 31, 2025, which will mark the end of our investment in power generation-related businesses that use those energy sources.

* VPPs utilize IT technologies to control the many small-scale energy resources that surround us in our daily lives, from solar and wind power generation-based renewable energy to storage batteries and electric vehicles, and make them function as a single large-scale power plant.



We are in the process of withdrawing from businesses related to fossil fuels. Our remaining interest at present is as a minority participant in a coal-fired power generation business in the Philippines, but we hope to withdraw from this business as well by around March 2025.

We aim to create a circular ecosystem of above-ground resources in the social value domain.

For more than 10 years now, we have not invested in the development of underground resources and have instead focused on businesses related to above-ground resources, which means resource recycling businesses.

Amid calls for the creation of a circular economy, there is an increasing need for the recycling of metal resources, including lithium from EV rechargeable batteries and scrap aluminum. In Europe, for example, a proposed regulation has been announced that makes it compulsory to use recycled material for 25% of plastic parts in the production of new vehicles. Going forward, we will continue to quickly identify such regulations and requirements to take the lead in creating a circular ecosystem.

Shareholder Returns Policy

We plan to return a total of 300.0 billion yen or more to shareholders, which will greatly exceed shareholder returns during the previous Mid-term Business Plan.

In terms of shareholder returns, we promised progressive dividend increases during the current Mid-term Business Plan, so we expect that the fiscal year ending March 31, 2026, will mark our 16th consecutive fiscal year with an increased dividend. We believe this will appeal to shareholders and earn their further trust. We also expect to achieve our targeted dividend payout ratio of 30% or more.

When formulating the new Mid-term Business Plan, we conducted extensive discussions within the Company on our

medium- to long-term capital allocation. In other words, we carefully incorporated medium- to long-term numerical targets in our investment strategy, investments in three value domains, targets for their returns and ROE, and movement in leverage. As part of that, we set a total shareholder returns target of 300.0 billion yen or more over the coming three years. In our Mid-term Business Plan announced in May 2021, we set a shareholder returns target of 130.0 billion yen or more but paid out 226.0 billion yen, which greatly exceeded that target. Despite the ability to conduct a share buyback if needed, our basic policy of returning profits to shareholders via dividends means that we will prioritize progressive dividend increases instead.

What Is Important to Me as the CFO

A deep understanding of businesses and products is essential for managing risk and building the optimal business portfolio.

Having worked in the domain of finance and accounting for many years, I believe that in addition to the actual numbers, it is important to have a firm understanding of businesses and products. This is because you cannot perceive real risks and numbers without an understanding of such things as the realities of your business, trends in countries and regions in which you do business, and market conditions for your products. I, myself, strive for an extremely granular understanding of the status of our businesses. I believe it is possible to operate at levels that exceed ROIC targets by managing risks with a grasp of the conditions and changes of each business.

For example, the mobility industry, which is one of our domains of specialization, is conducting a reevaluation of hybrid vehicles as expectations for EVs diverge from actual markets. In the countries of Africa as well, conventional gasoline-powered vehicles are necessary because the infrastructure required for EVs is still not in place. With different government policies in each market, the best way for us to proceed is to look closely at each policy and conduct business along the most appropriate timelines. Additionally, looking back on the past 20 or so years, we have been able to achieve results by reviewing our investment ratios by country and domain and enhancing our investment in Africa while focusing on the global situation and business trends. When we talk about Africa, it is important to remember that Africa comprises 54 countries with different languages, business customs, and risks. We therefore need to, and we do, tailor strategy and risk control individually to each of these 54 countries. Apart from these country- and domain-specific perspectives, we also verify risks from multiple angles, including on a product-by-product basis, to build our optimal business portfolio.

In terms of quantitative indicators, we have also established the RA/RB (risk assets/risk buffer) indicator and are working to maintain it at less than 1.0 times.

I value learning from history as a way to improve the accuracy of forecasts.

Something else that I value is learning from history. Whichever economic indicator you look at, rather than continuing to climb forever, there will always come a time when it falls. I always try to keep in mind the status of our main indicators over the past 50 or so years.

And as a trading company operating businesses around the world, understanding the history of each country is imperative. It is firmly stamped on my mind that history will always repeat itself, so I strive to improve the accuracy of our forecasts by learning from the past.

New challenges coming

As I have indicated, we want to give back to nature and society. I would therefore like to suggest that contributing through companies is one way that we as individuals can contribute to the planet. We will also invest in domains in which the future may still be unclear, but with the support of all our stakeholders, we will be able to keep our promise as a company. In other words, for our part, we are committed to maintaining an ROE of 13% or more. To our shareholders, we ask that you watch over and support us as we take on these challenges.

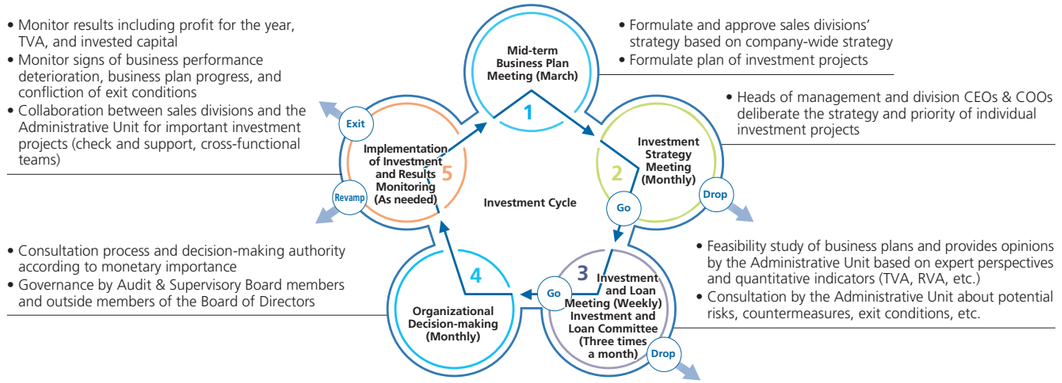
Investment Cycle Management

We support the medium- and long-term improvement of corporate value by implementing management that is conscious of capital efficiency and the cost of capital.

Basic Approach to Investing

Our basic approach to investing is not to target short-term profits but rather to make strategic investments whereby a business is developed over the medium- to long-term, thus leading to the expansion and strengthening of the Toyota Tsusho Group's value chains. We focus our management resources on businesses in which we can demonstrate Toyota Tsusho's unique strengths through discussions of each division policies based on company-wide policies and the formulation of investment pipelines. For investment projects that exceed a threshold level, the strategic value and order of priority of the investment are discussed at the Investment Strategy Meeting to determine whether it should be pursued.

At the feasibility study of an investment, the Administrative Unit examines the business plan from an expert perspective and then discusses and provides opinions on risk assessment and mitigation measures. A final investment decision is then made through discussions at the Investment and Loan Meeting and Investment and Loan Committee. For important investment projects, the Administrative Unit and each divisions put in place a collaborative team to resolve issues. In addition, to speed up decision-making on investments, decision-makers are assigned based on predefined conditions and monetary importance, and decision-making authority is delegated to some affiliates.



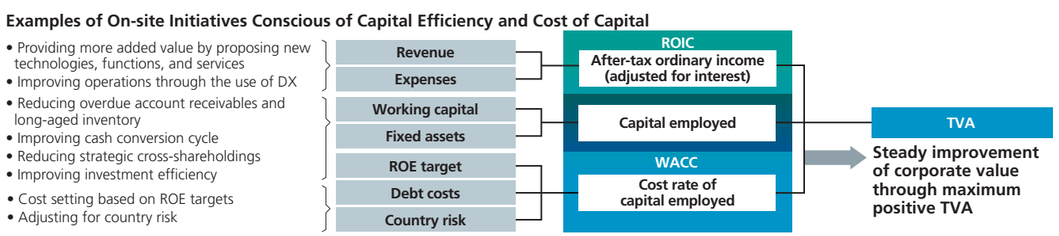
Structure Conscious of Capital Efficiency and Cost of Capital

For many years, we have used Toyotsu Value Achievement (TVA)—an indicator that measures the value added beyond the cost of capital employed—for monitoring the performance of divisions and business units and as a quantitative evaluation indicator for investment.

The cost of capital employed, which is a weighted average of shareholders' equity and debt costs, is designed based on ROE targets so that achieving the maximum positive figure for TVA through improvement in capital efficiency and profit growth will lead to the achievement of ROE targets. In addition, by adjusting for country risk, we ensure an approach that matches the global nature of our business.

We seek to steadily increase corporate value by seeking improvements through investment and performance monitoring for divisions and business units that are showing deterioration in the indicators that make up TVA. We also discuss measures to achieve the maximum positive TVA when considering new investments.

Examples of On-site Initiatives Conscious of Capital Efficiency and Cost of Capital



Risk Management

Risk Management System

We define "risk" as "an event with the potential to cause unexpected losses in business operations, or cause damage to the Toyota Tsusho Group's assets and trust, etc." as laid out in our Risk Management Basic Policy. Our fundamental approach is to identify and consider the various risks that occur in the course of business operations, ensure management safety, and increase corporate value by exposing ourselves to risk only within an appropriate and controlled range. In concretely implementing the Risk Management Basic Policy, we refer to the COSO*1 ERM Framework and other concepts. As a result, to supplement the existing risk management carried out individually by the department responsible for the respective risk, in April 2020 we evolved the former Enterprise Risk Management Committee into the Integrated Risk Management Committee, which verifies the state of risk management on a more global basis. The committee is chaired by the CFO and consists primarily of regional CFOs and the heads of risk management in each overseas region, as well as the general managers of the planning department of each sales division and the directors and general managers in charge of each risk. The committee clarifies risks that could have significant impacts on the Toyota Tsusho Group's management, identifies important company-wide risks related to management objectives, discusses and decides on response policies, verifies the effectiveness of the risk management process, and reports to the CEO. The committee also proposes risk management-related items for discussion at Board of Directors meetings, based on which the Board of Directors meeting continuously supervises the effectiveness of the risk management process and takes appropriate action when changes are necessary.

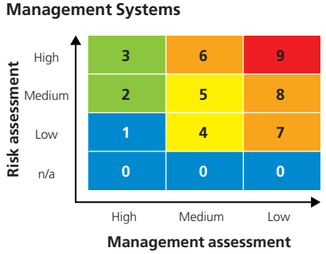
The committee has introduced the Check10 system, under which it identifies from among the range of risks 10 items to be given the highest priority. Each company in our corporate group then conducts a self-assessment of its degree of achievement in items corresponding to each of the risks, the regional headquarters review the assessment results and the group company implements improvement activities based on the review findings. As part of Check10 activities, the 10 risk items (product, credit, business, finance, internal control, human resources and labor, information security, misconduct, logistics, and occupational safety and environment) selected as risks to be given the highest priority are assessed and scored by each business entity on a two-axis matrix of risk and management systems, and a heat map is created to visualize both quantitative and qualitative risks. The relevant risk assessment is then analyzed with support from the department responsible for the risk. To identify global risks and problems, and then work to eliminate and minimize them, we discuss and promote the necessary countermeasures to establish and strengthen the risk management system on a consolidated basis.

*1 Committee of Sponsoring Organizations of the Treadway Commission

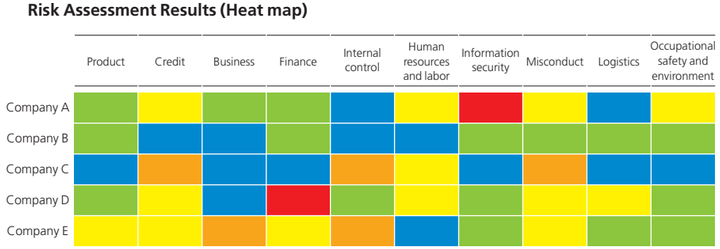
Check10

Risk items	Risk details	Department responsible for risk
(1) Product	Long-age inventory, product positions	Business Accounting Department, Investment and Credit Department
(2) Credit	Overdue account receivable, low-rating transaction counter party	Investment and Credit Department
(3) Business	Downturn in performance, low revenue	Investment and Credit Department
(4) Finance	Foreign exchange positions, balance sheet management, prevention of remittance fraud	Finance Department
(5) Internal control	Long-term fixed personnel postings, Personnel holdings concurrent duties	Audit Department
(6) Human resources and labor	Labor disputes and human rights violations	Global Human Resources Department
(7) Information security	Fulfillment of All Toyota Security Guideline*2 (ATSG) and cybersecurity	IT Strategy Department
(8) Misconduct	Compliance	Legal Department
	Corruption prevention	Compliance & Crisis Management Department
(9) Logistics	Logistics compliance	Global Logistics Management Department
(10) Occupational safety and environment	Lost-time accidents, STOP6 incidents*3 (prevention of serious accidents), fires, explosions, and environmental compliance	Global Safety & Environmental Promotion Department

Two-axis Matrix of Risk and Management Systems



Risk Assessment Results (Heat map)



*2 All Toyota Security Guideline: A system to prevent information leakage from inside the company and to respond to cyberattacks
*3 Six types of incidents that can lead to serious accidents (1) contact with moving machinery, (2) contact with heavy objects, (3) contact with vehicles, (4) falls, (5) electric shock, and (6) contact with objects at high temperature.

Risk Asset Management

We engages in risk asset management, in which Risk Asset (RA) are calculated by multiplying risk exposure (RA principal) on a consolidated basis by risk weight (RW)—the maximum expected loss ratio based on credit rating and country risk—and balancing it with risk buffer (RB) based on financial corporate strength.

Our basic financial policy is to maintain a ratio of RA to RB below 1.0. To achieve this, we simulate the ratio of RA to RB based on the investment pipeline and other factors to achieve both investment in growth and financial soundness.

For exposure in emerging countries with relatively high country risk, we hedge risks through insurance by Nippon Export and Investment Insurance (NEXI) among other measures. We also manage country risk by setting country-specific maximum limits based on RB to prevent excessive concentration in specific countries.

In addition, we conduct Risk-adjusted Value Added (RVA) assessments during transaction screening and investment discussions to raise awareness of the need to secure sufficient return for the risk.

Although RA has increased in each region due to business expansion as well as country risks that materialized in Russia and emerging countries, our RA continue to be well diversified by region. As a result of RA management and the continuous accumulation of RB, in the fiscal year ended March 31, 2024, RA was again held within the range of RB (ratio of RA to RB of 0.6, which is below 1.0). We thus maintained a sound and stable financial structure.

Main Financial Risks

We closely examine the soundness and efficiency of our assets through performance monitoring. In addition, we carry out daily market risk analysis in areas such as foreign exchange, interest rates, credit, and commodity market conditions.

Product Risk

We set position limits for market product transactions that are exposed to the risk of commodity price fluctuations, such as non-ferrous metals, rare earth resources, foodstuffs, and textiles, regularly monitors whether these limits are being applied, and takes measures to mitigate price fluctuation risks.

Credit Risk

We rate business partners on eight levels based on their financial position using independent criteria and specifies limits for each type of transaction, such as accounts receivable or advance payments. For business partners who receive low ratings, we establish loss-prevention transaction policies such as reviewing transaction conditions, protecting accounts receivable or withdrawing, and conducting individually focused management.

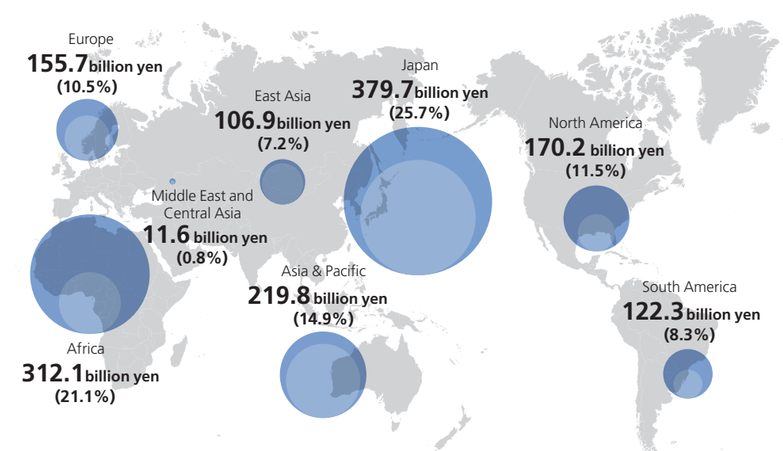
Business Investment Risk

Please see page 66, "Investment Cycle Management."

Foreign Exchange Risk

We implement hedge measures, including using forward exchange contracts, for transactions denominated in foreign currencies, as they are exposed to the risk of fluctuations in foreign exchange rates. In the event we are unable to hedge a transaction, we implement measures that mitigate foreign exchange rate fluctuation risks by setting position limits and regularly monitoring the results of these transactions.

Diversification of Risk Asset by Region



- Size of the circle corresponds to size of RA
  - End of March 2024 End of March 2021
- Compiled based on the location of credit and investment destinations for Toyota Tsusho Group's consolidated assets, guarantees, etc.
- Figures on the map are compiled figures as of March 31, 2024, and percentages of total Risk Asset.

Human Capital Strategy

P.71	CHRO's Message
P.72	Overview of Human Capital Strategy
P.73	Human Capital Development
P.74	Right People in the Right Places and Right Places for the Right People
P.75	Diversity, Equity, and Inclusion (DE&I)
P.76	Well-being Management

06

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" ➡

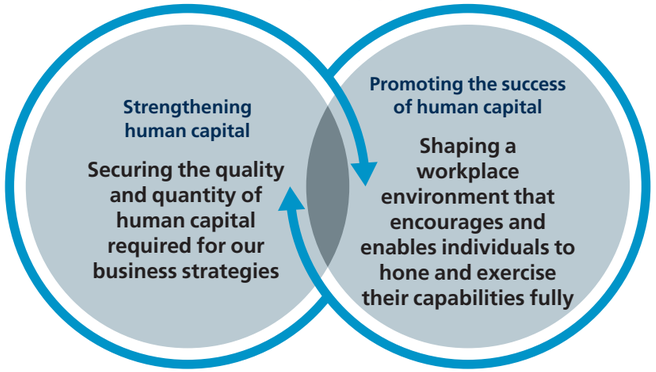
Overview of Human Capital Strategy

Ideal

Toward **"People Company Toyotsu"**

Human Capital Strategy toward the Ideal We Aspire To

Two Pillars



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

Production of managerial and business-creating people who continue to win globally	The right people in the right places and the right places for the right people, so as to maximize the capabilities of individuals and organizations	Diversity, equity, and inclusion (DE&I) to respect diversity and generate synergies	Well-being management to energize organizations with employees playing active roles in their unique ways	Begin everything we do with respect for human rights.
p.73 ➡	p.74 ➡	p.75 ➡	p.76 ➡	p.117 ➡

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

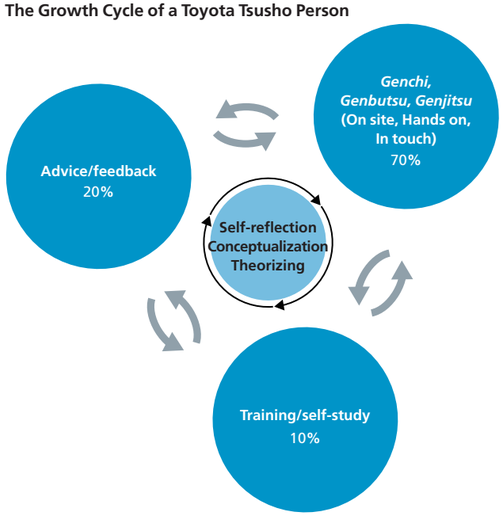
*1 Subject organization: 3,292 employees of Toyota Tsusho Corporation (non-consolidated)
*2 Eighth year of employment, global position, average for the last three years
*3 Subject employees: all global employees up to their eighth year of employment

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

Head Office (Nagoya) 11th floor

• 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.

2024 健康経営銘柄 Health and Productivity

Sustainability Management

P.79	CSO's Message
P.81	Promoting Sustainability Management
P.83	List of Key Sustainability Issues (Materiality) Quantitative KPIs
P.85	Initiatives for Addressing Key Sustainability Issues (Materiality)

07

CSO Message

The Toyota Tsusho Group's sustainability management in pursuit of "Be the Right ONE"

Hiroshi Tominaga
Member of the Board &
Chief Strategy Officer (CSO)

Sustainability Is Synonymous with Good Management

The Toyota Tsusho Group's fundamental philosophy comprises its corporate philosophy of "Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies" and its Global Code of Conduct & Ethics (COCE), which serves as its behavioral guidelines. This fundamental philosophy is positioned as the "Steadfast, overriding ideals that should be passed on through the generations." We have so far enhanced our corporate value by engaging in environment-friendly businesses and developing people who will contribute to society.

The world today is facing problems such as abnormal weather related to climate change, forest destruction, resource exhaustion, and human rights issues. As such, when conducting business activities, society and the environment do not simply need to be considered; rather, they are prerequisites for engaging in business, essentially making them part of our business. Building a better society and global environment together with everyone is the essence of our sustainability, reflecting our belief that sustainability is synonymous with good management.

Under this approach, we are enhancing our initiatives aimed at realizing a sustainable society with a long-term perspective based on the three viewpoints of the environment, society, and governance.

Materiality

We have identified six Key Sustainability Issues (Materiality) toward realizing a sustainable society. They comprise four material issues for both solving social issues and achieving corporate growth and two material issues that will become foundations for company growth.

For more information, please see "Initiatives for Addressing Key Sustainability Issues (Materiality)" on pages 85 to 92 ➡

Four material issues for both solving social issues and achieving company growth

The four material issues for both solving social issues and achieving company growth were combined with our growth-driving strengths to incorporate them into our growth strategy as seven priority domains. We will promote our sustainability initiatives by linking business growth in these seven priority domains to contributions to society and the environment and steadily advancing our strategies.

	Key sustainability issues (Materiality)	Main related priority domains
Material issues 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	Next Mobility, Africa, Batteries
	Contribute to the transition to a decarbonized society by reducing CO_2 emissions from automobiles and factories/plants through the use of clean energy and innovative technologies	Renewable Energy & Energy Management, Batteries, Hydrogen & Alternative Fuels
	Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing	Circular Economy, Batteries, Economy of Life*
	Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations	Next Mobility, Renewable Energy & Energy Management, Africa, Circular Economy, Economy of Life*
Material issues 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	

* Economy of Life: Healthcare, foodstuffs, and other businesses that are essential to daily life that enhance the quality of life

Additionally, based on the thinking that structure follows strategy, we reorganized our organization together with the formulation of a new growth strategy, renamed our business divisions, and redefined their missions. The sales divisions will pursue their respective missions and evolve toward a future-oriented stance to accelerate the achievement of the new growth strategy.

For more information, please see "New Organizational Structure and Mission" on pages 39 to 58 ➡

Two material issues that will become foundations for company growth

The two material issues that will become foundations for company growth are to ensure safety and compliance and to respect human rights and develop people.

Ensuring safety and compliance is where we begin all work. Safety is about ensuring the physical and mental safety of our employees. Compliance refers to observing laws and regulations and developing organizations and cultures in which co-workers trust and support each other. Respecting human rights and developing people is based on the approach that we must nurture a culture that brings happiness to our employees and their families. Regarding respect for human rights, we bear in mind the need to cherish and always protect people, expanding our scope for doing so to our supply chain. As for developing people, we emphasize giving our employees a sense that they are contributing to society through their work and making sure that Toyota Tsusho actively provides them with such opportunities.

We have set key performance indicators (KPIs) for six material issues to monitor their social impact results and progress. Furthermore, as for financial impact results, we have divided our seven priority domains, which are highly linked to our materiality issues, into three value domains, set ROIC targets in our Mid-term Business Plan, and clarified the returns that should be achieved in each domain. In addition, we regularly review the KPIs themselves, based on the changing trends and needs of international society, as well as on the environmental changes enveloping Toyota Tsusho, the challenges we face, and others.

For more information, please see "Investment Approach: Corporate Value Enhancement Cycle" on page 63 ➡

Our sustainability management going forward

We will address our material issues through the new growth strategy and a new organizational structure to build a better society and global environment together with everyone. At the same time, we will appropriately disclose such activities and work on engaging our stakeholders. Through engagement, we will come to understand our roles and responsibilities while pursuing our Global Vision of "Be the Right ONE (a one-and-only, essential presence)" to create and provide new worlds and value and contribute to the creation of prosperous societies.

Promoting Sustainability Management

Promotion Structure

As shown on p. 82, in Toyota Tsusho's sustainability management promotion structure, the president & CEO convenes the Sustainability Committee under the supervision of the Board of Directors meeting, to which the discussions and decisions of the committee are reported. In addition, as members of the Board have abundant competence and experience in ESG-related issues, a system is in place to ensure appropriate supervision by the Board of Directors. Furthermore, each relevant meeting body discusses specific themes related to sustainability. Climate change in particular is discussed at the Carbon Neutrality Promotion Meeting, which is chaired by the president & CEO and meets monthly to discuss strategies for the transition to a decarbonized society.

Under the supervision of the CSO (Hiroshi Tominaga, member of the Board), who is the officer in charge of sustainability, the Sustainability Management Group of the Corporate Planning Department serves as the secretariat of the Sustainability Committee and discusses sustainability promotion measures in cooperation with each sales division, the Administrative Unit, and companies in our corporate group.

Sustainability Committee

The Sustainability Committee meets annually to discuss and decide on important sustainability-related issues. The committee is chaired by the president & CEO and includes executive vice presidents, sales division CEOs, and relevant Administrative Unit officers as well as four outside members of the Board as advisors and the chairman of the Board and Audit & Supervisory Board members as observers. The committee determines important sustainability-related policies and identifies social trends, as well as discusses and decides on Toyota Tsusho's response to them. The outside members of the Board participating as advisors have commented that Toyota Tsusho should "continuously review how Materiality KPIs are used" and "consider internal and external communication that will encourage more people to support Toyota Tsusho's global initiatives that contribute to sustainability and make people want to participate in its work."

As we move forward with our review of Materiality KPIs, we will also further improve information disclosure in our Integrated Report and on our corporate website, as well as through dialogue with internal and external stakeholders. In addition, an Administrative Unit subcommittee meeting is held once every two months for the heads of departments related to the Administrative Unit to promote initiatives on matters discussed and decided by the committee.

Sustainability Committee in December 2023 Main Discussions and Decisions

2023

- Confirmation of Toyota Tsusho's basic stance on sustainability
- Review of the fiscal year ended March 31, 2024, and report and discussion of medium- to long-term initiatives
- Approval of changes to Materiality KPIs
- Discussion of future action based on initiatives for Materiality and changes in the external environment
- Comments from the chairman and outside members of the Board

2022 (Reference)

- Overall picture of sustainability in Toyota Tsusho's operating environment and the direction of future initiatives
- Sharing of the latest trends in each ESG theme, their impact on Toyota Tsusho, and the company's response to them
- Initiatives for materiality and future policies
- Comments from the chairman and outside members of the Board

Sustainability Committee

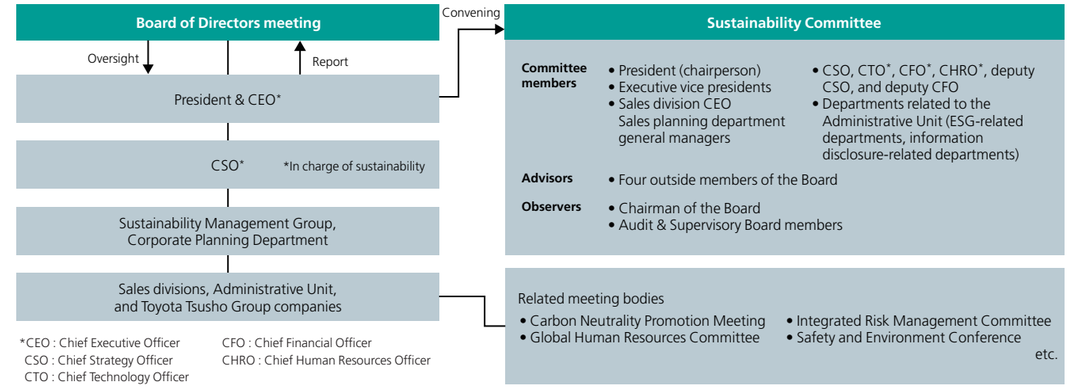
Spreading Awareness Among Employees

We have incorporated "contribution to the community, society, and the future" as an employee evaluation indicator to encourage individual employees to approach one's duties with an awareness of the need to solve social issues. In addition, we conducted in-house training on human rights due diligence in 2023 to promote a deeper understanding of human rights and held explanatory meetings at each of our bases in Japan and overseas. Training on sustainability and material issues is also conducted annually for new employees, including mid-career hires, to make them aware of the importance of these issues.

Sustainability Implementation Timeline

2005	2016	2018	2019	2020	2021	2022	2023	2024
CSR Committee established	Global Code of Conduct & Ethics (COCE) established	Key Sustainability Issues (Materiality) to be addressed as priority issues identified based on the SDGs	Sustainability Management Group established in the Corporate Planning Department Sustainability Committee established	Materiality KPIs set Basic policy for human rights formulated	PDCA started on the established KPIs	Basic policy for human rights, environmental policy, and supply chain and sustainability behavioral guidelines revised	First ESG briefing held Materiality KPIs revised	On-site inspections of human rights due diligence in the supply chain begun

Sustainability Management Promotion Structure



Process of Identifying Key Sustainability Issues (Materiality)

1. Issue Identification

- We identified and categorized social issues that affect our operations by referring to guidelines such as CSR and ESG guidelines (GRI Standards, ISO 26000, United Nations Global Compact, FTSE, MSCI, etc.) and the standards of Toyota Environmental Challenge 2050, focusing on the 17 goals and 169 targets of the SDGs.
- We checked that the social issues categorized were aligned with our corporate philosophy, behavioral guidelines, Global Vision, and Mid-term Business Plan, and identified 43 social issues.

SUSTAINABLE DEVELOPMENT GOALS

2. Prioritize Issues

- Through questionnaires and dialogue with stakeholders both inside and outside Toyota Tsusho regarding the identified 43 social issues, we established an order of priority for stakeholder expectations and aspirations and the importance of the issues to Toyota Tsusho and created a Materiality matrix.

Stakeholders

- External: Interviews with Japanese institutional investors and questionnaires administered to general investors
- Internal: Interviews with individual sales divisions and questionnaires administered to all company employees, CSR staff in Japanese affiliated companies, and overseas staff

Narrowing Down

Using a Materiality matrix, we created a Materiality draft, focusing on social issues reported by internal and external stakeholders to have a high level of importance. While we also address items that were not included in the draft, the designated Materiality issues are those considered most important for Toyota Tsusho and are therefore to be addressed as priorities.

3. Validation

- The suitability of the identification process and the proposed Materiality issues were confirmed.

Discussion Participants

- Discussion among management executives and heads of sales divisions (currently sales division CEOs)
- Individual interviews with outside members of the Board

Review

4. Identify Materiality Issues

- Our Materiality issues were approved following discussions by the CSR Committee (currently the Sustainability Committee) at meetings held at the end of March 2018 and a report was made to the Board of Directors meeting.

Review

5. Set KPIs

- KPIs were set in 2020 to track progress on the identified Materiality issues
- When setting the KPIs, numerous discussions were carried out with each division, including the sales division CEOs, to ensure that our approach to solving social issues was reflected in the policies of each sales division. Furthermore, discussion by the Sustainability Committee ensured that the opinions of management and outside members of the Board were reflected in the KPIs.
- Quantitative/qualitative targets were set as an expression of the direction we should aim for.

6. Initiatives

- Materiality elements were reflected in the business strategies of each sales division.
- We established the specialized Task Force for Promoting Carbon Neutrality in April 2021 to accelerate efforts to address climate change. In April 2022, we established the Carbon Neutrality Promotion Department.

7. Review of Progress and Content

- At Sustainability Committee meetings, the sales division CEOs report on the progress made in their respective divisions.
- The material issues and KPIs are reviewed periodically and revised as appropriate, taking into consideration changes in Toyota Tsusho's business environment, international trends and needs, and issues that emerge during the plan-docheck-act (PDCA) cycle.
- Materiality KPIs were revised in December 2023 (see pages 85 to 92).

List of Key Sustainability Issues (Materiality) Quantitative KPIs

Materiality	Quantitative KPIs	Results and targets			Main relevant sales divisions	Main relevant 7 priority domains	Main applicable SDGs
Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society	**Revenue from products and services that promote zero traffic casualties*1** *1 Reduction of accidents through vehicle maintenance status *kaizen* (continuous improvement), supply of collision prevention warning devices, onboard cameras, and electronic components for autonomous driving, and other initiatives	2024/3 result **251.0billion yen**	2025/3 target **251.0billion yen**	2027/3 target **320.0billion yen**	Supply Chain Division Mobility Division Digital Solutions Division Africa Division	Next Mobility Africa Batteries	3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Contribute to the transition to a decarbonized society by reducing CO_2 emissions from automobiles and factories/plants through the use of clean energy and innovative technologies	**Expansion of the renewable energy*2 business** *2 Renewable energy includes wind power (including offshore wind power), solar power, geothermal power, hydroelectric power, and wood biomass power **Proportion of renewable energy in Toyota Tsusho's total electric power generating capacity**	2024/3 result **76%**	2025/3 target **78%**	2027/3 target **82%**	All sales divisions	Renewable Energy & Energy Management Batteries Hydrogen & Alternative Fuels	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION
	Electric power generation capacity of renewable energy businesses	2024/3 result **4.7GW**	2025/3 target **5.0GW**	2027/3 target **6.8GW**			
	Toyota Tsusho's total electric power generation capacity	2024/3 result **3.2GW**	2025/3 target **3.3GW**	2027/3 target **4.2GW**			
	Revenue from products and services that contribute to energy saving and CO_2 emissions reduction	2024/3 result **398.0billion yen**	2025/3 target **475.0billion yen**	2027/3 target **587.0billion yen**			
	Lithium production volume	2024/3 result **17,000t**	2025/3 target **30,000t**	2027/3 target **40,000t**			
	Toyota Tsusho Group's global market share of electrified vehicles*3 *3 EVs: HEVs, PHEVs, BEVs, FCEVs	2023 result **12%**	2024 target **15%**	2027 target **29%**			
	Toyota Tsusho's GHG emissions*4: Carbon neutrality by 2050 *4 Scope 1 and Scope 2	2023 result **736,000 t-CO_2**	2030 target **50%reduction**	2050 target **Carbon neutrality**			
Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing	**Volumes handled by the resource recycling business*5 in the metals sector** *5 Green metal business / molten aluminum business (using recycled ingots) / End-of-life vehicle (ELV) recovery business, and valuable metal scrap recycling business	2024/3 result **6.8 million t**	2025/3 target **7.6 million t**	2027/3 target **9.0 million t**	Circular Economy Division Lifestyle Division	Circular Economy Batteries Economy of Life	11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER
	Plastic recycling volume **PLANIC Co., Ltd.** *6 Converted as raw material for vehicle underbody shields	2024/3 result **Equivalent to 140,000vehicles*** 2024/3 result **Equivalent to 1.4 billion PET bottles**	2025/3 target **Equivalent to 320,000vehicles** 2025/3 target **Equivalent to 1.8 billion PET bottles**	2027/3 target **Equivalent to 740,000vehicles** 2027/3 target **Equivalent to 2.0 billion PET bottles**			
	Toyotsu PET Recycling Systems Co., Ltd.						
Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations	**Number of electrified vehicles sold in Africa**	2023 result **12,000vehicles**	2024 target **23,000vehicles**	2027 target **61,000vehicles**	Mobility Division Lifestyle Division Africa Division	Next Mobility Renewable Energy & Energy Management Africa Circular Economy Economy of Life	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Revenue (sales) from pharmaceuticals in Africa	2024/3 result **260.0billion yen**	2025/3 target **322.0billion yen**	2027/3 target **349.0billion yen**			
	Total renewable power generation capacity in Africa	2024/3 result **263MW**	2025/3 target **263MW**	2027/3 target **1,053MW**			
	Number of employees in Africa	2024/3 result **21,350**	–	–			
Begin everything we do with ensuring safety and compliance to continue being an organization trusted by society	**Lost-time accident rate*7, *8: Targeting zero accidents** *7 The number of fatalities and injuries resulting from industrial accidents per million hours of actual work *8 Scope: Main domestic and overseas affiliated companies	2024/3 result **0.55**	–	–	All sales divisions	–	3 GOOD HEALTH AND WELL-BEING 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills	—	–	–	–	All sales divisions	–	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Initiatives for Addressing Key Sustainability Issues (Materiality)

Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society

The automotive industry has entered a once-in-a-century period of profound transformation. The birth and evolution of advanced technologies, such as autonomous driving, artificial intelligence (AI), and the Internet of Things (IoT), are poised to greatly expand the potential of mobility. Toyota Tsusho sees these changes as business opportunities and will aim to reduce the number of road accidents and achieve zero traffic casualties to contribute to the development of a safe and comfortable mobility society by utilizing material innovation and autonomous driving and advanced safe driving support technologies and engaging in such initiatives as improving the traffic infrastructure.

Main relevant sales divisions

Supply Chain Division/ Mobility Division/ Digital Solutions Division/Africa Division

Main relevant of 7 priority domains

Next Mobility | Africa | Batteries

Main applicable SDGs

Materiality KPIs

Quantitative KPIs

Revenue from products and services* that promote zero traffic casualties

* Reduction of accidents through vehicle maintenance status *kaizen* (continuous improvement), supply of collision prevention warning devices, onboard cameras, and electronic components for autonomous driving, and other initiatives

2024/3 result	2025/3 target	2027/3 target
251.0 billion yen	251.0 billion yen	320.0 billion yen

Path to achieving the 2027/3 target

- Expanded handling of cutting-edge semiconductors, electronic components, etc., for the elimination of traffic casualties

Qualitative KPIs

Promotion of measures for the elimination of traffic casualties

- Establishment of the Smart Mobility Infrastructure Collaborative Innovation Partnership to promote technological development and other initiatives aimed at achieving zero traffic casualties
- Operation of driving schools in India and Thailand, and provision of auto mechanic training in Uganda to support refugee self-reliance

Promotion of safe and comfortable mobility services

- Establishment of Sora-iina Corporation, a drone logistics company, to provide mobility services in areas in which land infrastructure is underdeveloped
- Establishment of Toyota Connected Africa to contribute to the realization of a safe and comfortable mobility society through vehicle data

Contribute to the transition to a decarbonized society by reducing CO_2 emissions from automobiles and factories/plants through the use of clean energy and innovative technologies

Climate change is a major issue that affects all life on Earth. To tackle this issue, Toyota Tsusho is actively increasing sales of next-generation eco-cars (HEVs*1, PHEVs*1, BEVs*1, FCEVs*1, etc.), developing infrastructure such as hydrogen stations, reducing vehicle weight by using alternative materials, and securing lithium resources that support increased production of the automotive batteries essential for eco-cars. Our initiatives include reducing automobile CO_2 emissions and CO_2 emissions throughout product life cycles, including in the logistics business, and eliminating CO_2 emissions from factories/plants. Further, we will contribute to the realization of a decarbonized society with renewable energy, leveraging the largest wind power generation company in Japan, Eurus Energy Holdings Corporation, and one of the largest solar power generation companies in Japan, Terras Energy Corporation.

*1 HEVs (hybrid EVs), PHEVs (plug-in hybrid EVs), BEVs (battery EVs), FCEVs (fuel-cell EVs)

Main relevant sales divisions

All sales divisions

Main relevant of 7 priority domains

Renewable Energy & Energy Management | Batteries | Hydrogen & Alternative Fuels

Main applicable SDGs

Materiality KPIs

Quantitative KPIs

Proportion of renewable energy* in Toyota Tsusho's total electric power generating capacity

* Renewable energy includes wind power (including offshore wind power), solar power, geothermal power, hydroelectric power, and wood biomass power

2024/3 result	2025/3 target	2027/3 target
76%	78%	82%

Path to achieving the 2027/3 target

- Withdrawal from coal and heavy oil power generation business and expansion of renewable energy business

Electric power generation capacity of renewable energy businesses

* The KPIs were reviewed at the Sustainability Committee held in December 2023.

	2024/3 result	2025/3 target	2027/3 target
Total electric power generation capacity	4.7GW	5.0GW	6.8GW
Toyota Tsusho's total electric power generation capacity	3.2GW	3.3GW	4.2GW

Path to achieving the 2027/3 target

- Steady execution of projects under development and acceleration of development including M&A in harmony with local communities toward achieving a total electric power generation capacity of 10GW by the fiscal year ending March 31, 2031.

Initiatives for Addressing Key Sustainability Issues (Materiality)

Materiality KPIs

Quantitative KPIs

Revenue from products and services that contribute to energy saving and CO_2 emissions reduction

2024/3 result	2025/3 target	2027/3 target
398.0 billion yen	475.0 billion yen	587.0 billion yen

Path to achieving the 2027/3 target

- Provision of energy-saving solutions and expansion of product lineups that reduce impact on the environment

Lithium production volume

* The KPIs were reviewed at the Sustainability Committee held in December 2023.

2024/3 result	2025/3 target	2027/3 target
17,000 t	30,000 t	40,000 t

Path to achieving the target for 2027

- Production expansion to ensure a stable supply of lithium, which is key to the popularization of electrified vehicles

Toyota Tsusho Group's global market share of EVs*

* EVs: HEVs, PHEVs, BEVs, FCEVs

2023 result	2024 target	2027 target
12%	15%	29%

Path to achieving the target for 2027

- Sales increase of electrified vehicles in markets covered

Toyota Tsusho's greenhouse gas emissions*: Carbon neutrality by 2050

* Scope1 and Scope 2

2019 result (benchmark year)	2023 result	2030 target	2050 target
800,000 t-CO_2	736,000 t-CO_2	50% reduction	Carbon neutrality

For more information on the Toyota Tsusho Group's initiatives regarding carbon neutrality, see pages 95 to 110➡

Topics

Accelerating the Popularization and Expansion of Renewable Energy in the Solar Power Generation Business by Making Terras Energy a Wholly Owned Subsidiary

In April 2024, the Toyota Tsusho Group made Terras Energy Corporation (formerly SB Energy Corp.) a wholly owned subsidiary.* Together with the acquisition of Eurus Energy Holdings Corporation as a wholly owned subsidiary in August 2022, this has made our corporate group one of the largest power generation operators in Japan, not only in wind power generation but now also in solar power generation. With these initiatives at the core, we will further accelerate our efforts to expand the use of renewable energy and contribute to the creation of a better global environment.

* Toyota Tsusho acquired 85% of Terras Energy's shares from SoftBank Group in April 2023 and later acquired the remaining 15% in April 2024.

■Initiatives of Terras Energy

Terras Energy operates solar and wind power generation businesses, an energy storage systems business, and an energy management business. Leveraging its strengths in knowledge and experience in operating renewable energy power plants, the company, such as by handling grid-connected storage batteries from development to operation and engaging in renewable energy aggregation and storage control, aims to expand its business and meet the diverse energy-related needs of its customers to promote the use of renewable energy.

The total power generation capacity of Terras Energy's solar, wind, and biomass power plants, which are located at 50 sites across Japan from Hokkaido to Kyushu and Okinawa, is approximately 773 MW (as of January 2023), which is equivalent to the annual electricity consumption of approximately 334,000 households.

Ibaraki Itako Futtaka Solar Park, which began operating in January 2021

Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing

Natural resources are not limitless. We must reduce our impact on the environment by efficiently using and reusing these resources. As a trading company involved in manufacturing, Toyota Tsusho considers it a vital mission to consider the environment and secure and stably provide resources. To effectively use these limited resources, we will turn waste into resources. We will develop recycling businesses including recovery and processing of recyclable resources from scrap generated from end-of-life vehicles (ELVs), in the market, and at factories/plants, secure resources through urban mining, reuse used vehicles and parts, and recycle plastics, thereby contributing to a recycling-based society.

Main relevant sales divisions

Circular Economy Division/Lifestyle Division

Main relevant of 7 priority domains

Circular Economy | Batteries | Economy of Life

Main applicable SDGs

Materiality KPIs

Quantitative KPIs

Volumes handled by the resource recycling business* in the metals sector

* Green metal business/molten aluminum business (using recycled ingots)/ELV recovery business and valuable metal scrap recycling business

2024/3 result	2025/3 target	2027/3 target
6.8 million t	7.6 million t	9.0 million t

Path to achieving the 2027/3 target

- Growth of scrap collection, recovery, and processing business and ELV recovery business due to increasing demand for recycled materials

Plastic recycling volume

	2024/3 result	2025/3 target	2027/3 target
PLANIC Co., Ltd.	Equivalent to 140,000 vehicles*	320,000 vehicles	740,000 vehicles
Toyotsu PET Recycling Systems Co., Ltd.	Equivalent to 1.4 billion bottles	1.8 billion bottles	2.0 billion bottles

* Converted as raw material for vehicle underbody covers

Path to achieving the 2027/3 target

- Business growth in line with increased raw material procurement

Qualitative KPIs

Promotion of measures for the development of a recycling-based society

- Establishment of a recycling scheme for car batteries
- Recycling of aluminum (recycling scrap as raw material and establishment of Toyotsu Sorting Technology Corporation, which has sorting and processing technology, to expand horizontal recycling of aluminum sashes)
- Participation in the waste fishing net recycling business as part of the PATCHWORKS® project, which aims to achieve fiber-to-fiber recycling of all clothing.

Initiatives for Addressing Key Sustainability Issues (Materiality)

Grow with developing countries, including those in Africa, and endeavor to solve social issues through business operations

Toyota Tsusho undertakes local infrastructure development, industrial development, job creation, and other measures to solve social issues in developing countries in Africa and other regions through its automotive business and other business activities. In Kenya, for example, we have been working as a strategic business partner of the country to support the realization of its national vision. Using this experience as a pilot model, we will promote the autonomy of the people who live there by developing basic infrastructure to improve living environments and providing opportunities for occupational training, while achieving the growth of Toyota Tsusho.

Main relevant sales divisions

Mobility Division/Lifestyle Division/Africa Division

Main relevant of 7 priority domains

Next Mobility | Renewable Energy & Energy Management | Africa | Circular Economy | Economy of Life

Main applicable SDGs

Materiality KPIs

Quantitative KPIs

Electrified vehicle sales in Africa

* The KPIs were reviewed at the Sustainability Committee held in December 2023.

2023 result	2024 target	2027 target
12,000 vehicles	23,000 vehicles	61,000 vehicles

Path to achieving the 2027 target

- Increase in electrified vehicle sales, mainly in South Africa

Revenue (sales) from pharmaceuticals in Africa

* The KPIs were reviewed at the Sustainability Committee held in December 2023.

2024/3 result	2025/3 target	2027/3 target
260.0 billion yen	322.0 billion yen	349.0 billion yen

Path to achieving the 2027/3 target

- Expand market share by strengthening pharmaceutical distribution business

Total renewable power generation capacity in Africa

* The KPIs were reviewed at the Sustainability Committee held in December 2023.

2024/3 result	2025/3 target	2027/3 target
263 MW	263 MW	1,053 MW

Path to achieving the 2027/3 target

- Scheduled launch of solar power generation businesses in Kenya and Tunisia and wind power generation business in Egypt

Number of employees in Africa

* The KPIs were reviewed at the Sustainability Committee held in December 2023.

2023/3 result	2024/3 result
21,000	21,350

Analysis of changes

- Expansion of employment in the mobility and healthcare sectors in South Africa in line with business expansion

Qualitative KPIs

New investment in developing countries including countries in Africa

- Signing of a comprehensive memorandum of understanding with the Kenyan government to achieve carbon neutrality; commitment to cooperation in the construction of a green energy value chain, industrial development, and human resource development
- Establishment of a vehicle assembly plant in Cambodia and commencement of SKD* production; contribution to the development of the country's economy and society and to human resource development through the promotion of the mobility industry
- Decision to build a second Japanese-style general hospital in Bengaluru to improve India's medical infrastructure (scheduled to open in 2027)
- Establishment of Aeolus. Aim to develop renewable energy power sources suited to the conditions of each African country and to expand the amount of renewable energy introduced

* SKD: Abbreviation for semi-knocked-down. A vehicle assembly method in which the body is imported already welded and painted, and the main components are then assembled into the body and chassis.

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

All corporate activities are supported by social trust and sustained by social confidence. Toyota Tsusho does its utmost to ensure safety at related companies and the safety of all workers. We are constantly engaged in activities that earn society's trust and confidence, such as conducting safety education activities at plants and offices using our Practical Safety Workshop and ensuring high levels of quality that guarantee safety and security. In our day-to-day operations, we define specific codes of conduct for all sites and offices, both in Japan and overseas, and strictly comply with laws and regulations such as those concerned with preventing corruption or anticompetitive behavior. We are improving our management transparency and enhancing our corporate governance.

Main relevant sales divisions

All sales divisions

Main applicable SDGs

For more information on our safety and compliance, see pages 122 to 124➡
For the Global Code of Conduct & Ethics (COCE), see page 123➡

Materiality KPIs

Quantitative KPIs

Lost-time accident rate*1, *2: Targeting zero accidents

*1 The number of fatalities and injuries resulting from industrial accidents per million hours of actual work
*2 Scope: Main domestic and overseas affiliated companies

2023/3 result	2024/3 result
0.70	0.55

Analysis of changes and actions taken

Although there was a decrease compared to the fiscal year ending March 31, 2023, the ratio of accidents caused by inexperienced workers and accidents due to falls increased. The following countermeasures were thoroughly implemented:

- Continuation of follow-through activities, foreman training, and follow-up activities
- Continued education on 18 ironclad rules to prevent STOP6 incidents, which can lead to serious accidents
- Establishment of the 12 Insights for Preventing Falls and implementation of activities on a global scale

Qualitative KPIs

Occupational safety

- Strengthening the quality of safety assurance and further improving systems

Results of Initiatives

- Global implementation of fire and explosion prevention activities to maintain supply chains
- Company-wide implementation of e-learning and VR-based Office Safety Workshops to learn about office risks
- Construction safety supervision and factory inspections by management teams practicing an on-site, hands-on approach

Compliance

- Promoting global compliance program

Results of Initiatives

- Designation of October as compliance month each year, accompanied by messages from management and various training sessions and seminars to raise awareness
- Comprehensive compliance inspections at Toyota Tsusho and domestic and overseas consolidated subsidiaries

Internal control

- Strengthening the functions of the Board of Directors meeting

Results of Initiatives

- Dialogue sessions between overseas regions (North America, East Asia, and Asia & Oceania) and outside directors to strengthen the supervisory function

Information security

- Strengthening the emergency response capabilities of the entire corporate group to deal flexibly with increasingly severe cyber attacks

Results of Initiatives

- Continuous strengthening measures to prevent cyberattacks and conducting initial response drills based on a hypothetical cyber attack

Initiatives for Addressing Key Sustainability Issues (Materiality)

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

Toyota Tsusho promotes diversity, equity, and inclusion (DE&I) as a management strategy. We are striving to create work environments that bring out the strengths of diverse personnel by undertaking reforms to implement more flexible and productive ways of working. Also, we are working to develop human resources who can create business from a global perspective and who can achieve success in the global market, and are providing occupational training opportunities to local communities and actively developing human resources within and outside the company who are valuable to and contribute to society. Starting with our company, we are taking measures to eliminate child labor and forced labor from our entire supply chain, thereby improving the labor environment from various perspectives as a company that values and protects people.

Main relevant sales divisions

All sales divisions

Main applicable SDGs

For more information on our human capital strategy, see pages 69 to 76➡

Materiality KPIs

Qualitative KPIs

Human capital development

- Developing aspiring human capital who can take the initiative in management and engage in joint creation with others

Results of Initiatives

- Implementation of selective training for employees of Toyota Tsusho Group companies around the world to develop global management human capital
- Holding of CEO Essentials Program (CEP), a training program to nurture the next generation of managers and leaders at corporate group companies

Right people in the right places and right places for the right people

- Strengthening of management foundation through proactive efforts to put the right people in the right places and find the right places for the right people

Results of Initiatives

- Visualization from among all corporate group employees of human assets (successor candidates) who can play expected roles in major posts in Japan and overseas
- Formulation of individual development plans for all successor candidates and discussion of plans at the Global Human Resources Committee (a group-wide meeting body)

DE&I

- Active participation by diverse human capital
- Promoting work style reform and supporting work-life balance
- Fostering a corporate culture that leverages diversity and changing individual awareness

Results of Initiatives

- Provision of a work-from-home system to encourage independent self-management and improvement of the office environment to promote communication and increase job satisfaction
- Promotion of measures to support women's participation, such as individual development plans and mentoring programs to support the realization of career paths tailored to individual characteristics as one way of responding to the increasingly diverse and complex business environment and customer needs
- Operation of a childcare leave system that incorporates the idea of "learning through childcare"* as a measure to foster respect for others and a positive corporate culture

* The idea that child-rearing can be an opportunity for growth, both in terms of new insights (values and sense of purpose) and the acquisition of skills (empathy and active listening)

Materiality KPIs

Qualitative KPIs

Well-being management

- Maximizing organizational vitality through the maintenance and promotion of the physical and mental health of each employee and the creation of a positive workplace environment

Results of Initiatives

- Selection as a Health & Productivity Stock Selection for four consecutive years and White 500 certification
- Enhancement of health literacy among employees for independent health maintenance and improvement; signs of improvement in the presenteeism loss rate, which is an indicator of work performance
- Decrease in the percentage of employees with issues requiring lifestyle improvement

Respect for human rights

- Understanding human rights issues in the countries and regions in which we do business and taking appropriate measures to solve them

Results of Initiatives

- Conducting of risk assessments of the supply chains of Toyota Tsusho and its consolidated subsidiaries; identification of approximately 250 suppliers in high-risk fields and regions and conducting of questionnaire surveys

Social contribution activities

- Participating in social contribution programs for community-based activities and growth

Results of Initiatives

- Establishment of a volunteer leave system to encourage all employees to participate in social contribution activities

Topics For the Further Dissemination and Improvement of the Effectiveness of Human Rights Due Diligence

We assess the human rights risks that our corporate activities may pose to society, based on the Toyota Tsusho Group Human Rights Policy and the Supply Chain Sustainability Behavioral Guidelines. Having identified high-risk fields, we conduct human rights due diligence to mitigate these risks, including by conducting questionnaires, on-site inspections, and other measures. We are promoting initiatives to respect human rights by conducting human rights due diligence in two separate areas: initiatives for the employees of Toyota Tsusho and consolidated subsidiaries and initiatives for supply chains.

Human Rights Due Diligence Process

STEP 1	STEP 2	STEP 3	STEP 4
Risk identification and assessment	Investigation into actual status	Remediation and remedy	Disclosure of information

Human rights risk assessments are conducted once a year for all subsidiaries. The results are reported to the Integrated Risk Management Committee, a corporate group-wide meeting body that verifies the status of global risk management, and monitored company-wide.

WEB For the Toyota Tsusho Group Human Rights Policy, see the "Respect for Human Rights" section of our corporate website. https://www.toyota-tsusho.com/english/sustainability/social/human-rights.html

WEB For the Supply Chain Sustainability Behavioral Guidelines, see the "Supply Chain" section of our corporate website. https://www.toyota-tsusho.com/english/sustainability/social/supply-chain.html

For more information on our initiatives regarding the supply chain and respect for human rights, see page 117 to 118➡

Environment

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Toyota Tsusho Group's Environmental Policy

1. To pass on a better global environment to the children of the future, as a responsible corporate citizen, the Toyota Tsusho Group strives to reduce its impact on the environment by preventing and reducing environmental pollution as follows, while placing a high priority on not disturbing the global environment in conducting business.
   - Contribute to the transition to a decarbonized society, reduce greenhouse gas emissions through our business activities, and aim for carbon neutrality by reducing CO_2 emissions from automobiles and factories/plants through the use of clean energy and innovative technologies
   - Strive to preserve forests and biodiversity
   - Save resources and energy, and improve efficiency
   - Effectively use water and reduce the amount used in water-stressed regions
2. We promote environment-related businesses, such as the efficient use of waste and the preservation of natural resources, and contribute to the realization of a recycling-based economy and society, while reducing the discharge of waste through our business activities, in collaboration with our affiliates and business partners.
3. We comply with all environmental requirements, including environmental laws and regulations and industry guidelines.
4. We participate in activities to reduce our impact on the environment by establishing an environmental management system and implement *kaizen* (continuous improvement) of these activities through periodic review and the application of creative ideas.
5. We enhance environmental awareness among employees by providing environmental training and promoting a thorough understanding of our environmental policy.

08

Disclosure Based on TCFD Recommendations

The Toyota Tsusho Group recognizes that climate change is a key management issue and, in May 2019, endorsed the Taskforce on Climate-related Financial Disclosures (TCFD). In line with TCFD recommendations and based on stakeholder dialogue, the group proactively engages in information disclosure as a responsible global company.

1 Governance

Our corporate group identified climate change as one of the material issues that matter most to our business. The content of our Materiality initiatives is verified by a meeting of the Sustainability Committee (held annually)*1 , which is chaired by the president & CEO and incorporated into our business strategies via the sales division CEOs who make up the committee. Since 2020, the committee has been tasked with setting key performance indicators (KPIs) for material issues, monitoring their progress, and reporting on the particulars of deliberations to the Board of Directors meeting. Members of the Board have a wealth of experience and competence concerning ESG issues, including climate change, and have put in place a system to ensure that appropriate oversight is carried out.

To address climate change, the Carbon Neutrality Promotion Meeting (held monthly)*2 , which is chaired by the president & CEO, discusses strategies for transitioning to a decarbonized society. The meeting also manages progress in reducing our greenhouse gas (GHG) emissions. The Carbon Neutrality Promotion Department, which was established in April 2022, serves as the secretariat for the committee and is responsible for further accelerating our decarbonization efforts as a specialized organization.

The status of achievement of energy-saving targets, as well as responses to climate change-related revisions to laws and regulations and new requirements, are deliberated at our annual Safety and Environment Conference*3. Our progress is also confirmed at the conference. The representatives of the sales divisions and group companies who make up the members of the conference incorporate the details of these deliberations into our business activities.

We have introduced an internal carbon pricing system to promote reductions in GHG emissions. Under this system, the progress of each sales division's efforts to reduce GHG emissions is reflected in the performance and compensation of the CEO responsible for that division.

As of April 2024

*1 **Sustainability Committee established**

Decisions on policies and important issues related to Materialities, including climate change	Chairperson: Ichiro Kashitani (President & CEO) Representative officer in charge: Hiroshi Tominaga (Member of the Board, CSO*4) Secretariat: Sustainability Management Group, Corporate Planning Department

*2 **Carbon Neutrality Promotion Meeting**

Decisions on strategies toward the achievement of carbon neutrality	Chairperson: Ichiro Kashitani (President & CEO) Representative officer in charge: Toshimitsu Imai (Executive Vice President, CTO*5) Secretariat: Carbon Neutrality Promotion Department

*3 **Safety and Environment Conference**

Progress management of responses to climate change-related laws and regulations, etc.	Chairperson: Tatsuya Watanuki (Executive Vice President) Representative officer in charge: Tatsuya Watanuki Secretariat: Global Safety & Environmental Promotion Department

*4 CSO : Chief Strategy Officer *5 CTO : Chief Technology Officer

2 Strategy

Climate-related Risks and Opportunities

Category			Anticipated Impact	Timeline*8
Risks	Transition*6	Policy and Regulation	Increase in business costs due to introduction of carbon tax, etc.	Medium- to long-term
		Technology	Change in demand for existing products/services due to introduction of low carbon/decarbonization technologies	Medium- to long-term
		Markets	Changes in demand for existing products/services due to changes in market conditions	Medium- to long-term
		Reputation	Reputation damage due to delays in climate change action or poor disclosure	Medium- to long-term
	Physical*7	Acute	Business damage due to more frequent and increasingly severe wind and flood damage	Short- to long-term
		Chronic	Impact on business due to rising temperatures and sea levels	Long-term
Opportunities		Resource Efficiency	Increased demand for our recycling business due to growing awareness of resource recycling	Short- to long-term
		Energy Sources	Growing demand for our renewable energy business due to increasing need for renewable energy	Short- to long-term
		Products and Services	Growing demand for products and services that contribute to decarbonization and reducing carbon	Short- to long-term
		Markets	Growing business opportunities in emerging markets as they grow and mature	Short- to long-term

*6 Transition risks: Risks posed by changes in policy and regulation, technology, market environment, etc., associated with the transition to carbon neutrality
*7 Physical risks: Risks posed by increasingly severe natural disasters and changes in temperature and precipitation
*8 Short-term: Within a year; medium-term: within three years, long-term: four years or longer

In response to the risks and opportunities described on the previous page, we are actively working to not only reduce Scope 1*9 and Scope 2*10 emissions but also to reduce Scope 3*11 emissions and contribute to the GHG emissions reduction efforts of society.

*9 Scope 1: Direct greenhouse gas emissions from Toyota Tsusho's use of fuel (coal, gas, etc.)
*10 Scope 2 Indirect greenhouse gas emissions from Toyota Tsusho's use of purchased electric power and heat
*11 Scope 3: GHG emissions from procurement of raw materials, manufacturing, sales, and consumption to the disposal of products

Scenario Analysis

We conduct scenario analysis, following the TCFD recommendations, of selected businesses that are significantly impacted by climate change.

As for the impact on business, we selected factors that are significantly affected and conducted a scenario analysis. In terms of risks, we considered transition risks (policy and regulation, technology, markets, and reputation) and physical risks (acute and chronic) while taking into account resource efficiency, energy sources, products and services, and markets in terms of opportunities.

Furthermore, our group aims to reduce its GHG emissions by 50% compared to the 2019 level by 2030, and we used the year 2030 as the timeframe for this scenario analysis as well.

Reference Scenarios

We referred to the following scenarios developed by the International Energy Agency (IEA), the Intergovernmental Panel on Climate Change (IPCC), and others to assess new business opportunities and business resilience. We also analyze the impacts on our business in the event of significant changes in our business environment as a result of climate change.

Category	Scenario overview	Main reference scenarios
1.5°C scenario	Under this scenario, policies and regulations are implemented to achieve a decarbonized society and the global temperature increase from the pre-industrial level remains below 1.5°C. Although the transition risk is higher than under the 4°C scenario, the physical risk is lower.	・IEA Net Zero Emissions by 2050 Scenario (NZE) ・IEA Sustainable Development Scenario (SDS) ・IPCC RCP2.6
4°C scenario	Under this scenario, no new policies or regulations are introduced and GHG emissions continue to increase. The transition risk is lower than under the 1.5°C scenario, but the physical risk is higher.	・IEA Stated Policies Scenario (STEPS) ・IPCC RCP8.5

Selection of Subject Businesses

Selecting businesses with large climate change impacts (from perspectives A to D below) among all our group's businesses, we performed scenario analyses with the lithium, resource recycling, renewable energy, automotive sales, and automotive parts logistics businesses. The molten aluminum business, selected until the fiscal year ended March 31, 2024, is included in the resource recycling business from the fiscal year ending March 31, 2025 from the perspective of expanding the scope of GHG emissions and scenario analyses. For the same purpose, we added the automotive parts logistics business into the scope of scenario analysis.

A **Non-financial sectors with potentially significant impact from climate change as indicated by the TCFD**
➡Energy, transportation (including automobiles, etc.), materials, buildings, agriculture, foodstuffs, forestry products

B **Businesses related to low carbon-related products and services (including constituent parts thereof)**

C **Businesses susceptible to the impacts of natural disasters associated with climate change**

D **Businesses with particularly high CO_2 emissions (fossil fuel-related businesses)**

Scenario analysis conducted for five businesses in five divisions

Circular Economy Division
- **B** Lithium business
- **D** Resources recycling business

Green Infrastructure Division
- **B** **C** Renewable energy business

Supply Chain Division, Mobility Division, Africa Division
- **A** Automotive sales business, automotive parts logistics business

The scenarios and understanding of the business environment in this scenario analysis are based on major scenarios presented by international organizations and others and do not represent the medium- to long-term outlook.

Disclosure Based on TCFD Recommendations

Impact on Business: Favorable impact / Limited impact / Adverse impact

Results of Scenario Analysis for Each Business

Lithium business

Our group's production of lithium carbonate began in 2014 at Salar de Olaroz, Argentina, to supply raw materials used in automotive lithium-ion batteries (LiBs), which are essential for electrified vehicles. We also constructed a lithium hydroxide manufacturing plant in Naraha-machi, Fukushima Prefecture, and production started in 2022.

	Category	Details
Climate-related Risks and Opportunities	Risks	Reduction in volume of lithium carbonate production in Argentina caused by natural disasters, extreme weather conditions, etc.
	Opportunities	Increase in demand for lithium products due to vehicle electrification, etc.
Impact on Businesses in Each Scenario	1.5°C scenario	In a comparison between the 1.5°C scenario and the 4°C scenario, a larger increase in demand for electrified vehicles and storage batteries is expected in the 1.5°C scenario, resulting in greater opportunities for this business overall.
	4°C scenario	Regarding the risk of reduced lithium production efficiency at our lithium carbonate production site in Argentina due to changes in rainfall, any impact on lithium production is expected to be minor, as the level of precipitation is expected to remain relatively constant, judging from the results for 2022 and the years leading up to it.

In both scenarios, demand for electrified vehicles and storage facilities that use lithium batteries is expected to increase.

Our Group's Measures

We will aim to build a long-term stable supply structure by enhancing our existing capacity to meet the increasing demand for lithium that will accompany the full-scale popularization of electrified vehicles. In addition, we will expand our business domain and build a structure for the stable supply of lithium hydroxide in preparation for the expected increase in demand due to increasing battery capacity in the future.

Resources recycling business

Our group has a long history of recycling. Since the 1970s, we have been promoting a circular economy as one of our businesses for roughly 50 years. Based on the recognition that all goods are resources, we recover, sort, and recycle them to promote resource recycling in support of manufacturing.

The molten aluminum business, selected until the fiscal year ended March 31, 2024, is included in the resource recycling business from the fiscal year ending March 31, 2025, from the perspective of expanding the scope of our GHG emissions and scenario analyses.

	Category	Details
Climate-related Risks and Opportunities	Risks	Difficulty in securing sufficient volume resulting from decreasing waste Resource price fluctuations
	Opportunities	Market expansion in line with an increase in demand for recycled materials
Impact on Businesses in Each Scenario	1.5°C scenario	Under the 1.5°C scenario, opportunities for the business as a whole are estimated to expand as the market expands due to an increased demand for recycled materials.
	4°C scenario	Under the 4°C scenario, the market will not expand at the scale estimated to occur under the 1.5°C scenario. The impact on the business as a whole is thus estimated to be limited.

Our Group's Measure

This business is positioned as our main circular economy business, which is one of our priority domains, and we will reinforce the recycling value chain from upstream to downstream to establish a closed-loop system.

Renewable energy business

Our Group operates wind, solar, hydro, geothermal, biomass, and other power generation businesses globally. As well, we are focusing on promoting development in Africa and emerging countries and the development of offshore wind power generation.

	Category	Details
Climate-related Risks and Opportunities	Risks	Impact on business due to revision of renewable energy-related policies (feed-in tariffs, subsidies, tax breaks, etc.)
	Opportunities	Increase in demand for renewable energy
Impact on Businesses in Each Scenario	1.5°C scenario	In the 1.5°C scenario, although the discontinuation of feed-in tariffs as a result of the revision of renewable energy policies could have an impact, it is expected that worldwide development of policies and a significant increase in demand for renewable energy will lead to the progress of related technological innovations and renewable energy becoming a core energy source. Accordingly, the opportunities for this business as a whole are expected to expand as development progresses in response to the demand for renewable energy.
	4°C scenario	In the 4°C scenario, demand for renewable energy is expected to increase to a certain level, although not to the same degree as under the 1.5°C scenario. While there is a possibility that the business could be affected by policy revisions, the impact on the business as a whole is limited.

Our Group's Measure

As this business is positioned as one of our priority domains, we plan to expand our business, including diversifying our portfolio of power sources and conducting energy management, while accelerating global development by reinforcing our existing businesses. We will contribute to the creation of a better global environment through the stable supply of renewable energy with a competitive advantage.

Automotive sales business

Our group exports passenger cars, commercial vehicles including trucks and buses, industrial vehicles, and spare parts produced by automobile and transport equipment manufacturers, primarily in the Toyota Group in Japan and overseas, to countries around the world. Also, we conduct business as sole import distributors and dealers through our global network, which spans 150 countries around the world.

	Category	Details
Climate-related Risks and Opportunities	Risks	Impact on business due to changes in the sales mix of gasoline and electrified vehicles
	Opportunities	Increase in demand for electrified vehicles
Impact on Businesses in Each Scenario	1.5°C scenario	In the 1.5°C scenario, the share of gasoline vehicles in total sales volume is expected to decrease due to stricter fuel efficiency regulations, though the share of electrified vehicles is expected to increase, expanding opportunities for this business as a whole.
	4°C scenario	In the 4°C scenario, fuel efficiency regulations will not be tightened to the same degree as under the below 1.5°C scenario, and the impact on the sales ratio of gasoline and electrified vehicles will be small, so the impact on the overall business is expected to be limited.

In both scenarios, the total sales volume of new vehicles is expected to increase globally, especially in emerging countries, thus the risk to the overall business is expected to be minor.

Our Group's Measure

Given that the new automotive sales market is expected to continuously grow, especially in emerging countries, our Group will strengthen our sales structures worldwide. We will also promote the popularization of electrified vehicles by securing resources for battery materials, which are key components of electrified vehicles, and by expanding the vehicle battery 3R (Rebuild, Reuse, Recycle) business domain along with expanding our lineup of electrified vehicles.

Disclosure Based on TCFD Recommendations

Impact on Business: Favorable impact / Limited impact / Adverse impact

Automotive Parts Logistics Business

Our group operates affiliates and business frameworks around the world. Utilizing each site and logistic network, we have established a seamless, optimal parts logistics structure and a global-scale automotive parts supply chain.

From the fiscal year ending March 31, 2025, we newly started the analysis of the automotive parts logistics business to expand the scope of our GHG emissions and scenario analyses.

	Category	Details
Climate-related Risks and Opportunities	**Risks**	Impact to be brought about by changes in automotive components as automotive electrification progresses
	Opportunities	Increase in demand for expensive automotive parts manufactured with new technologies as automotive electrification progresses
Impact on Businesses in Each Scenario	**1.5°C scenario**	Under the 1.5°C scenario, increases in the handling volume of parts and products, such as expensive batteries, are expected with changing automotive components as electrification progresses. Opportunities for this business are estimated to expand with the continuously increasing volume of automotive production worldwide.
	4°C scenario	Under the 4°C scenario, it is projected that the progress of electrification would be slow compared to that under the 1.5°C scenario. The impact on the business as a whole would thus be limited, and opportunities for the business are estimated to be stable or expand with the continuously increasing volume of automotive production worldwide.

Our Group's Measure

As the volume of automotive production worldwide increases, the automotive parts market is estimated to expand going forward. Our group will contribute to the sustained growth of the automotive parts supply chain by reinforcing relationships with new parts partners for electrification and promoting green logistics.

3 Risk Management

Our Group manages environmental risks and opportunities, including climate change, to a high standard. The Sustainability Committee, the Carbon Neutrality Promotion Meeting, and the Global Safety & Environmental Committee deliberate business risks and opportunities related to climate change, and members of these groups actively integrate the outcomes of deliberation into business strategies and activities.

In particular, the Carbon Neutrality Promotion Meeting, chaired by the president & CEO, meets monthly to identify climate change risks and opportunities in light of the external environment and assess their impact on us, as well as to verify the progress of climate change-related businesses.

The Integrated Risk Management Committee defines the 10 most important risk items, including the environment, to focus on to review our global risk management status. The committee also manages climate change risk in the company-wide risk management process.

We have acquired certification under ISO 14001, an international standard related to environmental management systems, to monitor our risk management processes. Toyota Tsusho conducts internal environmental audits of domestic and overseas consolidated subsidiaries once every three years.

Investments and loans

Toyota Tsusho's officers participate in various meetings to confirm the impacts that our investment activities have on ESG: The executive vice presidents, CSO, and CFO*1 take part in the Investment and Loan Committee; the deputy CSO and deputy CFO in the Investment and Loan Meeting; and the president & CEO, executive vice presidents, CSO, CFO, and general manager of the Corporate Planning Department in the Investment Strategy Meeting. Projects that meet or exceed certain requirements and are approved by the Investment and Loan Committee or the Investment and Loan Meeting are required to undergo a preliminary carbon neutrality assessment. This assessment determines the Scope 1 and Scope 2 emissions that will increase as a result of the investment, how they can be reduced, and how the investment will contribute to Scope 3 reductions as well as to GHG emissions reductions in society.

*1 CFO: Chief Financial Officer

4 Metrics and Targets

GHG Emissions Reduction Targets and Future Initiatives

The carbon neutrality of our GHG emissions, as well as our contribution to a decarbonized society, is essential. Therefore, in support of the Paris Agreement and as a concrete policy toward contributing to the transition into a decarbonized society, we established a target of reducing GHG emissions (Scope 1 and Scope 2) by 50% compared to 2019 levels by 2030 and achieving carbon neutrality by 2050.

Our group is promoting comprehensive energy conservation and renewable energy measures (installing LED lighting and solar power generation facilities, etc.). We also aim to achieve this goal by reducing GHG emissions from production processes and logistics operations through fuel conversion, efficient consumption, and technological innovation.

The capability to accelerate and promote businesses that contribute to the reduction of GHG throughout the entire industrial life cycle is one of our strengths. All of our employees will unite and exert themselves to contribute to the solution of these social issues.

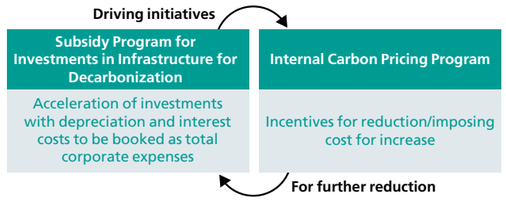
Reduction Targets	**・We aim to be carbon neutral by 2050.** **・We aim for a 50% reduction in GHG emissions by 2030 compared to 2019.** Included: Toyota Tsusho, domestic and overseas consolidated subsidiaries (Scope 1 and Scope 2) Note: Scope 3 promotes specific initiatives with suppliers and customers to reduce GHG emissions throughout the value chain.

Scope 1 and Scope 2 Emissions Reduction

Comparing the results of 2023 to the base year (2019), emissions increased in line with our business expansion, including the establishment of a PET bottle recycling plant and a lithium plant that can also be used for supply to electrified vehicles. Nevertheless, we attained a reduction of 62,000 t-CO_2, which exceeded the volume of the increase.

Subsidy Program for Investments in Infrastructure for Decarbonization / Internal Carbon Pricing Program

We have introduced a mechanism for subsiding burdens such as depreciation and interest payable related to GHG emissions reduction investments as company-wide expenses (Subsidy Program for Investments in Infrastructure for Decarbonization) as well as that for adjusting divisional performance appraisal according to the level of increase/decrease in GHG emissions by each division (Internal Carbon Pricing Program / unit price: ¥30,000/t-CO_2) to create a virtuous cycle for encouraging GHG emissions reduction initiatives.

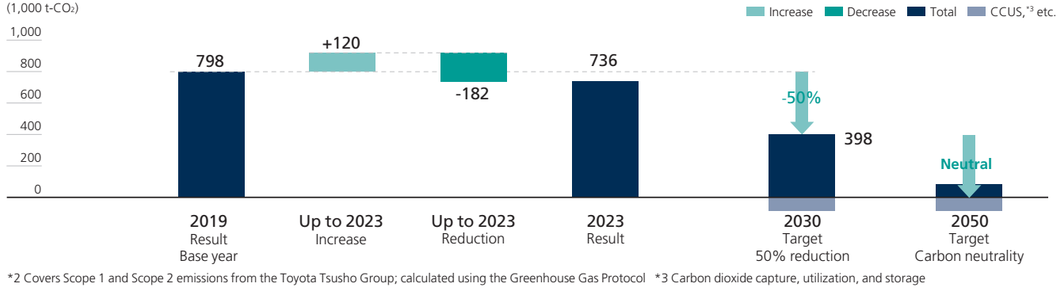


Green Bond

Our company has formulated the "Green Finance Framework" to issue green bonds and procure green loans.

This framework is based on the Green Bond Principles 2021 as administered by the International Capital Market Association (ICMA) and the Green Loan Principles 2021 by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA), and the Loan Syndications and Trading Association (LSTA).

Shift of Emission Volume in CO_2 equivalents*2



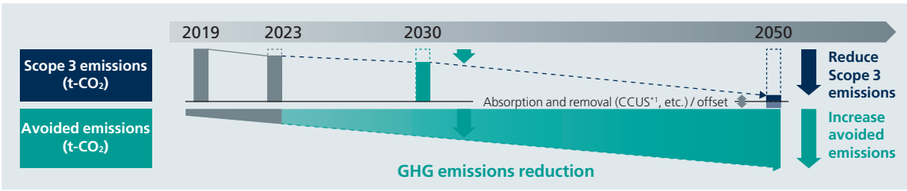
*2 Covers Scope 1 and Scope 2 emissions from the Toyota Tsusho Group; calculated using the Greenhouse Gas Protocol *3 Carbon dioxide capture, utilization, and storage

Initiatives for Reducing Greenhouse Gas Emissions

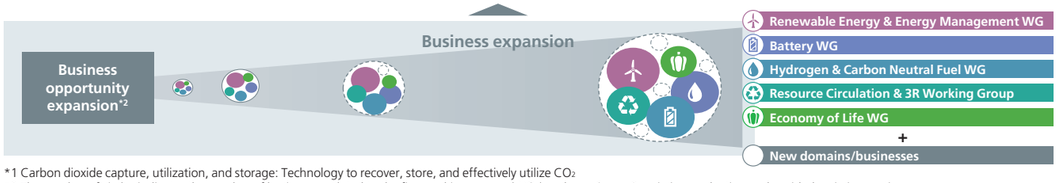
Growth Strategy as a Trading Company Striving Toward Decarbonization

Expertise in Scope 3 Emissions Reduction Actions and Avoided Emissions Businesses

The Toyota Tsusho Group vigorously engages in Scope 3 CO_2 emissions reduction throughout the entirety of its supply chains centering on the automotive field by utilizing the group's long-reinforced strengths, such as resources recycling, efficient logistics and manufacturing, and low-carbon energy supply. The group is determined to continue to grow by further and broadly expanding this endeavor and contributing to emissions reduction by society at large.



Tackling emissions reduction by leveraging our strengths creates business opportunities for our company.



*1 Carbon dioxide capture, utilization, and storage: Technology to recover, store, and effectively utilize CO_2
*2 The number of circles indicates the number of businesses related to the five working groups (WGs) and new Scope 3 emissions reduction and avoided emissions actions. The color of circles indicates the type of each business. The size of circles indicates the scale of each business.

Major Scope 3 Emissions Reduction Initiatives

Our corporate group reduces Scope 3 emissions using Toyota Tsusho's distinctive initiatives, and we provide the approaches to such to our customers to contribute to society's efforts to achieve avoided emissions and to create new business opportunities.

Toyota Tsusho's Distinctive Initiatives

Renewable Energy

Geothermal power generation in Kenya — Onshore wind power generation

- Wind, solar, hydro, geothermal, and biomass power plant operation
- Solar power plant construction

Electrified Vehicles

Lithium development / production — Battery material sales

- Lithium resource development
- Lithium hydroxide manufacturing
- Rare earths supply
- Battery manufacturing facilities / parts and material supply

Bioproduct Sales

Bioplastics — Biodiesel fuel

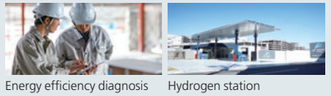
- Plant-derived polyethylene and other biomaterials
- Biodiesel, wood chips, and other biomass fuels

Recycling

Metal scrap recovery and processing — PET bottle horizontal recycling

- Metal scrap recovery and processing
- Plastics
- Recycled aluminum supply
- PET bottles
- Clothing (recovery of waste fish nets and clothing fibers)

Energy-Saving and New Energy



Energy efficiency diagnosis — Hydrogen station

- Energy efficiency diagnosis and sales of energy-efficient equipment
- Sales of semiconductors with low energy consumption for automotive and non-automotive applications
- Hydrogen station operation
- Energy-efficient data center operation

Efficient Logistics and Manufacturing

Highly efficient logistics — Centralized steel processing center

- Highly efficient logistics
- Green material-based logistics
- Fleet management system
- Centralized steel processing
- Molten aluminum supply

2023 Emissions and Reduction

Scope 3 Emissions

For 2023, our corporate group recorded approximately 124 million t-CO_2 of Scope 3 emissions in total. Characteristics of emissions from our business activities are as follows.

- We handle low volumes of metal resources and fossil fuels, which are significant GHG emitters, and the number of our businesses that emit a large volume of CO_2, such as thermal power generation, is limited.*4
- We have been engaging in a variety of initiatives centering on the automotive supply chain. Emissions classified as those arising from Purchased Goods and Services (Category 1) and Use of Sold Products (Category 11) account for the majority.

We will implement the major initiatives described on P. 101 throughout the automotive supply chain to reduce Category 1 and Category 11 emissions, which are high.

2023 Scope 3 Emissions by Category

Category	Emission (1,000 t-CO_2)
1 Purchased goods and services	77,588
2 Capital goods	596
3 Fuel- and energy- related activities (not included in Scope 1 or Scope 2)	137
4 Upstream transportation and distribution	3,460
5 Waste generated in operations	19
6 Business travel	9
7 Employee commuting	29
8 Upstream leased assets	0
9 Downstream transportation and distribution	4,695
10 Processing of sold products	143
11 Use of sold products	34,245
12 End-of-life treatment of sold products	18
13 Downstream leased assets	23
14 Franchises	6
15 Investments	3,160
Total	124,128

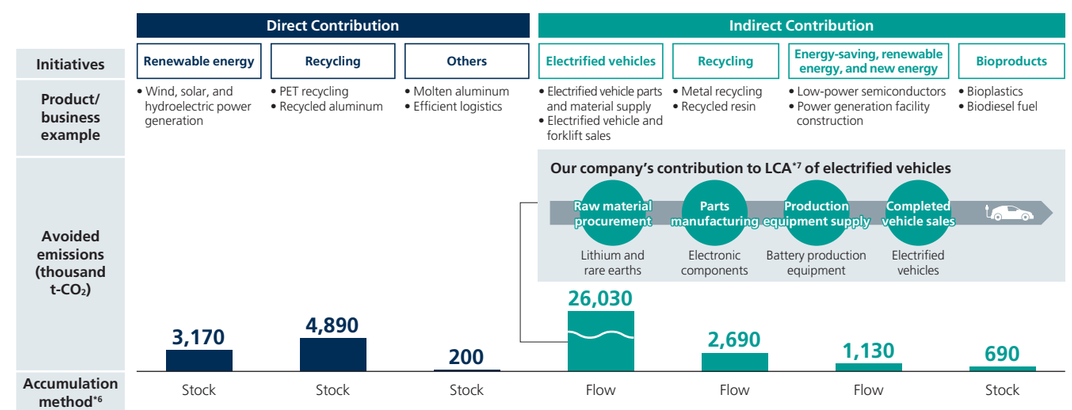
*4 Planning to withdraw completely from coal- and heavy oil-fired power generation businesses after the fiscal year ending March 31, 2025, and from thermal power generation projects at an early phase

Avoided Emissions

Our corporate group engages in diverse emissions reduction actions, recognizing Scope 3 emissions reduction and avoided emissions businesses as growth opportunities. To further accelerate our related initiatives, we have been disclosing avoided emissions by quantifying our emissions reduction actions.

We classify our diverse emissions reduction actions as either direct contribution*5, which is made through products and services we manufacture and supply, or indirect contribution,*5 which is made by our indirectly contributing to the reduction of emissions of other companies' products.

Our avoided emissions for 2023 totaled approximately 8 million t-CO_2 from direct contribution and approximately 31 million t-CO_2 from indirect contribution.



*5 Direct contribution: Emissions avoided by our final products and services that have an emissions reduction effect or those avoided through our manufacturing processes
(Others: Although we have yet to calculate the volume of avoided emissions, we are taking the lead in multiple initiatives that contribute to society's GHG emissions reduction, such as nonferrous metal scrap recovery and processing and energy-efficient data center operation.)
Indirect Contribution: Emissions avoided by our company's conducting a part of the manufacturing processes of final products and services that have an emissions reduction effect or by our sales of final products and services that have an emissions reduction effect
*6 Formulated while referring to "5.5 Avoided Emissions Accumulation Methods" of the Guideline for Avoided GHG Emissions Quantification of Japan's Ministry of Economy, Trade and Industry (METI).
*7 LCA: Life cycle assessment; a method to quantitatively assess the environmental burden of a product throughout its life cycle

Calculation method: We referred to guidelines published by METI, the Institute of Life Cycle Assessment, Japan, and the World Business Council for Sustainable Development (WBCSD), among others, in calculating avoided emissions. As there are no universal rules for calculating avoided emissions at present, we will appropriately review our calculation methods and information to disclose based on international discussions and trends in society.
(Emissions from existing products, services, and manufacturing processes – emissions from new products, services, and manufacturing processes) x volume of diffusion
Calculation example: Recycled aluminum
Avoided emissions are calculated based on the difference between emissions from the use of recycled aluminum and the use of virgin metal, both being supplied by our company.
Electric vehicles: (Internal combustion engine vehicle LCA emissions*8 – electrified vehicle LCA emissions*8) x number of electrified vehicles sold for which our company is involved in a part of their supply chain
*8 Internal combustion engine vehicle and electrified vehicle LCA emissions were calculated while referring to the IEA's Global EV Outlook 2024.

Carbon Neutrality Promotion Structure

Uniting the strength of the five teams (WGs) to help our customers, business partners, and society become carbon-free.

Carbon Neutrality Promotion Meeting

The Toyota Tsusho Group holds the Carbon Neutrality Promotion meeting, chaired by the president & CEO, once a month to determine the strategies to achieve carbon neutrality for the group and society.

The Carbon Neutrality Promotion meeting confirms the connection between the group's GHG emissions reduction measures and the policies and proposals of countries around the world toward the realization of carbon neutrality, along with discussing and deciding on growth strategies through five working groups.

Carbon Neutrality Promotion Meeting Structure

Chairperson		President & CEO
Secretariat	Representative officer in charge	Executive vice president (CTO*1)
	Department	Carbon Neutrality Promotion Department
Meeting Members		CSO*1 CFO*1 CHRO*1 Representative Officer in charge of carbon neutrality at each Sales Division (Appointment among senior executive officers or executive officers) CEO*1 of each region Leader of each working group (appointed by executive officers) Deputy CSO (responsible for Corporate Planning Department)

*1 CTO: Chief Technology Officer
CFO: Chief Financial Officer
CEO: Chief Executive Officer
CSO: Chief Strategy Officer
CHRO: Chief Human Resources Officer

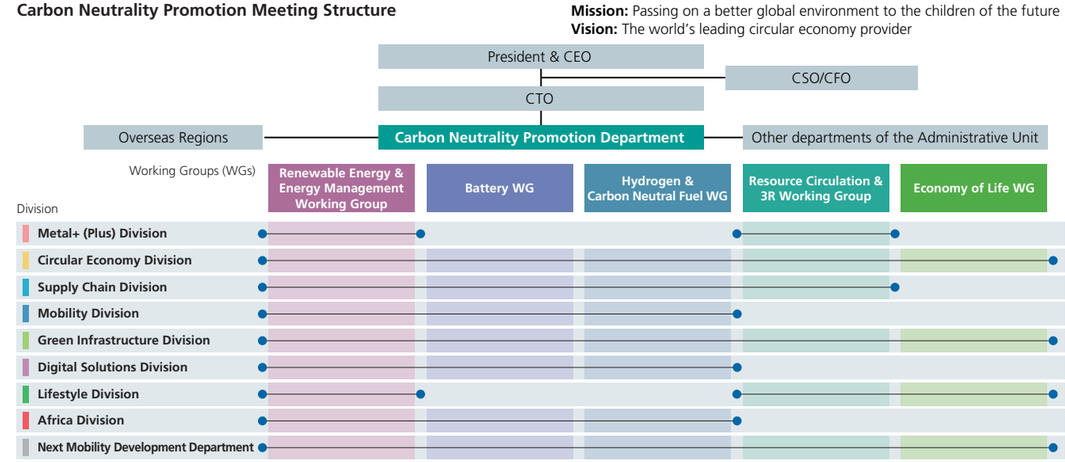
Carbon Neutrality Promotion Structure

Our group established the Carbon Neutrality Promotion Department with the mission of promoting carbon neutrality company-wide to further accelerate our initiatives toward decarbonization both within and outside our corporate group. In addition to designing systems and managing emissions to achieve the Toyota Tsusho Group Carbon Neutrality Declaration,*2 five working groups have been established under the initiative of the Carbon Neutrality Promotion Department. These working groups were organized based on the growth strategies of business areas linked to carbon neutrality and the circular economy, in which our group has strengths, to achieve both business expansion and a decarbonized society along both vertical and horizontal axes. We have formulated roadmaps toward 2030 for the five working groups and monitor their progress. (Refer to pages 109 and 110).

*2 Toyota Tsusho Group Carbon Neutrality Declaration: Reduction targets of achieving carbon neutrality by 2050 and a 50% reduction in GHG gases by 2030 compared to 2019

Carbon Neutrality Promotion Meeting Structure

Mission: Passing on a better global environment to the children of the future
Vision: The world's leading circular economy provider



Carbon Neutrality Promotion Structure

Mission

Passing on a better global environment to the children of the future

Our corporate philosophy

We will aim to achieve our mission in accordance with our principle of "Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies."

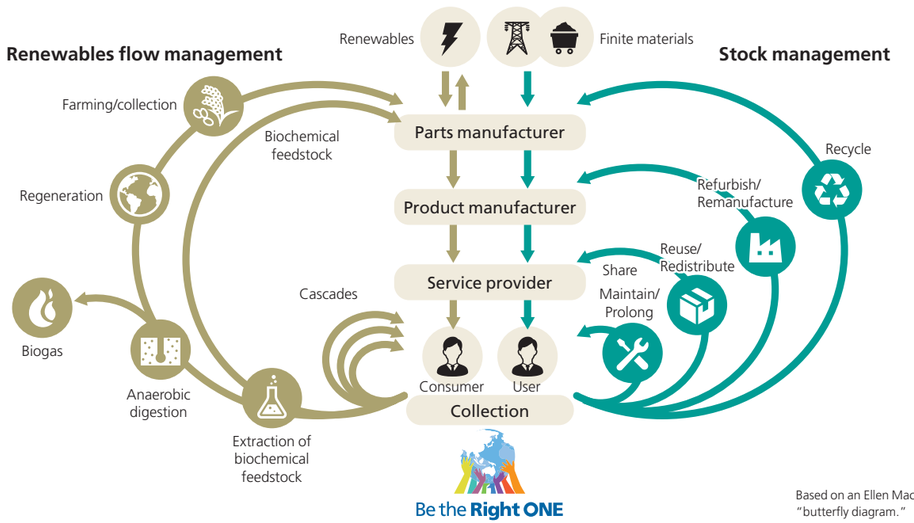
Seven priority domains

Vision (Ideal Image)

Leading circular economy* provider

*An economy that maximizes added value through efficient and recycling-oriented use of resources at all stages.

Toward achieving carbon neutrality, we will break through the center as the top runner and expand our frontline to span the entirety of a circular economy.



Based on an Ellen MacArthur Foundation "butterfly diagram."

Five Working Groups and the Carbon Neutrality Strategy Map

We have formed working groups in the five domains of our special strengths to robustly facilitate initiatives that lead to carbon neutrality. With these working groups, we engage in businesses that support circular economy at each stage of the industrial life cycle, comprising energy creation, energy collection and coordination, the manufacture, transport, and use of goods, waste treatment, and reuse and recycling. From the fiscal year ending March 31, 2025, as the Phase 2 period, we will endeavor to create the "Toyotsu Carbon Neutrality Ecosystem" by organically coordinating each working group's functions.

Investment for the realization of a decarbonized society:
Approx. 2 trillion yen*3 by 2030

*3 The investment amount is the total for the 10 years from 2021 to 2030 (including actual results).

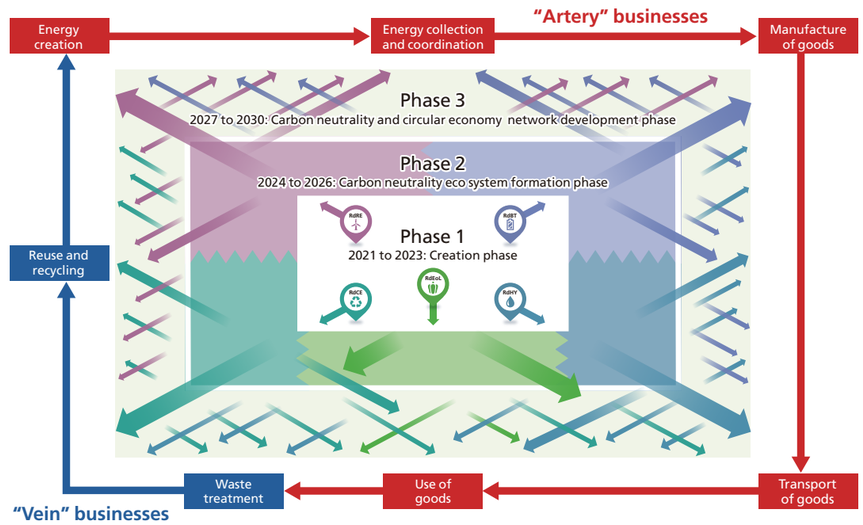
RdRE (Road Renewable Energy)
Renewable Energy & Energy Management WG
Investment: 1,000.0 billion yen

- Having renewable energy account for 50% of our power consumption
- Contributing to meeting the renewable energy needs of major customers
- Expanding the introduction of renewable energy power generation

RdBT (Road Batteries)
Battery WG
Investment: 450.0 billion yen

- Stably securing lithium and other rare resources
- Establishing raw material and parts manufacturing businesses
- Entering the battery manufacturing business
- Creating 3R (Reduce, Reuse, and Recycling) mechanisms

Carbon Neutrality Strategy Map



RdCE (Road Circular Economy)
Resource Circulation & 3R WG
Investment: 250.0 billion yen

- Creating "Circular economy x Carbon neutrality businesses" based on the Circular Core
- Facilitating recycling of batteries, scrap metal and plastic, renewable energy equipment, and CO_2

RdEoL (Road Economy of Life)
Economy of Life WG
Investment: 100.0 billion yen

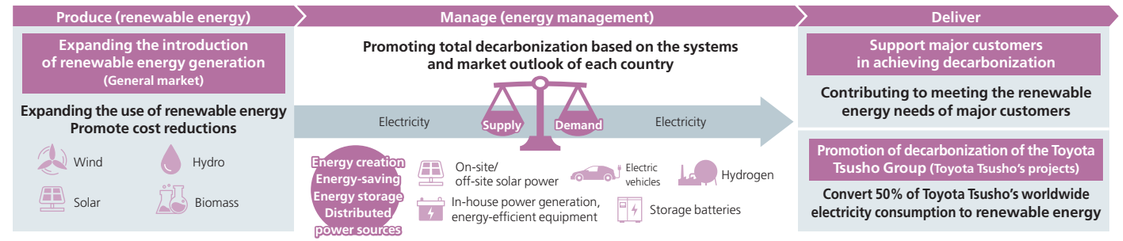
- CCUS through agribusiness
- Carbon neutrality and renewal of the food business
- Building CE in the EoL domain

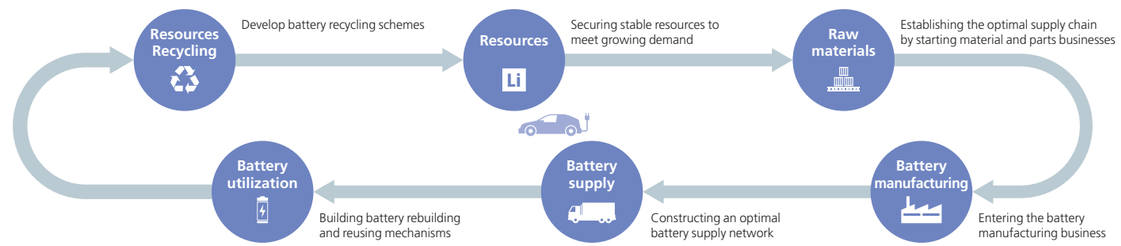
RdHY (Road Hydrogen)
Hydrogen & Carbon Neutral Fuel WG
Investment: 200.0 billion yen

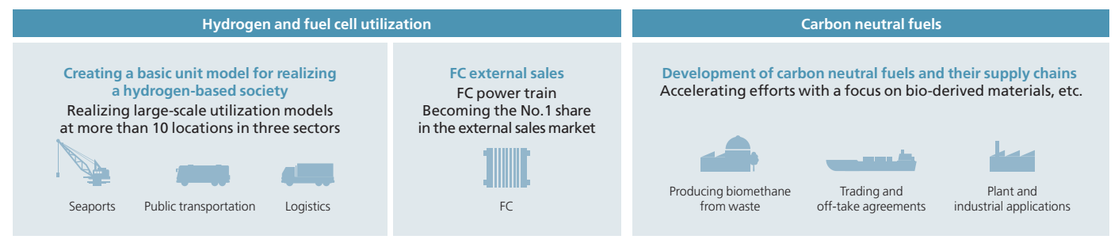
- Realizing three large-scale models of hydrogen and fuel cell utilization (at seaports and in public transportation and logistics) at more than 10 locations
- Developing carbon neutral fuels and establishing their supply chains.

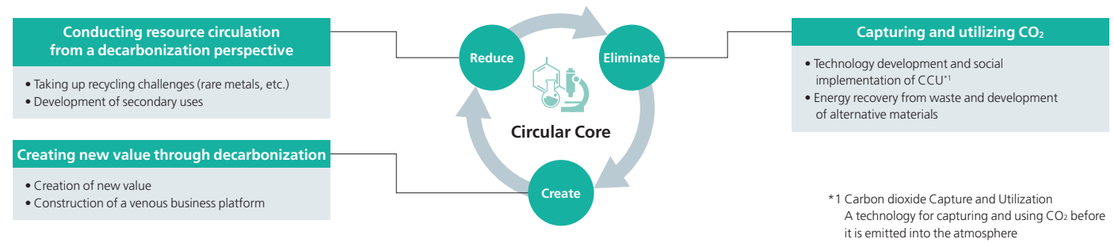
Overview of Initiatives and Major Achievements of the Five Working Groups

	Overview of Initiatives	Major Results
Renewable Energy & Energy Management Working Group	To contribute to the decarbonization of our major customers and the Toyota Tsusho Group, the Renewable Energy & Energy Management Working Group expands the scope of initiatives in the areas of collection, coordination, and delivery by utilizing knowledge of renewable energy creation. In light of related institutional systems and market trends in and outside of Japan, the working group promotes mainly on-site and off-site solar power generation, green tariffs, and renewable energy certificates to contribute to our company's shift to renewable energy and decarbonization of our major customers and supply chains as well. The working group also aims to expand renewable energy generation introduction among the general markets worldwide by conducting initiatives at locations where our group operates, broadening the scope of initiatives in emerging countries, and developing new types of power sources, such as offshore wind farms.	In the fiscal year ended March 31, 2024, the working group established Aelous to operate renewable energy businesses in Africa. In the energy management domain, we started the storage battery business for grids at the Terras Energy Nagasaki Koyagi Energy Storage and Eurus Shiratori Battery Park. In April 2024, the working group consolidated Terras Energy Corporation as a wholly owned subsidiary.
Battery Working Group	The Battery Working Group works across divisions toward the slogan "Contributing to the achievement of carbon neutrality by solving issues in the field of batteries, which is the very key to success for electrification." In anticipation of the rapid expansion of electrification, the working group is focusing on constructing battery supply chains for local production and local consumption on a global basis. Specifically, the working group works on 1) stably securing rare resources such as lithium, 2) creating businesses to manufacture battery materials, such as cathode and anode materials, and peripheral components, 3) entering battery manufacturing businesses in North America and other regions, 4) constructing mechanisms for rebuilding and reusing used batteries, and 5) developing battery recycling schemes, etc. Through these initiatives, the working group will facilitate the diffusion of electrified vehicles while solving pertaining issues.	In the fiscal year ended March 31, 2024, the working group made an additional investment of 370.0 million U.S. dollars in Toyota Battery Manufacturing, North Carolina, an onboard battery manufacturer in North America, to increase battery production capacities for BEVs (battery electric vehicles) and PHEVs (plug-in hybrid electric vehicles). Our company's investment in Toyota Battery Manufacturing, North Carolina now amounts to 750 million U.S. dollars.
Hydrogen & Carbon Neutral Fuel Working Group	The Hydrogen & Carbon Neutral Fuel Working Group works across two broad business areas and focuses on the promotion of next-generation energy such as hydrogen and biofuels. The first area is the establishment of fuel cell (FC) utilization models combining shifts to FCs with diverse types of mobility and hydrogen manufacturing and supply. The second area is the establishment of supply chains for carbon neutral fuels, such as biofuels, hydrogen, and ammonia. Through these activities, the working group will contribute to stakeholders working on decarbonization while promoting the decarbonization of our corporate group.	In the fiscal year ended March 31, 2024, the working group relocated and newly developed hydrogen stations in Aichi Prefecture in response to the expected increase in hydrogen demand. At the Port of Los Angeles, the working group progressed to Phase 2 large-scale implementation verification and started considering a hydrogen manufacturing business using waste plastic chemical recycling technology.
Resource Circulation & 3R Working Group	Taking the trend of carbon neutrality as an opportunity while envisioning the society of the future, the Resource Circulation & 3R Working Group will work on creating new value by using our experience in the resources recycling business—which we have been undertaking since the 1970s—as a strength. Our focus areas are: vehicle battery 3R businesses, as vehicle batteries are increasing with electrification; recycling of renewable energy equipment such as solar panels, hydrogen tanks, and wind turbine blades, which are expected to be disposed of in large quantities in the future; and precious metal recovery from electronic waste and plastic material recycling, as electronic waste and plastic materials are directly linked to resource depletion and social issues. To take the initiative in these new domains, the working group aims to establish Circular Core for exploring circular economy related advanced technologies and developing business models and will strive to formulate a recycling-based society as the world's leading circular economy provider.	In the fiscal year ended March 31, 2024, the working group started operating a pilot line for non-combustion battery recycling at Toyota Chemical Engineering Co., Ltd., aiming to establish a technology to recycle used onboard lithium-ion batteries.
Economy of Life Working Group	The first major initiative is carbon capture, utilization, and storage (CCUS) through agribusiness, in which the Economy of Life Working Group will use our company's network of agricultural suppliers in our grain collection business in Brazil to collect and sell green grain produced using sustainable farming methods that comply with our in-house standards. We will also seek to create and sell carbon credits through forest conservation. The second major initiative is food business renewal using the concepts of carbon neutrality and circular economy, in which we focus on the manufacturing and sale of foods added with protein alternatives and promote the use of bioplastics in food packaging at the same time. The third major initiative is to build circular economy in the Economy of Life (EoL) domain, in which we will aim to develop a recycling business in the field of apparel, as this field creates a tremendous amount of waste.	In the fiscal year ended March 31, 2024, the working group entered the recycling business of waste fish nets, the major cause of marine plastic pollution, as a part of its effort to promote circular economy in the fiber and fashion domain, aiming to realize nylon-to-nylon fiber recycling.

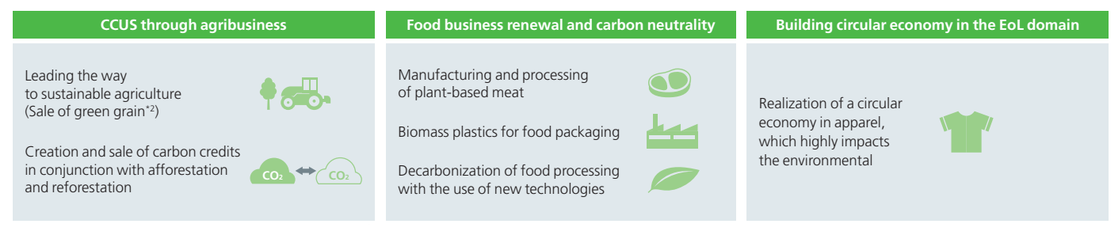






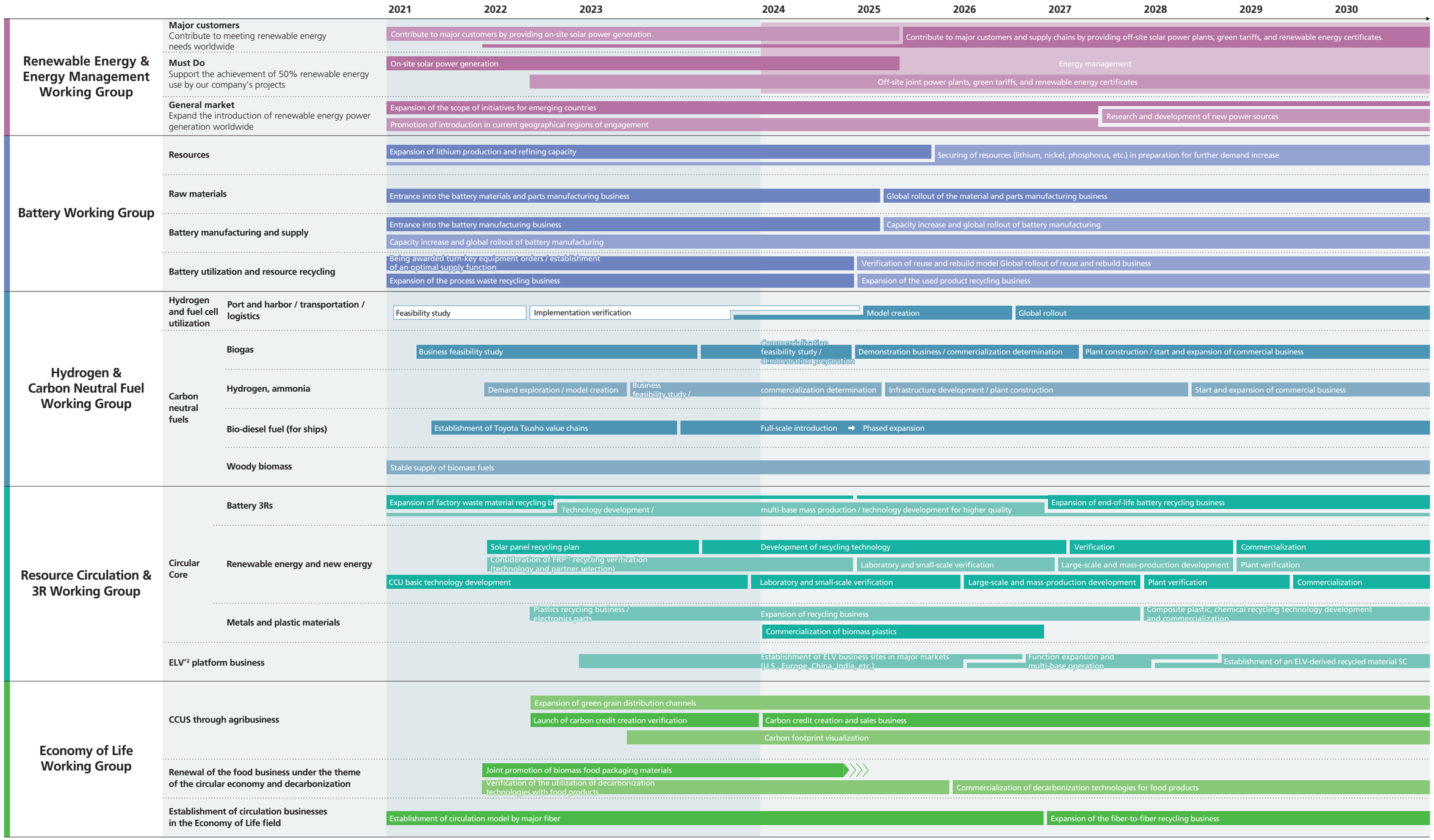


*1 Carbon dioxide Capture and Utilization
A technology for capturing and using CO_2 before it is emitted into the atmosphere



*2 Green grain: Grains produced and collected in an environment-friendly manner

Roadmap Toward 2030



*1 FRP: Fiber-reinforced plastics *2 ELV: End-of-life vehicle

Internal and External Collaboration

Our corporate group aims to enhance corporate value by proactively disclosing carbon neutrality-related information to internal and external stakeholders and facilitating penetration of our brand as a trading company that strives toward decarbonization. The group conducts active internal communication to develop a culture of carbon neutrality facilitation and has expanded its internal awards system to motivate employees to reduce emissions. As for collaboration with outside parties, we participate in events and exhibitions utilizing our Carbon Neutral Product and Service Catalog.

Internal Awareness

Internal Carbon Neutrality Conversation

Over the past year , we held face-to-face conversations to enhance our employees' carbon neutrality awareness. At the sales divisions and overseas sites, approximately 200 employees got together to share basic knowledge of carbon neutrality and discuss expanding carbon neutrality businesses. We will continuously facilitate internal communication to further accelerate the raising of carbon neutrality awareness among employees.

Internal carbon neutrality discussion at an overseas site

Carbon Neutrality App

We have developed the Carbon Neutrality App to deepen the understanding of carbon neutrality among all employees and to utilize it as a useful tool for sales activities.

The app provides an environment in which employees can enjoy learning the importance of carbon neutrality through carbon neutrality educational content and a function that facilitates exchanges among employees, etc. Through the app, we will strive to raise employees' carbon neutrality awareness and elevate internal momentum toward the promotion of carbon neutrality.

Internal Award

Starting in the fiscal year ending March 31, 2025, we will add a Carbon Neutrality Award to our Be the Right ONE Awards, which is a program that recognizes organizations and employees who significantly contribute to the company throughout the year. The Carbon Neutrality Award will recognize model initiatives for realizing carbon neutrality, and adding it will further promote carbon neutrality, as winning organizations and business entities are to serve as drivers of carbon neutrality initiatives by other organizations and business entities.

2023 Be the Right ONE Awards ceremony

External Collaboration

Carbon Neutral Product and Service Catalog

This catalog covers our corporate group's carbon neutrality-related solutions, which are linked to each of Scope 1, Scope 2, and Scope 3. We will contribute to the transition to a decarbonized society by helping our customers reduce GHG emissions through the various solutions that our group has accumulated over the years.

WEB **For more information on the Toyota Tsusho Group's carbon neutrality-related solutions, please visit the "Carbon Neutral Products and Services" section of our corporate website (in Japanese).**
https://www.toyota-tsusho.com/sustainability/cn_catalog

Environmental Management

Initiatives to Reduce Our Impact on the Environment

For each business entity, our corporate group quantitatively evaluates the degree of environmental pollution risk of each facility and the level of worksite management to limit the group's environmental pollution risk. We also evaluate our compliance to environmental laws and regulations every six months and implement double checks on legal observance for key issues through internal and external audits. For any new investment projects, we make efforts to conserve the environment and reduce our impact on it by investigating and evaluating the possible environmental effects in advance.

CDP

CDP, an international non-profit organization, selected Toyota Tsusho as an A List company, which is CDP's highest rating, in the two categories of "Climate Change" and "Forests." The number of companies selected as an A List company in two categories or more was 61, including us, among the approximately 23,000 companies that submitted responses to CDP questionnaires. Our company as a whole has been endeavoring to achieve carbon neutrality and realize circular economy under the slogan of "Passing on a better global environment to the children of the future" while accelerating new added-value-creating innovations and establishing business domains unique to Toyota Tsusho. In addition to the largest-scale wind and solar power generation facility in Japan and other renewable energy projects, we are promoting mobility electrification and the switching to alternative fuels through the use of hydrogen, biofuels, batteries, etc., and circular resource development to avoid damaging our natural capital.

CDP Evaluation Results for the Fiscal Year Ended March 31, 2024

Climate change	Water security	Forests		
		Timber	Palm oil	Soy
A	A-	A	B	B

ISO 50001

Toyota Tsusho acquired ISO 50001:2018 certification in 2020. The scope of the certification covers business sites in Japan (18 sites in 11 prefectures) subject to notification requirements as specified businesses under Japan's Energy Conservation Act as well as employee benefit facilities. We created energy management standards for each site and periodically confirm their implementation status by conducting energy-saving audits to encourage energy-saving measures.

WEB **For information on management and initiatives regarding the environment, please see the "Environmental Management" section on Toyota Tsusho's corporate website.**
https://www.toyota-tsusho.com/english/sustainability/

Biodiversity

When developing new investment projects, our corporate group researches and assesses in advance their overall environmental impacts including those on the preservation of forests and biodiversity conservation and the effective use of resources, energy, and water. We take action to conserve the environment and reduce environmental impact aiming to balance biodiversity and business activities.

For our current business framework, we quantitatively evaluate the environmental pollution risks of each facility and the level of worksite management to reduce environmental impact. We also conduct risk assessments including on the biodiversity of existing businesses by performing internal audits of ISO 14001 based on environmental management. Furthermore, we evaluate compliance with environmental laws and regulations every six months and implement double checks on legal observance through internal and external audits.

Having endorsed the principles of the Taskforce on Nature-related Financial Disclosures (TNFD), our company is taking steps to follow the taskforce's final recommendations published in September 2023. Details are provided in "TNFD-based Initial Disclosure" on pages 113 and 114.

WEB **For information on initiatives and performance data regarding biodiversity conservation, please see the "Biodiversity" section on Toyota Tsusho's corporate website.**
https://www.toyota-tsusho.com/english/sustainability/

Water Resources

Our corporate group recognizes that sustainable use of water resources is a crucial issue and explicitly indicates this recognition in the Toyota Tsusho Group's environmental policy. We are advancing initiatives for improved water consumption efficiency and reduced consumption by optimizing our water usage volume and thoroughly reusing water. Using the Aqueduct water risk assessment tool of the World Resources Institute, we identify regions in countries where we operate with risks of severe water shortages and flooding, among others, to engage in business activities based on awareness of these risks.

WEB **For information on water resource management, initiatives, and performance data regarding the environment, please see the "Water Resources" section on Toyota Tsusho's corporate website.**
https://www.toyota-tsusho.com/english/sustainability/

Pollution Prevention

Our corporate group conforms to Japan's Air Pollution Control Act, Japan's Water Pollution Prevention Act, and other environment-related laws and regulations to limit pollutant emissions.

We are actively working to maintain and preserve the natural environment by implementing daily management based on our unique standards* and checking compliance through internal audits.

*Our group's unique stringent standards set at 80% or below of standard values of environment-related laws, regulations, and ordinances

TNFD-based Initial Disclosure

The Toyota Tsusho Group recognizes that all business activities of the group from raw material procurement and manufacturing to sales simultaneously depend on and impact nature's rich gifts. Following the Toyota Tsusho Group Biodiversity Guidelines established in 2015, we aim to balance biodiversity against business activities by assessing risks while creating new businesses and by reducing identified risks based on ISO 14001.

In June 2021, the Taskforce on Nature-related Financial Disclosures (TNFD) was established as an international organization that builds a framework for appropriate assessments of risks and opportunities related to natural capital and biodiversity and disclosure of the assessment results as well. Our group has endorsed the mission of the TNFD and has been participating in the TNFD Forum, a group of stakeholders supporting TNFD discussion, since 2023.

Our group has worked on the Scoping Phase of the LEAP Approach recommended by the TNFD. While expanding the scope and depth of our assessments and analyses for further disclosure of information, we will integrate what we have gained into our strategies and policies and strive to promote businesses that are in harmony with nature's abundance.

1 Method and Scope of Assessment and Analysis

Our corporate group engages in diverse businesses such as manufacturing, logistics, sales, and operations in approximately 130 countries and regions around the world.

During the fiscal year ended March 31, 2024, we worked on the Scoping Phase of the LEAP Approach to comprehensively grasp points of contact between group-owned businesses and sites and nature. Specifically, we performed business-based and site-based assessments and analyses.

In performing the business-based assessment, we used the TNFD-recommended tool ENCORE*1 to understand the dependencies and impacts on nature of our group's representative businesses, specifically concerning the value chain upstream and directly operated businesses. Science Based Targets for Nature require the inclusion of value chains in the scope of assessment. Accordingly, in the fiscal year ended March 31, 2024, we assessed and analyzed dependencies and impacts on nature of the upstream beyond directly operated businesses and estimated to be heavily dependent and have larger impacts on nature.

As for the site-based assessment, we prepared a list of latitude and longitude information and site functions, among others, of major sites, excluding those functioning as offices, estimated to be less dependent and have less impact on nature, to map them. We also came to understand the physical risks of water, the significance of the surrounding area, etc. of each site for biodiversity using the TNFD-recommended IBAT*2 and Aqueduct.*3

*1 ENCORE: Tool to visualize possible dependencies and impacts on nature
*2 IBAT: Geospatial data to identify key biodiversity areas
*3 Aqueduct: Data tool to identify and assess water risks

2 Results of Business-based Assessment and Analysis (Value Chain Upstream)

Using ENCORE, we assessed dependencies and impacts on nature of our group's representative businesses. Setting the scope of assessment as the value chain upstream beyond directly operated businesses, we prepared a heat map to visualize businesses and items that are heavily dependent and have large impacts on nature.

As a result, we found heavy dependencies on ecosystem services, such as mass stabilization, erosion control*4, surface water, and groundwater, and large impacts brought about by greenhouse gas (GHG) emissions, water use, and water pollution, among others.

Furthermore, we identified that the value chain upstream with raw material extraction processes is relatively more dependent and has a larger impact on nature.

We will utilize these results in assessments and analyses in the Assess Phase of the LEAP Approach while deepening business engagement with stakeholders of the value chains that have been identified to be heavily dependent and have a larger impact, aiming to reduce risks.

*4 Stabilization of coasts and dunes and prevention of erosions, avalanches, and landslides with vegetation

Item	Dependencies / Impacts						Value chain upstream beyond directly operated businesses
Division and Unit name	Top 3 items of dependencies			Top 3 items of impacts			Raw material extraction, manufacturing, disposal, and recovery
Metal+(Plus) Division	Climate change response	Mass stabilization and erosion control	Groundwater Surface water Water flow maintenance	GHG emissions	Water use	Solid waste	• Coil processing-related value chain • Including use of iron ores, etc., as raw materials
Circular Economy Division	Climate change response	Mass stabilization and erosion control	Groundwater	GHG emissions	Water use	Water pollutants	• Value chains related to automotive parts manufacturing, lithium hydroxide manufacturing, detergent manufacturing, iodine mining, tank operation, valuable recovery, and industrial waste treatment • Use of iron ores, petroleum, sand and gravel, groundwater, etc., as raw materials
Supply Chain Division	Surface water	Groundwater	Mass stabilization and erosion control	GHG emissions	Water pollutants	Water use	• Value chains related to automotive parts manufacturing and attachment, building rental, and logistics • Including use of iron ores, wood, petroleum, sand and gravel, etc., as raw materials
Mobility Division	Mass stabilization and erosion control	Groundwater	Surface water	GHG emissions	Water use	Water pollutants	• Value chain related to automotive distribution and sales • Including use of iron ores, petroleum, natural rubber, etc., as raw materials
Green Infrastructure Division	Mass stabilization and erosion control	Climate regulation	Groundwater	GHG emissions	Water use	Water pollutants	• Value chains related to die manufacturing, automotive parts attachment, distribution, and renewable energy • Including use of iron ores, wood, petroleum, natural rubber, sand, etc., as raw materials
Lifestyle Division	Mass stabilization and erosion control	Flood and storm protection	Surface water	Water pollutants	GHG emissions	Soil pollutants	• Value chains related to clothing manufacturing, building rental, warehouse operation, oil extraction, aquaculture, and food service • Including use of iron ores, wood, petroleum, sand and gravel, agricultural products, etc., as raw materials
Africa Division	Mass stabilization and erosion control	Surface water	Groundwater	GHG emissions	Water use	Water pollutants	• Value chains related to pharmaceutical product manufacturing, beer manufacturing, infrastructure development, facility management, mall operation, automotive sales, distribution, etc. • Including use of iron ores, wood, petroleum, natural rubber, agricultural products, fishery products, sand and gravel, etc., as raw materials
Administrative Unit	Mass stabilization and erosion control	Flood and storm protection	Climate regulation	GHG emissions	Water use	Water pollutants	• Value chain related to hydro stations • Including use of natural gas as a raw material

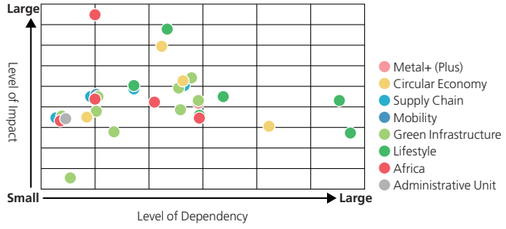
3 Results of Business-based Assessment and Analysis (Directly Operated Businesses)

We converted the results of ENCORE assessment of directly operated businesses into scores to plot them on a graph according to the degrees of dependencies and impacts on nature.

As a result, we found that businesses heavily dependent on nature are those in the value chain upstream, while businesses with large impacts on nature are those in the value chain downstream.

In light of the results of assessments and analyses, we will select businesses to include in the scope of the analyses in line with the LEAP Approach.

Dependencies and Impacts of Each Directly Operated Business by Division / Unit



4 Results of Site-based Assessment

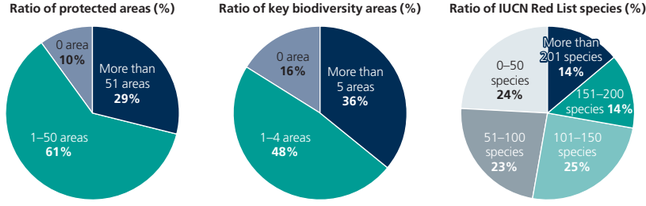
We assessed the surrounding areas of our corporate group's major sites using TNFD-recommended tools (IBAT and Aqueduct).

Using IBAT, we checked protected areas, key biodiversity areas, and the number of IUCN Red List species within a 50 km radius of each site to understand the importance of the surrounding areas of our sites in terms of biodiversity.

Using Aqueduct, we confirmed the water risk level (overall water risk) of the surrounding area of each site to understand the physical risks of water.

We will prepare a list of our group's major sites that includes the results of these assessments for selecting target sites of future LEAP Approach-based assessments and extracting priority locations defined by the TNFD.

Result of IBAT Assessment (Within a 50 km Radius of Each Site)



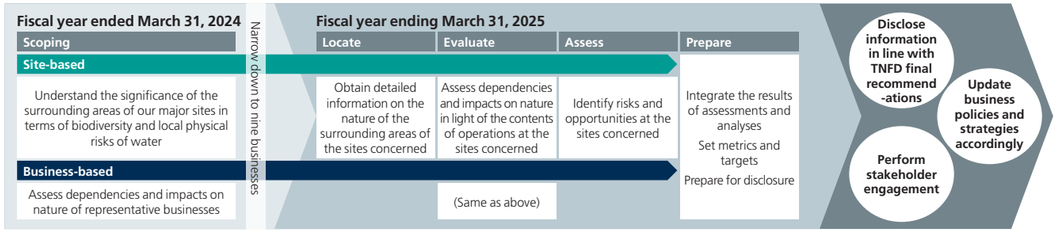
Result of Aqueduct Assessment
Ratio of sites by water risk level (%)

Level of water risk	Ratio of sites (%)
Extremely High	22%
High	16%
Medium - High	24%
Low - Medium	23%
Low	10%
No data	5%

5 Future Plan

In light of the results of the business-based and site-based assessments and analyses, we will select businesses and sites subject to the analyses to be performed, following the LEAP approach, in the fiscal year ending March 31, 2025 (planning to select one each from eight divisions and the Administrative Unit, totaling to nine businesses).

We will analyze nine selected businesses following the LEAP Approach to understand our group's dependencies, impacts, risks, and opportunities related to nature. Subsequently, based on the results of assessments and analyses, we will work on disclosure in line with the final recommendations of the TNFD.



Social

P.117 Supply Chain Management / Respect for Human Rights

P.119 Efforts Toward Prosperous Societies and the Future

P.122 Health and Safety Policy

P.123 Compliance Policy

09

Supply Chain Management / Respect for Human Rights

Basic Approach

For the Toyota Tsusho Group, which operates a diverse range of businesses globally, protecting supply chains is not only in line with our corporate philosophy, which states: "Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies," but also a fundamental approach that forms the basis of our management.

We have formulated the Supply Chain Sustainability Behavioral Guidelines, which we share with our suppliers, who are also requested to implement them. Furthermore, we strive to assess risks and identify issues through human rights due diligence, and when issues are encountered, we address them through dialogue with the supplier concerned.

Dissemination of the Supply Chain Sustainability Behavioral Guidelines

In 2012, Toyota Tsusho formulated the Supply Chain CSR Behavioral Guidelines to foster a common understanding of sustainability, coordinate CSR initiatives, and realize mutual sustainable growth with suppliers. These guidelines were revised in 2019 and 2022 to further clarify the common understanding we have with our suppliers in response to the increased awareness of human rights and environmental issues.

The 2022 revision was mainly to further clarify our corporate group's stance on human rights and the environment and also to change the name to the Supply Chain Sustainability Behavioral Guidelines. The content of the guidelines has been reported to the Board of Directors.

Following the 2022 revision, we shared the guidelines with the approximately 6,000 suppliers of Toyota Tsusho Corporation and its domestic and overseas consolidated subsidiaries and asked them to put the guidelines into practice. We will continue to update the content of the guidelines as appropriate in response to changes in the external environment.

Raising Awareness among Suppliers

We provide training on social and environmental issues to each of our sales representatives, who then hold study sessions with each supplier on our Supply Chain Sustainability Behavioral Guidelines and Environmental Policy.

In the fiscal year ended March 31, 2024, we held study sessions with 25 suppliers. We will continue to raise awareness among suppliers through such sessions.

Addition of Sustainability Clause to Contracts

In June 2022, we added a sustainability clause to the template of our Basic Sale and Purchase Agreement. The sustainability clause requires suppliers to comply with our Human Rights Policy, Environmental Policy, and Biodiversity Guidelines in line with our Supply Chain Sustainability Behavioral Guidelines, and we are promoting the use of this agreement.

Human Rights Due Diligence

We promote human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights while taking into account the opinions of internal and external experts. Following our Human Rights Policy and Supply Chain Sustainability Behavioral Guidelines, we strive to identify and prevent or mitigate any negative impact on human rights that our corporate activities may have.

We conduct human rights due diligence from two perspectives: initiatives for the employees of Toyota Tsusho and consolidated subsidiaries; and initiatives for our supply chains.

Process

Initiatives for the Employees of Toyota Tsusho and Consolidated Subsidiaries

Since the fiscal year ended March 31, 2023, we have been putting in place a system to conduct human rights risk assessments once a year for all consolidated subsidiaries through our Check 10 activities, which involve risk assessment, analysis, and improvement on a consolidated basis. The results of the assessments are reported to the Integrated Risk Management Committee, a company-wide meeting body that examines risk management status on a global basis, creating a system for company-wide monitoring. The human rights risk assessment is conducted using a questionnaire based on the opinions of internal and external experts and evaluates the management of human rights risks such as occupational health and safety, wages, and working hours, focusing on the four human rights issues of forced labor, child labor, discrimination, and freedom of association and the right to collective bargaining, while taking into account issues unique to our business and other relevant considerations.

Although no serious human rights issues requiring immediate action have so far been identified through this process, we will continue and strengthen our efforts to mitigate human rights risks. Appropriate procedures and dialogue will be used to address and remedy any negative impact on human rights or involvement in such impact if identified.

The status of this process and the results of the assessment are reported to the Sustainability Management Committee.

Initiatives for Our Supply Chains

Identifying and Addressing Issues Based on Risk Assessments

We conduct risk assessments of our supply chains, and, for suppliers in high-risk fields and regions, we implement questionnaire surveys and on-site inspections by third-party specialist organizations to identify and prevent or mitigate negative impacts on human rights.

In the fiscal year ended March 31, 2024, we conducted risk assessments of our corporate group's approximately 6,000 suppliers and identified approximately 250 suppliers in fields and regions with high human rights risks. Questionnaires and on-site surveys are being conducted with these suppliers in sequence. Currently, no serious human rights issues requiring immediate action have been identified.

Main Survey Items

1. Forced labor	6. Abuse and harassment
2. Child labor	7. Working hours
3. Safe and healthy working environment	8. Suitable remuneration
4. Freedom of association	9. Anti-corruption
5. Discrimination	10. Sustainable sourcing

Identifying and Addressing Issues Based on Recommendations from External Experts

We identify human rights issues through dialogue with external specialist organizations. In 2024, we received a recommendation from an external specialist organization regarding the identification of issues in the logistics industry and the monitoring of the status of our response to these issues.

We have been working with Hacobu, Inc. to overcome challenges in the logistics industry by utilizing logistics big data, and based on the above recommendation, we implemented engagement with domestic logistics companies. As a result of this engagement, we were able to gain a deeper understanding of the issues facing the logistics industry. To further contribute to solving these issues, in 2024 we began holding regular meetings with our major domestic consolidated subsidiaries to share issues and consider responses.

Going forward, we will also reach out to our corporate group's suppliers and customers to contribute to solving various issues in the logistics industry across the entirety of our supply chains.

Grievance Mechanism (Establishment and Operation of a Consultation Desk)

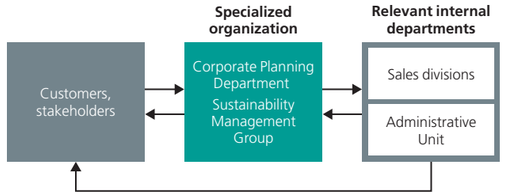
Consultation Desk for Supply Chains

In the fiscal year ended March 31, 2024, we became a regularmember of the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), which provides an "Engagement and Remedy Platform" in accordance with the United Nations Guiding Principles on Business and Human Rights. This platform allows any stakeholder in the supply chain to report violations or suspected violations of international and national codes of conduct. By accepting grievances through third-party channels, we strive to ensure fairness and transparency, promote dialogue and redress more than ever, and remedy identified affected parties. When receiving reports, we ensure the anonymity of the person making the report and the confidentiality of the report.

Reference: JaCER Grievance Platform(https://jacer-bhr.org/en/application/index.html)
Periodic updates of information in response to the report through JaCER, including the nature of the report and its status, will be disclosed on the website of JaCER while ensuring the anonymity of whistleblowers.

Establishment of an Inquiry Page for Sustainability

Regardless of the content of the complaint, we have established a system to accept opinions and requests via the inquiry page on our corporate website. The opinions and requests we receive are shared with the relevant in-house departments through a specialized organization and are linked to initiatives aimed at solving issues.



Education and Training for Our Employees

We provide training on human rights for all employees of our corporate group. In the fiscal year ended March 31, 2024, we held study sessions on human rights due diligence in-house and at consolidated subsidiaries and provided e-learning to all Toyota Tsusho employees.

Efforts Toward Prosperous Societies and the Future

Social Contribution Activity Policy

Based on our corporate philosophy, which states: "Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies," we have identified people (education), society (welfare), and the earth (environment) as the key themes of our social contribution activities as we engage in positive activities to help realize more prosperous societies.

In terms of specific activities, we select and implement substantive and effective programs that strike a balance among the three approaches of "action by the company," "action by officers and employees" and "action by businesses." Toyota Tsusho also encourages and supports individual officers and employees to undertake social contribution activities, while also engaging voluntarily in action best managed at the corporate level, aiming thus to fulfill its social responsibilities and realize the creation of prosperous societies.

People (Education)

Toyotsu Fighting Eagles Basketball Clinic in Nagoya

To contribute to the development of sports, the nurturing of young people, and the revitalization of the local community, we conduct basketball coaching sessions led by professional players and coaches from Toyota Tsusho's Fighting Eagles Nagoya. In the fiscal year ended March 31, 2024, a total of 40 sessions were held, with more than 3,200 elementary and junior high school students participating. We also invite children and staff from local welfare facilities to watch the games and witness national-level players engage in their sport.

Society (Welfare)

Delivering Educational Puzzles to Children in Welfare Facilities

Since 2016, we have been working with an NPO, the Life Style Research Institute of Forests, to deliver educational puzzles to children.

This is a volunteer activity that employees can carry out at home or elsewhere. They make educational puzzles with colorful patterns by sticking masking tape to cubes made using wood from forest thinning and deliver the puzzles to child welfare facilities.

Earth (Environment)

Fujimae Tidal Flat Cleanup Campaign

We participate in cleanup campaigns to preserve the environment of the Fujimae Tidal Flat, which stretches out from the shoreline of the Fujimae district of Minato Ward in Nagoya City and is registered under the Ramsar Convention as one of Japan's most vital stopover sites for migratory birds. In May 2024, a total of 33 company officers, employees, and family members participated in the campaign. We will continue to work on preservation programs with residents' groups and government agencies to protect this precious environment.

Initiatives to Encourage Active Participation in Social Contribution Activities

Volunteer Leave System

In April 2024, we introduced a system that allows employees to take up to three days of special leave (with pay) per year to participate in volunteer activities.

Volunteer Support System

We support our employees' volunteer activities by subsidizing their transportation expenses for participation in volunteer activities approved by Toyota Tsusho.

Volunteer Web

In May 2024, we launched a volunteer matching website that provides information on volunteer organizations, their activities, and application requirements, among others, thereby expanding the options available to employees for volunteer activities.

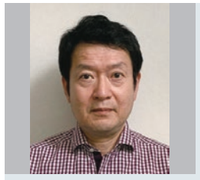
Social Contribution Award

To recognize employees who proactively engage in volunteer activities , we have established the Social Contribution Award. The award certificate is made from fair trade banana paper as part of efforts to raise in-house awareness.

Online In-house Lectures

We hold regular in-house lectures online as an opportunity for employees to learn about the activities of organizations working to resolve various social issues.

WEB **For more information on Social Contribution Activity, please see the "Social Contribution" section on Toyota Tsusho's corporate website.**
https://www.toyota-tsusho.com/english/sustainability/social/social-contribution.html



Haruhiko Nakajima
KD Business Department

VOICE

After participating in the Morning Clean!

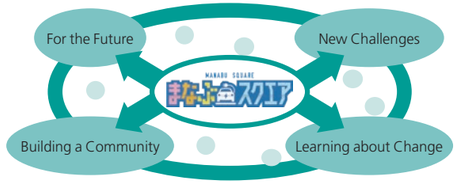
"Are you helping others and contributing to society?"
This was the first thing my late mother said to me when I went back home during the COVID-19 pandemic. After a while, I found a notice on the company bulletin board recruiting volunteers for a cleanup activity, so I figured I'd start with something close to me. I found that joining together to make the park clean meant that everyone started the day feeling good. I also realized that this cleaning activity had an unexpected link with safety, and that inspired me to participate in disaster relief activities.

Creating the Future at Toyotsu Manabu Square

As the automotive industry faces the need for a change in strategy and transformation due to the acceleration of global efforts toward carbon neutrality, we have taken on a new challenge toward creating the future of the mobility industry. First, employees disassembled and investigated both an internal combustion engine vehicle and a battery electric vehicle (BEV) down to the individual parts to learn about the structural changes in vehicles through a Genchi, Genbutsu, Genjitsu (on site, hands on, in touch) approach. They then established Toyotsu Manabu Square, a place where people can learn and take on challenges together, to enable them to share what they had learned with colleagues and create a new future together. At Toyotsu Manabu Square, the employees have presented a summary of what they learned and discovered in an easy-to-understand display including cutaway models, disassembled parts, and panels. People visit Toyotsu Manabu Square to meet the challenge of developing the mobility industry and creating the future by learning together and directing each other's concerns, issues, and insights into new initiatives for the future.

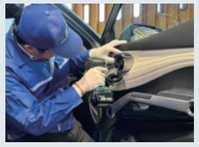
At Toyotsu Manabu Square, the differences between gasoline-powered vehicles and BEVs are presented in an easy-to-understand way using cutaway models, disassembled parts, and panels.

Our Challenge:
Creating the Future of the Mobility Industry



Initiatives at Toyotsu Manabu Square

■In-house disassembly training



Toyota Tsusho staff learn about changes in vehicle structure by disassembling and investigating gasoline-powered vehicles and BEVs with their own hands.

■Inspecting cutaway models and exchanging opinions

Participants use cutaway models of gasoline-powered vehicles and BEVs to check the differences in how vehicles are made and their structures through a Genchi, Genbutsu, Genjitsu (on site, hands on, in touch) approach. They learn about the changes in manufacturing in the mobility industry, and discuss issues, concerns, insights, and solutions from their different perspectives.

■Inspecting disassembled parts display and exchanging opinions

Using the disassembled parts, participants inspect in more detail the differences in the structure and parts used in gasoline-powered vehicles and BEVs, as well as changes in their uses and shapes, and exchange opinions about new challenges for the future.

■Toyotsu Mana-Kids (study sessions for children)

We hold events under the title "Toyotsu Mana-Kids," a parent-child participatory hands-on learning program. Participants learn about manufacturing and environmental issues in a fun way by observing the changes in cars as they handle cutaway models and disassembled parts.

Toshie Tani
Chief Project Leader, Toyotsu Manabu Square
(Global Parts Sales Department)

VOICE

Initiatives at Toyotsu Manabu Square

Initially, we conducted various surveys based on the recognition that changes in the mobility industry would have a significant impact on our business. As we struggled to find answers, we decided that the only way to find out was to see for ourselves, so we decided to take apart gasoline-powered cars and BEVs on our own. The disassembly survey activities led to new discoveries, and all participants reaffirmed the importance of the Genchi, Genbutsu, Genjitsu (on site, hands on, in touch) approach. In addition, we are conveying the importance of protecting the global environment and the joy of manufacturing through work experience and games at study sessions for children, linking to Toyota Tsusho's desire to "pass on a better global environment to the children of the future." We will continue working together in various ways to take on the challenges of realizing carbon neutrality and creating the future of the mobility industry.

Efforts Toward Prosperous Societies and the Future

Eurus Energy Holdings Corporation's Efforts for Symbiosis with Local Communities

The Toyota Tsusho Group has positioned "Renewable Energy & Energy Management" as one of its priority domains and is working to strengthen its existing business model and accelerate its global growth, while also expanding its business domains by diversifying its power supply menu, promoting energy management, and taking other actions. In particular, we have been involved in the wind power generation business for more than 30 years, from development to construction and operation, and this would not have been possible without the understanding and cooperation of local communities. The vision of group company Eurus Energy Holdings, which is Japan's largest wind power generation operator, is to "develop with local communities and maintain the trust of society." Valuing its connections with the local community in this way, the company engages in a variety of community contribution activities, such as creating local jobs, returning a portion of business profits to the local government, participating in and sponsoring local events, developing disaster prevention infrastructure, installing observation decks as tourist attractions, and holding on-site classes. In July 2023, to progress its activities to the next level, Eurus Energy established the Community Development and Innovation Department. By engaging in good faith with the opinions of local governments and residents in the areas where power plants are being built and operated, the department works on proposals to solve issues facing local communities not only concerning Eurus's own power generation business but also in areas relevant to the rest of the Toyota Tsusho Group. For example, it is working to create new businesses and jobs by launching a retail business that enables local production of electricity for local consumption, and it is providing local people with transportation options based on the group's strengths in the mobility business. Going forward, Eurus Energy aims to be a comprehensive producer of solutions to local issues, achieving both regional revitalization and the commercialization of regional development projects.

Disaster prevention experience event held at a branch location

Wind turbine painting event for local elementary school students

Koki Miki
Eurus Energy Holdings Corporation
Community Development and Innovation Department

VOICE

Wind power generation businesses have a significant impact on the local governments and the lives of residents in the areas where the power plants operate, so it is important to listen in good faith to the opinions of these people. We are also committed to harmonious coexistence with the local community through participation in and sponsorship of local events, volunteer activities, hosting site visits, and providing on-site classes. Furthermore, in line with our corporate vision of "Develop with local communities and maintaining the trust of society," we aim to achieve a co-creation model by understanding and addressing the issues facing local communities and using the power of business to overcome them.

Health and Safety Policy

Based on the Toyota Tsusho Group's Policies on Safety and Health, we conduct safety and health education not just for Toyota Tsusho Group employees but, upon request, also for suppliers.

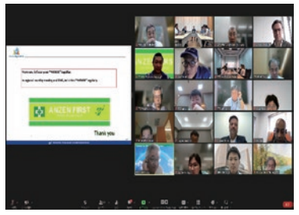
Members of the management team and the sales division CEOs personally conduct factory inspections and construction safety inspections by visiting not only domestic but also overseas business locations. In addition to holding regular meetings with safety personnel in each country, we hold a Global Safety Meeting every year to discuss issues and promote a workplace culture of "Anzen First." In the fiscal year ended March 31, 2024, approximately 100 safety personnel from 21 countries participated.

For occupational safety and health education, we conduct rank-based training for new employees, mid-level employees, managers, and executives, and hold annual Office Safety Workshops to raise safety awareness regarding office work, with more than 900 employees having attended by the fiscal year ended March 31, 2024. In addition to conducting training for supervisors at each supplier, we also provide experiential hazard training at the Practical Safety Workshop, set up at our corporate group company Toyota Steel Center Co., Ltd. In the fiscal year ended March 31, 2024, 660 people attended the workshop, including 71 staff members from 13 suppliers.

We strive to improve our safety management level daily by implementing the PDCA cycle to identify issues and implement countermeasures, and by fostering a safety-oriented culture through employee education.

The Toyota Tsusho Group's Policies on Safety and Health

1. Toyota Tsusho group top management recognizes that good communication between top management and employees is crucial for safety and health management, and the top management will respect such intercommunication with employees.
2. Toyota Tsusho group observes the laws of safety and health, guidelines of work operation inside the premises of customers, and Toyota Tsusho group will establish necessary internal rules and regulations to improve the level of safety and health management.
3. Toyota Tsusho group utilizes the occupational safety and health management system, and Toyota Tsusho group will make efforts to improve and maintain such system to aim at continuously higher level of safety and health.
4. To promote group companies' total safety and health activities, Toyota Tsusho group organizes proper organization system and will make clear for locus of responsibilities.
5. To promote comfortable and healthy work environment, Toyota Tsusho group will execute necessary and sufficient education and training for all employees to secure safety and health.



Global Safety Meeting held in November 2023

Overseas safety personnel attending the Practical Safety Workshop

Construction safety inspections conducted in April 2024

Daichi Aikawa
Corporate Communications Department

VOICE

Participating in the Practical Safety Workshop

As I work in the Administrative Unit, the majority of my work is office-based, but I was able to gain hands-on experience in safety measures that can be implemented not only at work sites but also in the office. I was reminded that carelessness during everyday work can lead to accidents, meaning that we should never do things like touch electrical sockets with wet hands or move heavy objects without using a trolley for safety, making sure to put the trolley's brake on when leaving it. I recognized once again the need for regular checks and conscious behavior.

Compliance Policy

Global Code of Conduct & Ethics (COCE)

We enacted the Global Code of Conduct & Ethics (COCE) in 2016 following a decision by the Board of Directors to give more concrete expression to the behavioral guidelines that support our corporate philosophy. The COCE was developed by a team of Toyota Tsusho Group employees from both Japan and overseas and has been translated into 22 languages. We aim to realize our corporate philosophy and Global Vision by ensuring that every executive and employee of the Toyota Tsusho Group around the world understands and practices the COCE as a universal code of conduct and ethics.

To ensure that all executives and employees understand and comply with the COCE, we issue the President & CEO's Message and the COCE Booklet in various languages (currently 23 languages) and conduct awareness-raising activities through our global network. In addition, we conduct COCE training for executives and employees in Japan and overseas every year and ask executives and employees to pledge to follow the COCE.

Global Code of Conduct & Ethics (COCE)

1. We are committed to "ANZEN" to create a safe and healthy work environment.
2. We will comply with all applicable laws and regulations, including anti-corruption, antitrust, and competition laws, and trade laws and regulations.
3. We are committed to accurate financial reporting.
4. We are accountable for compliance with all company rules.
5. We will act with integrity, honesty, and transparency, and protect and develop trust among all stakeholders.
6. We will contribute to the sustainable development of society.
7. We will promote and pursue environmentally friendly corporate activities.
8. We will add value through innovation and *kaizen* (continuous improvement).
9. We will respect human rights.
10. We will embrace diversity and inclusion within our company and society.

Compliance Policy

Compliance Policy As the basic policy of compliance, we ensure that executives and employees perform their duties following the COCE and we implement various related measures. Under internal regulations, we require all executives and employees to promptly report any concerns about possible COCE violations through the proper channels, and guarantee that no retaliatory action or measures will be taken against whistleblowers. The proper channels include supervisors and the Administrative Unit, as well as the internal reporting system described below.

On-site inspections by the planning department of each sales division and internal audits by the Audit Department are also used to check carefully for COCE violations.

In addition, in the fiscal year ended March 31, 2024, we began a comprehensive safety and compliance inspection of our major consolidated subsidiaries. As part of this, each company internally issues a relevant message from top management and makes known the existence of an internal reporting system. It also inspects whether the licenses and permits necessary for its operations have been acquired and whether the quality standards for its products and services are being met. The inspection is then subject to on-site, hands-on verification by Toyota Tsusho personnel including the executives with the relevant responsibility.

We also fully utilize the latest digital tools, such as IT and AI, to analyze a massive amount of data on expenses, sale and purchase accounting and financial statements, etc., and monitor for signs of improper conduct for purposes of early detection and prevention. The analysis results are also utilized in the aforementioned on-site inspection activities and internal audits.

If there is a concern about a possible COCE violation, the Compliance & Crisis Management Department, together with related departments such as the Legal Department and the Global Human Resources Department, thoroughly investigates the case and takes appropriate action based on the Incident Response Manual, acting under the supervision of the Board of Directors. To maintain our compliance-related initiatives at the highest level, we will continue to regularly evaluate and validate the current basic policies, the COCE, and the effectiveness of various compliance measures and improve them as needed.

The number of COCE violations in the Toyota Tsusho Group in Japan and overseas in the fiscal year ended March 31, 2024, was 47 (and 48 in the fiscal year ended March 2023). However, there were no violations seriously affecting our group's operation.

Corruption Prevention

Policy and Basic Concept

The Toyota Tsusho Group has declared a firm anti-corruption stance in its Global COCE, which makes the prohibition of corrupt acts and money laundering the basis of its anti-corruption policy.

Supervision by the Board of Directors

In the event of a COCE violation, the Compliance & Crisis Management Department, together with related departments such as the Legal Department and the Global Human Resources Department, thoroughly investigates the case and takes appropriate action based on the Incident Response Manual, acting under the supervision of the Board of Directors. Furthermore, the policy of our global compliance activities, including anti-corruption initiatives, and the status of activities and violations in the current fiscal year are reported to the Board of Directors and to the Integrated Risk Management Committee, which meets quarterly and is chaired by the CFO, who is also a board member.

Specific Initiatives

The Toyota Tsusho Group has established bribery prevention rules and implementation guidelines and is endeavoring to prevent bribery by ensuring that there are no breaches of the bribery regulations of any country, including the Foreign Corrupt Practices Act of the United States, the Bribery Act 2010 of the United Kingdom, and the Unfair Competition Prevention Act of Japan.

Training

The Laws & Ordinances Handbook for Executives and a compliance manual for employees, which are distributed to all executives and employees, respectively, also clearly state the prohibition of corrupt acts. To ensure thorough provision of information and full understanding, we provide an e-learning course that is mandatory for all executives and employees. Furthermore, we have created a training manual for managers that outlines the basic action to be taken to prevent corruption and are working to ensure thorough implementation of this basic action through training and other means.

Individual Response to COCE Violations

To handle emergencies, including COCE violations, the Toyota Tsusho Group has issued a notification outlining emergency response guidelines. In such situations, the Compliance & Crisis Management Department works with other relevant departments to take appropriate and timely action.

Examples of Detection of Corruption

In the fiscal year ended March 31, 2024, there were no corrupt acts detected in the Toyota Tsusho Group and thus no payment of associated fines or penalties.

Whistleblowing System

In November 2017, the whistleblowing system was expanded and extended from its previous form, in which reporting was only possible through internal reporting lines and external lawyers, by adding a dedicated external reporting line. The new line offers multilingual support (currently in more than 150 languages) and makes it easier for employees to report or consult on matters related to COCE violations, including all forms of corruption and human rights violations, by providing a global service with greater anonymity and confidentiality. To ensure independence from management, all whistleblowing incidents and the status of response are reported to Audit & Supervisory Board members (including outside auditors) and a system has been established that allows whistleblowers to report directly to Audit & Supervisory Board members (including outside auditors).

Activities to Raise Compliance Awareness

To ensure compliance with specific laws and regulations that must be observed in the day-to-day work of executives and employees, Toyota Tsusho offers various training courses and seminars. These include mandatory e-learning programs and compliance events held in conjunction with Japan's Business Ethics Month in October promoted by Keidanren (the Japan Business Federation). Such events allow us to review the status of regulatory compliance to ensure thorough observance of laws, regulations, and corporate ethics.

Tax Governance Policy

The basic policy of Toyota Tsusho and the Toyota Tsusho Group is, under the responsibility of the CFO, to follow the COCE, comply with the tax laws and regulations of individual countries, and thereby meet their global tax obligations.

We attach great importance to conducting all our business activities efficiently and appropriately and have developed our operations and built a global structure in line with our business objectives. We reject the use of tax havens for intentional tax evasion, observe the spirit of the law, and strive to comply with the laws, regulations, and tax conventions of individual countries, as well as with international taxation rules, by appropriately reporting income and paying taxes.

We work to build fair relationships with tax authorities in the regions in which we do business by appropriately disclosing information and engaging in constructive dialogue.

Under our basic policy, we strive to eliminate double taxation and appropriately utilize tax incentives to achieve appropriate tax costs.

WEB For information on specific compliance initiatives, see the "Compliance" section of our corporate website.
https://www.toyota-tsusho.com/english/sustainability/governance/compliance.html

Governance

P.127 Messages from Outside Members of the Board

P.129 Corporate Governance

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Message from Outside Members of the Board

Fostering value with stakeholders toward a sustainable future by contributing to TOYOTA TSUSHO agility and human resource development to "Be the Right ONE"

Didier Leroy
Outside Member of the Board

Profile: Joined Renault S.A. in 1982 and joined Toyota in 1998. He subsequently served as president of Toyota Motor Manufacturing France S.A.S., president of Toyota Motor Europe NV/SA, and executive vice president of Toyota Motor Corporation. He is presently chairman of Toyota Motor Europe NV/SA. He was appointed director of Toyota Tsusho Corporation in June 2018.

The last year was, again, impacted by multiple crises. Wars in different regions generated instability in the entire world. The visible impact of climate change caused anxiety. All these elements created enormous uncertainties. In this world, the business environment is very challenging, but, more than before, Toyota Tsusho can differentiate itself from its competitors, by providing not only good services, but also real solutions to our customers. It's the way to "Be the Right ONE" for our customers, business partners, and employees.

I am very honored to be an outside member of the Board of Toyota Tsusho. I deeply feel the importance and responsibilities of this position. I will leverage my experience in business reform and human resources development at Toyota Motor Corporation to challenge the management team, to help Toyota Tsusho always be more agile, and to create value with our stakeholders. I will strongly contribute to supporting the management team to ensure that the human resources development and environmental aspects are deeply considered in every project.

Our employees' motivation and commitment will be the key enablers to achieve greater growth for the company going forward. Strong leadership by management is essential to achieve this goal. More than ever, I would like to stress that with ENERGY, PASSION, and a FIGHTING SPIRIT, NOTHING is impossible.

Growing into a stronger TOYOTA TSUSHO Group in name and reality

Yukari Inoue
Outside Member of the Board

Profile: After joining Procter & Gamble in 1985, worked as marketing director of Procter & Gamble North America and later became representative director and president of Cadbury Japan K.K. (currently, Mondelēz Japan Limited). She is currently managing director, Japan, of Kellogg Japan G.K. She was appointed director of Toyota Tsusho Corporation in June 2020.

Toyota Tsusho achieved record earnings again during the fiscal year ended March 31, 2024, as part of its next new stage. I believe this is the result of the hard work of all employees from top to bottom to support customers as escort runners in their daily activities, and as both leaders and companions on the front lines. As a representative of our ordinary shareholders, I would like to thank everyone for their efforts. One reform with great significance for sustainable growth in this new stage was Toyota Tsusho's reorganization and renaming of its mission-oriented divisions. As they say, names and natures do often agree, so in the same way, I hope our corporate group continues to grow into a stronger organization in both name and reality.

Going forward, each division needs to refine its value and increase its competitive edge to realize the "Be the Right ONE" vision and remain the choice of customers. At the same time, each division also needs to actively collaborate with other divisions even more than ever to maximize the value that Toyota Tsusho as a whole provides its customers. Therefore, I think now is the time to reexamine whether we are optimizing the way we approach sales and optimizing our various structures such as the internal HR evaluation system.

I also think the group needs to solidify its expansion into future growth areas, including the circular economy, green energy, and the Global South, including Africa. I look forward to proposals for more proactive investment in things like strengthening the Toyota Tsusho brand and strengthening human capital.

The strength of Toyota Tsusho lies in the mix of expertise and diversity in our business portfolio and that, instead of just playing the middle-man, we also actually do the work as true trading company persons wearing true work clothes. In other words, each of our members is Toyota Tsusho.

As an outside member of the Board, I promise to do my best to improve corporate value by increasing opportunities to exchange opinions through conversations with each division, not just with other members of the Board of directors meeting, and actively visiting our various front lines.

Helping to realize the "Be the Right ONE" vision through further enhancement of companywide strategy

Chieko Matsuda
Outside Member of the Board

Profile: After working at Long-Term Credit Bank of Japan, Limited., spent time as a ratings analyst at Moody's Japan K.K., as a partner at Corporate Directions, Inc., and as a vice president and partner at Booz and Company. She has been professor in the Faculty of Economics and Business Administration and professor at the Graduate School of Management, at Tokyo Metropolitan University, since 2011. She has been a director of IHI Corporation since 2020. She was appointed director of Toyota Tsusho Corporation and director of Asahi Kasei Corporation in June 2023. She was also appointed director of Isetan Mitsukoshi Holdings Ltd. in June 2024.

Looking at the Toyota Tsusho Group's fiscal year ended March 31, 2024, I was impressed that we were able to achieve continued growth while aggressively pursuing success in difficult business areas. Of particular note region-wise were our business efforts in Africa and, business-wise, our efforts related to the circular economy. On the other hand, I felt that management control was unable to keep up with business growth and that there is still room for strengthening the role of the head office and improving the management literacy of business divisions in particular. As an outside member of the Board, I would like to contribute from the perspectives of companywide strategy and corporate group management. I would like to help enrich corporate functions to eliminate overburden, waste, and unevenness, as well as help enhance management capabilities within the business divisions. I recognize that I have an important duty to help improve corporate value while maintaining awareness of two perspectives in particular. They are companywide strategy enhancement in terms of business portfolio management and allocation of management resources to growth fields, and internal resource enhancement to control risks through risk management and group governance. This makes it essential that I understand the front lines of business, so I hope to become actively involved in observing and visiting each workplace.

I believe that the Toyota Tsusho Group enjoys a unique positioning and business model not found in other companies. The phrase "Be the Right ONE" demonstrates this fact quite accurately, so I hope to continue helping to realize this vision while advocating for stakeholders.

Supporting the TOYOTA TSUSHO Group to always aspire toward self-transformation and to build a foundation for robust decision-making

Goro Yamaguchi
Outside Member of the Board
New Appointment

Profile: Joined Kyoto Ceramic Co., Ltd. (now Kyocera Corporation) in 1978. He subsequently served in the same company as executive officer from 2003, senior executive officer from 2005, director and managing executive officer from 2009, and both president and representative director, and president and executive officer from 2013. He was appointed chairman of the Board and representative director of Kyocera Corporation, and outside director of KDDI Corporation, in 2017. He was appointed director of Toyota Tsusho Corporation in June 2024.

I joined Kyoto Ceramic Co., Ltd. (now Kyocera Corporation) in 1978, and I have been with the company for 46 years since then. Throughout my time there, I have been involved in the sale of semiconductor components. I have also overseen the entire management of the Kyocera Group, as president from 2013 and as chairman since 2017.

During this time, I learned and endeavored to master the Kyocera Philosophy as a practical philosophy created out of the real-life management experiences of Kyocera founder Kazuo Inamori. The essence of this philosophy is that, rather than weighing up the pros and cons of something when making a decision, such as by asking things like whether something suits the interests of the company or whether something is profitable, we should ask what is the right thing to do as a human being. I, myself, found that the more important the matters that I had to decide, the more I placed this philosophy at the heart of management as a map to our destination.

To lead the company in the right direction in turbulent times of increasing uncertainty, without making an error when steering management, we need to always aspire toward self-transformation and build a foundation for robust decision-making that is not affected by the surrounding environment. As an outside member of the Board, I would like to help uncover this unwavering foundation for decision-making as Toyota Tsusho leverages the strengths of its businesses and achieves further evolution into an essential presence for society and customers.

Corporate Governance

Basic Approach

As part of its fundamental philosophy, Toyota Tsusho Group declares as its corporate philosophy "Living and prospering together with people, society, and the planet, we aim to be a value-generating corporation that contributes to the creation of prosperous societies." As a good corporate citizen, the group has also established behavioral guidelines as a fundamental code of conduct for realizing this philosophy in a legally compliant and appropriate manner.

In keeping with its fundamental philosophy, the company has set forth the Basic Policies on Establishing Internal Control Systems to pass on and add depth to the Toyota Tsusho DNA, which articulates the unique values, beliefs, and principles of day-to-day conduct of the Toyota Tsusho Group, implementing value creation from a customer perspective, and fulfilling our social mission by establishing systems that ensure proper business processes are followed.

Reflecting these basic policies, the company is actively driving forward with efforts to further improve its management efficiency and transparency, ensure full-fledged compliance, and enhance the soundness of its financial position. Moreover, while we are in full compliance with the various principles of Japan's Corporate Governance Code, we also earnestly seek to achieve further enhancement to make the content of our actions more substantive, as well-rounded corporate governance is essential for continued corporate growth and a medium- to long-term increase in corporate value.

We believe that providing all our stakeholders with satisfactory added value and contributing to society through our businesses will accelerate the sustainable growth of the Toyota Tsusho Group and thereby lead to corporate value enhancement.

Corporate Governance Structure

Toyota Tsusho has adopted the system of a company with an Audit & Supervisory Board to ensure transparent and sound management and has also introduced an executive officer system to improve management efficiency and strengthen internal control.

The company carries out consolidated management based on a divisional organization that comprises eight sales divisions under the leadership of divisional chief executive officers (CEOs) supplemented by the Administrative Unit.

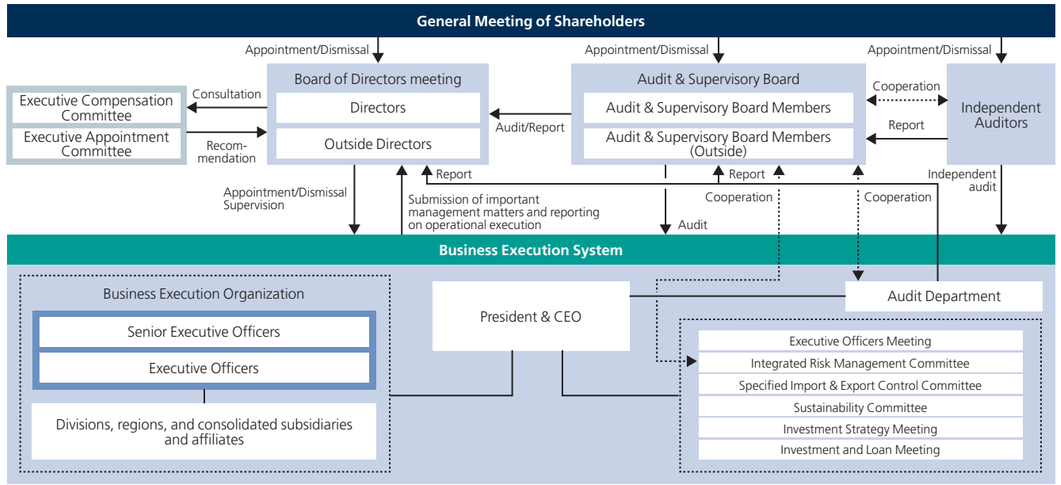
To enhance independence from the execution of the company's operations, a non-executive director serves as chairman of the board as well as chairperson of the Executive Compensation Committee and the Executive Appointment Committee. Members of the board includes three senior executive officers: the president & CEO, the chief strategy officer (CSO), and the chief financial officer (CFO). At least one-third of the members of the board are independent outside members to strengthen the soundness of management and the functioning and quality of the board, which makes decisions on top-priority management issues and monitors the execution of business. The four outside members of the board (outside directors) include an overseas national and a business entrepreneur, ensuring a continued high level of specialized knowledge, while the inclusion of two female members also contributes to enhancing its diversity.

The division CEOs and the heads of the various Administrative Unit functions are appointed from among the senior executive officers to enable fast-paced management that is in close contact with frontline operations. To boost expertise, we have established the positions of chief technology officer (CTO), chief strategy officer (CSO), chief financial officer (CFO), and chief human resources officer (CHRO), who bear ultimate responsibility for their respective functions. By reinforcing governance functions and clarifying roles and responsibilities, this facilitates the exercise of high levels of specialization and expedites decision-making.

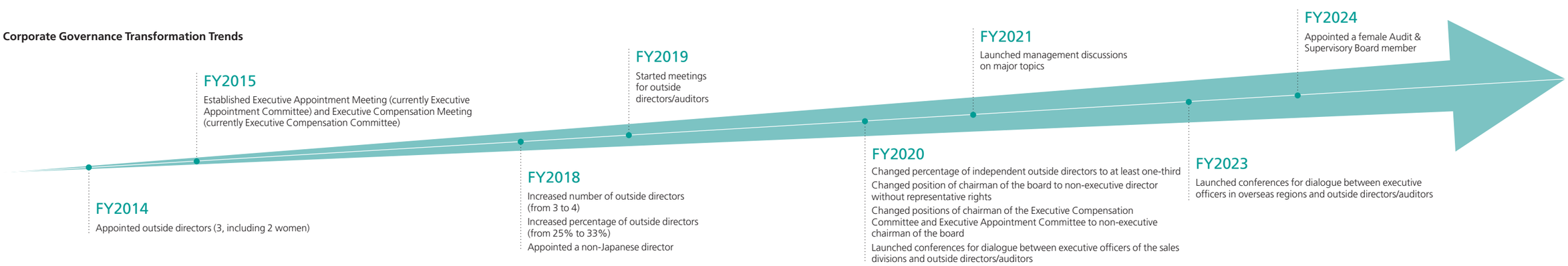
Summary of Corporate Governance Structure (As of June 21, 2024)

Organizational Format	Company with an Audit & Supervisory Board
Members of the Board Outside Members of the Board	8 4 (of which one is an overseas national and two are women) Note: Three are independent members
Chairman of the Board	Non-executive chairman of the Board
Audit & Supervisory Board Members Audit & Supervisory Board Members (Outside)	5 3 (including one woman) Note: All three are independent Audit & Supervisory Board members
Board of Directors Advisory Bodies	Executive Compensation Committee / Executive Appointment Committee Note: Both are chaired by the non-executive chairman of the board and have five members: Three independent outside members of the board and two internal members of the board
Bodies for Reinforcing Supervisory Functions	Conference for dialogue among executive officers of the sales divisions, overseas regions, and outside directors/auditors Outside directors/auditors meeting for outside members of the board and the Audit & Supervisory Board Management discussions on major topics by all members of the board

Corporate Governance Structure Organizational Chart (As of June 2024)



Corporate Governance Transformation Trends



Corporate Governance

Board of Directors meeting

The Board of Directors meeting, which comprises eight members, including four outside members, makes decisions on top-priority management issues and monitors the execution of business. Furthermore, the Board of Directors periodically receives reports from division CEOs on the status of the execution of business by the sales divisions, which it monitors. The company has submitted notification that three of the four outside members of the board satisfy the criteria for independence as specified by Japanese stock exchanges. Moreover, the independence of the Board of Directors meeting is enhanced by having a non-executive director serve as chairman. Members of the board are appointed for a one-year term, and the Board of Directors meeting in principle meets once a month.

Main Agenda Items for the Board of Directors Meeting in the Fiscal Year Ended March 31, 2024

Topic	Main resolutions and reports	
Management strategy	• Management mission statement • Feedback from management discussions on major topics • Shareholder returns policy	• Mid-term Business Plan and profit plan for the fiscal year • Promotion of sustainability • Organization and structure of divisions, SBUs, and departments
Corporate governance	• Evaluation of the effectiveness of the Board of Directors meeting • Executive appointments and compensation • Integrated risk management • Board of Directors meeting annual agenda plan	• Progress report on matters raised by the Audit & Supervisory Board • Verification of the significance of cross-shareholdings • Audit reports by Audit & Supervisory Board members and the Audit Department • Report on IR activities
Supervision of business execution	• Approval-related matters and profit plan progress • Competing transactions and conflicting interest transactions	• Reports on status of compliance • Status of investments • Matters relating to Basic Policies on Establishing Internal Control Systems • Reports on safety
Investments and loans	• Investments and loans above a certain size, including those related to the battery business	
Others	• Overhaul of safety and compliance • Revision of main rules	• Agenda items for the General Meeting of Shareholders

Executive Appointment Committee and Executive Compensation Committee

Toyota Tsusho has established the Executive Appointment Committee and the Executive Compensation Committee as advisory bodies to the Board of Directors meeting. Both committees are chaired by the chairman of the board, who does not hold representative rights and has no involvement in operational execution. Each committee comprises five members—three independent outside members of the board and two internal members of the board. The majority of each committee being made up of independent outside members of the board enhances the objectivity and transparency of each committee.

The Executive Appointment Committee deliberates on the appointment and dismissal of members of the board and, Audit & Supervisory Board members and senior executive officers. It also discusses proposed executive personnel plans, as well as the formulation and operation of CEO successor development plans and other important matters related to executive appointments.

The Executive Compensation Committee deliberates on the policy for determining the details of compensation for each member of the board, the compensation system, compensation proposals to be submitted to the General Meeting of Shareholders, and other important matters concerning the compensation of members of the board and Audit & Supervisory Board members.

Three meetings of the Executive Appointment Committee and one meeting of the Executive Compensation Committee were held during the fiscal year ended March 31, 2024.

As of June 21, 2024, both committees comprise the following members:

- Nobuhiko Murakami (Committee Chairman/Chairman of the board)
- Ichiro Kashitani (President & CEO)
- Yukari Inoue (Outside member of the board)
- Chieko Matsuda (Outside member of the board)
- Goro Yamaguchi (Outside member of the board)

Initiatives for Enhancing Supervisory Functions

The company has established a support framework so that outside directors can participate in board discussions and satisfactorily fulfill their management advisory and supervisory functions. The Board of Directors Meeting Secretariat sends out board of directors meeting materials in advance and holds advance briefings with departments proposing agenda items so that outside directors have a firm understanding of business details.

For the main matters discussed at board of directors meetings, on-site observations for the outside directors/auditors are arranged to further improve their understanding of the Company. In addition to site visits in Japan, such observations during the fiscal year ended March 31, 2024, included a visit to CFAO, the regional headquarters for Africa, and visits to African operations, including supermarkets in Cote d'Ivoire. Observations were also conducted at a battery manufacturing plant in the United States, a lithium mining site and a lithium carbonate refining plant located about 4,000 meters above sea level near the Olaroz salt lake in Argentina.

The following meetings are also held to deepen the understanding of the respective business by outside directors/auditors and to receive advice from external perspectives:

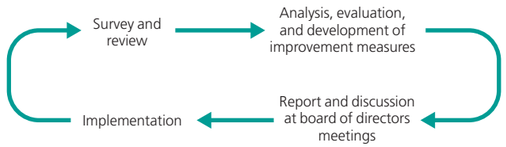
Conference for dialogue between executive officers of sales divisions / overseas regions and outside directors/auditors	Executive officers from each sales division and overseas region report to outside directors/auditors on the state of business, issues faced, and other matters, and all parties participate in dialogue. The conferences were expanded to include the overseas regions from the fiscal year ended March 31, 2024. Nine conferences were held in the fiscal year ended March 31, 2024.
Outside directors/ auditors meeting for outside members of the board and Audit & Supervisory Board	Meetings are held so that outside directors/auditors can freely and openly exchange opinions among themselves. Two meetings were held in the fiscal year ended March 31, 2024.
Management discussions on major topics	In addition to members of the board and Audit & Supervisory Board members, discussions include executive vice presidents and relevant senior executive officers and executive officers. Participants freely and openly exchange opinions on major management issues, with the results being reflected in the Mid-term Business Plan. Topics covered during the fiscal year ended March 31, 2024: (1) Restructuring of the organization (2) Toyota Tsusho DNA Succession and Evolution Project (3) Keynote speech by an outside member of the board

Evaluating the Effectiveness of the Board of Directors Meeting

Evaluation Overview

Toyota Tsusho evaluates the effectiveness of the Board of Directors meeting annually to continue to maintain and improve the effectiveness of its corporate governance.

Effectiveness Evaluation Process



Evaluation Implementation Overview

Respondents	All eight members of the board and all five Audit & Supervisory Board members
Priority Topic	Further improvement of the effectiveness of the board of directors meetings
Evaluation items	1) Board of Directors meeting composition 2) Board of Directors meeting operation 3) Board of Directors meeting agenda and deliberation processes 4) Board of Directors meeting support system 5) Member of the board and Audit & Supervisory Board member evaluation

Effectiveness Evaluation Results

Questionnaire responses were generally positive across all of the matters evaluated, confirming the effectiveness of the Board of Directors meeting.

Main Initiatives in the Fiscal Year Ended March 31, 2024, Taking into Account Issues in the Fiscal Year Ended March 31, 2023

Issues to Address	Major Initiatives
Provision of further opportunities for on-site observations by outside directors/auditors	Holding Board of Directors meetings outside the company also serving as site visits and conducting site visits to key locations on a planned basis
Expansion of conferences for dialogue between sales divisions and outside directors/auditors	Expansion of conference topics to include consultation on businesses facing issues Holding of new conferences for dialogue between outside directors/auditors and executive officers from each overseas region* * North America, East Asia, and Asia & Oceania (conference for Europe to be held during the fiscal year ending March 31, 2025)
Review of monetary value criteria for submissions to the Board of Directors meeting	Review the monetary value criteria for submissions to the Board of Directors meeting and raise the qualifying value in line with the expansion of the company's business
Progress report of matters raised by the Audit & Supervisory Board	Report on progress on matters raised by the Audit & Supervisory Board at Board of Directors meetings

Issues Identified During in the Fiscal Year Ended March 31, 2024, and Proposed Responses for Implementation During in the Fiscal Year Ended March 31, 2025

Issues to Address	Proposed Responses
Enhancement of reporting and discussion related to major risks	Discussion on risks to management through management discussions on major topics
Expansion of reporting scope and discussion related to human capital	Expansion of the scope of reporting on human capital management at Board of Directors meetings
Reporting on progress of reforms resulting from organizational restructuring and provision of information related to business outlooks	Reporting on the overall direction and other aspects of the new organizational structure at conferences for dialogue between sales divisions and outside directors/auditors
Expansion of information sharing related to IR activities	Enhancement of information sharing related to IR activities, including investor opinions obtained through IR activities

France: Visit to CFAO, the regional headquarters for Africa

Argentina: Observation of a lithium carbonate refining plant

Corporate Governance

Skill Matrix

Toyota Tsusho will pursue its "Be the Right ONE" vision to shape the future as it advances to its next new stage. By doing so it aims to create distinctive forms of value that contribute to society and protect the environment and thereby establish business domains linked to its unique strengths. Toward this goal, the Board of Directors meeting has established a skill matrix covering the expertise required of members of the Board and Audit & Supervisory Board members to enable the Board of Directors meeting to make decisions and supervise management appropriately.

The capabilities and experience of board and Audit & Supervisory Board members are as below.

In addition to their expertise and wealth of experience, the Board of Directors meeting boasts a diverse composition in terms of gender, nationality, and other attributes, providing a structure that can flexibly adapt to various changes in the business environment.

Required skills	Reasons for skill selection
Business management	Experience in corporate management is required to make proper management decisions for the sustainable growth of corporate value amid rapid changes in the business environment.
Global	The Toyota Tsusho Group operates in more than 130 countries and regions. Consequently, extensive experience of job postings in other countries and knowledge and experience of the lifestyle, culture, business climate, and other aspects of other countries are required.
Sales/Marketing	The Toyota Tsusho Group must accurately identify and meet a broad range of customer needs as a trading company handling many types of products. This requires sales and marketing expertise along with a thorough understanding of numerous markets.
Finance/Accounting	Knowledge and experience involving finance and accounting are required for making strategic investments for sustained growth and other goals while using capital more efficiently and preserving financial soundness.
Legal/Risk management	Expertise and experience related to legal affairs and risk management are required to maintain corporate governance for sustainable growth and the long-term growth of corporate value and to establish a risk management framework to support business operations, including activities in emerging countries in Africa and other regions.
Technology/Digital	Knowledge and experience related to new technologies and services, including IT and DX, are required to respond to advances in technology, especially in the field of mobility.
ESG	Sustainability is an integral component of management at the Toyota Tsusho Group. Knowledge and experience related to addressing ESG issues are required to achieve the sustainable growth of corporate value from a long-term perspective.

		Name	Capabilities and experience of the members of the Board and Audit & Supervisory Board members						
			Business management	Global	Sales/ Marketing	Finance/ Accounting	Legal/Risk management	Technology/ Digital	ESG
Members of the Board	Internal	Nobuhiko Murakami	○	○	○				○
		Ichiro Kashitani	○	○	○				○
		Hiroshi Tominaga	○	○		○		○	○
		Hideyuki Iwamoto	○	○		○	○		○
	Outside	Didier Leroy	○	○	○				○
		Yukari Inoue	○	○	○				○
		Chieko Matsuda	○	○		○	○		○
		Goro Yamaguchi	○	○	○			○	○
Audit & Supervisory Board members	Internal	Kazumasa Miyazaki		○		○			○
		Kentaro Hayashi		○		○	○		○
	Outside	Tsutomu Takahashi		○		○			○
		Seishi Tanoue		○			○		○
		Rikako Beppu		○			○		○

Reasons for Appointment of outside members of the Board and Audit & Supervisory Board Members (outside) and Meeting Attendance

	Name/Reason for appointment	Concurrent positions	Frequency of attendance in the Fiscal Year Ended March 31, 2024
Outside Members of the Board	**Didier Leroy** Served as an officer for Toyota Motor Corporation and its affiliates and thus has abundant management experience and advanced expertise in global management, particularly in the automobile industry. His appointment as an outside member of the board is maintained with the expectation that he will apply this experience and expertise to provide advice on all aspects of company business and management and to supervise the execution of duties by directors.	Chairman, Toyota Motor Europe NV/SA	Board of Directors meetings 13/13
	Yukari Inoue Served as Vice president & managing director Japan, Korea, Taiwan & Hong Kong, Kellogg AMEA and as an officer of global companies and thus has abundant management experience and advanced expertise in global management, particularly in the field of consumer-oriented business. Her appointment as an outside member of the board is maintained with the expectation that she will apply this experience and expertise to provide advice on all aspects of company business and management and to supervise the execution of duties by directors.	Vice president & managing director Japan, Korea, Taiwan & Hong Kong, Kellogg AMEA	Board of Directors meetings 13/13
	Chieko Matsuda Has experience working at a bank and credit rating agency, in the field of research, and as an outside director of an operating company. This has given her abundant experience and advanced expertise in corporate management, finance, and corporate governance in particular. Her appointment as an outside member of the board is maintained with the expectation that she will apply this experience and expertise to provide advice on all aspects of company business and management and to supervise the execution of duties by directors.	Professor, Faculty of Economics and Business Administration, Tokyo Metropolitan University Professor, Graduate School of Management, Tokyo Metropolitan University Outside director, IHI Corporation Outside director, Asahi Kasei Corporation Outside director, Isetan Mitsukoshi Holdings Ltd.	Board of Directors meetings 9/10*1
	Goro Yamaguchi Served as president and representative director and chairman of the board of Kyocera Corporation, a major manufacturer of electronic components and devices, and thus has abundant management experience and advanced expertise in global management, particularly in the field of electronics. He is newly appointed as an outside member of the board with the expectation that he will apply this experience and expertise to provide advice on all aspects of company business and management and to supervise the execution of duties by directors.	Chairman of the board and representative director, Kyocera Corporation Outside director, KDDI Corporation	—*2
Audit & Supervisory Board Members (Outside)	**Tsutomu Takahashi** Worked as a certified public accountant for many years and served in key positions at KPMG AZSA LLC and thus has abundant experience and advanced expertise in corporate accounting, auditing, and compliance. His appointment as an Audit & Supervisory Board member (outside) is maintained with the expectation that he will apply this experience and expertise to appropriately audit the execution of duties by directors from an independent and neutral standpoint.	Outside Corporate Auditor, SKY Perfect JSAT Holdings Inc. Member of the Board of Directors (Outside Director) (Audit & Supervisory Committee Member), Mizuho Trust & Banking Co., Ltd.	Board of Directors meetings 12/13 Audit & Supervisory Board meetings 13/14
	Seishi Tanoue Served at Toppan Inc. (currently TOPPAN Holdings Inc.) as the president of its U.S. subsidiary, as its Management Audit Office manager, and as a member of its Audit & Supervisory Board and thus has abundant experience and advanced knowledge of corporate management and supervision of a global company. His appointment as an Audit & Supervisory Board member (outside) is maintained with the expectation that he will apply this experience and expertise to appropriately audit the execution of duties by directors from an independent and neutral standpoint.	—	Board of Directors meetings 13/13 Audit & Supervisory Board meetings 14/14
	Rikako Beppu*3 Has worked as an attorney-at-law in Japan and overseas for many years and thus has abundant experience and advanced knowledge, particularly in the fields of international business transactions and M&A activities. She is newly appointed as an Audit & Supervisory Board member (outside) with the expectation that she will apply this experience and expertise to appropriately audit the execution of duties by directors from an independent and neutral standpoint.	Partner, Squire Patton Boggs Outside director, Mitsubishi Materials Corporation	—*4

*1. Chieko Matsuda assumed office on June 23, 2023 (the date of the 102nd Ordinary General Meeting of Shareholders). Therefore, the number of Board of Directors meetings attended differs from that of other directors.
*2. Goro Yamaguchi assumed office on June 21, 2024 (the date of the 103rd Ordinary General Meeting of Shareholders).
*3. The registered name of Rikako Beppu is Rikako Okiura.
*4. Rikako Beppu assumed office on June 21, 2024 (the date of the 103rd Ordinary General Meeting of Shareholders).

Corporate Governance

Audit & Supervisory Board

The Audit & Supervisory Board, which comprises five members (three of whom are independent outside Audit & Supervisory Board members), provides a checking function from an external viewpoint. All Audit & Supervisory Board members regularly exchange opinions with board members, including outside members of the board, executive officers, and an independent auditor, as well as with the Audit Department and other entities. In this way, Audit & Supervisory Board members strive to ensure the legality, appropriateness, and efficiency of business execution. The Audit & Supervisory Board meets in principle once a month. Audits conducted by Audit & Supervisory Board members are carried out per the audit policies and plans approved by the Audit & Supervisory Board and reported to the Board of Directors meeting. Audit & Supervisory Board members implement audits on the execution of duties by members of the board, emphasizing internal control with a particular focus on compliance and risk management. An audit is also conducted regarding the appropriateness of the results of the inspection by the independent auditor. Dedicated staff members are assigned to assist with the duties of Audit & Supervisory Board members, including outside auditors.

Details of the Decision on the Amount and the Calculation Method of Compensation and Other Remuneration for Members of the Board and the Decision Method

Decision Policy and Decision Process

Compensation for members of the Board of Toyota Tsusho shall consist of (i) fixed remuneration as basic compensation; and performance-linked compensation in the form of (ii) bonuses (short-term incentive) and (iii) transfer-restricted stock compensation (medium- to long-term incentive). The ratio of fixed remuneration to performance-linked compensation is determined with a target ratio of 50:50. For performance-linked compensation, the ratio of bonuses to transfer-restricted stock compensation is set at 70:30. As the members of the board are responsible for the final profit (including temporary and incidental gains as well as losses) of all Toyota Tsusho Group companies, the amount of performance-linked compensation paid in each fiscal year for each position shall be determined based on the indicator of the previous fiscal year's consolidated profit for the year attributable to owners of the parent. However, outside members of the board are independent of operational management and are therefore paid fixed remuneration only and do not receive bonuses or transfer-restricted stock compensation. Audit & Supervisory Board members are also paid fixed remuneration only as they are independent to be able to carry out audits appropriately.

As an advisory body to the Board of Directors meeting, Toyota Tsusho has established the Executive Compensation Committee, the majority of whose members are independent outside members of the board. The committee is chaired by the chairman of the board, who has no representative rights and is not involved in operational execution. The Executive Compensation Committee shall deliberate on the policy for determining the details of compensation for each board member (hereinafter, "the policy"), the compensation system, compensation proposals to be submitted to the General Meeting of Shareholders, and other important matters concerning compensation.

The Board of Directors meeting shall determine the policy, the proposal on compensation (bonuses for members of the board) to be presented to the General Meeting of Shareholders, and the compensation for each board member related in the form of transfer-restricted stock compensation, taking into account the result of such deliberations. In the interest of flexibility and agility in determining the amount of compensation for each board member in the form of fixed remuneration and bonuses, the Board of Directors meeting shall entrust the decision to the president & CEO. The president & CEO shall determine the amount of compensation for each individual according to the policy, taking into account opinions gathered during interviews with each member of the Executive Compensation Committee. The Board of Directors meeting deems that the compensation and other remuneration of each member of the Board for the current fiscal year is in line with the relevant decision policy, having confirmed that it is consistent with the policy determined by the Board of Directors meeting and that the findings of the Executive Compensation Committee have been given due regard.

Method of Deciding on Compensation

[i] Fixed remuneration

Fixed remuneration shall be monthly compensation and shall be set at an appropriate level referring to the remuneration data of other companies in the industry and taking into consideration the position and responsibilities of each director.

[ii] Bonuses

For each fiscal year, the amount of bonuses to be paid to each individual shall be determined by performing an appropriate adjustment on 70% of the total amount of the specified position-specific performance-linked compensation based on the level of achievement in the duties and operations for which the individual is responsible.

[iii] Transfer-restricted stock compensation

For each fiscal year, the amount of transfer-restricted stock compensation to be paid to each individual shall be determined by appropriately adjusting 30% of the total amount of the specified position-specific performance-linked compensation based on the level of achievement in the duties and operations for which the individual is responsible.

However, in cases in which it is not appropriate to grant transfer-restricted stock compensation to an eligible board member, the full amount of the performance-linked compensation for the relevant board member shall be paid as a bonus.

The transfer restrictions on transfer-restricted stock compensation are lifted on the day on which the board member resigns from the company. The compensation provided to members of the board to grant transfer-restricted stock will be in the form of a monetary claim, calculated within a limit separate from the aforementioned fixed remuneration and bonuses, the total value of which will be not more than 200 million yen a year. The class of stock to be allocated will be common shares (for which a transfer restriction is imposed in the allocation agreement) and the total number of shares issued or disposed of will be not more than 200,000 shares a year (as resolved by the Ordinary General Meeting of Shareholders held on June 23, 2020).

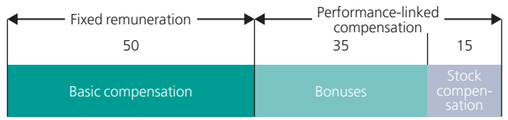
The specific allocation to individual members of the board and the timing thereof will be determined by the Board of Directors meeting based on the deliberations of the Executive Compensation Committee.

Amount of Compensation and Other Remuneration for Each Executive Category, Total Amount per Type of Compensation, and Number of Eligible Officers (As of March 31, 2024)

Executive category	Total amount of compensation and other remuneration (Millions of yen)	Total amount per type of compensation (Millions of yen)			Number of eligible officers
		Fixed remuneration	Performance-linked compensation		
			Bonuses	Transfer-restricted stock compensation	
Members of the Board / (Outside members of the board)	530 (57)	260 (57)	190 (—)	79 (—)	9 (5)
Audit & Supervisory Board members (Audit & Supervisory Board members (Outside))	126 (43)	126 (43)	— (—)	— (—)	5 (3)
Total(Outside officers)	657 (100)	387 (100)	190 (—)	79 (—)	14 (8)

1. No directors are serving concurrently as employees.
2. The above includes one outside member of the board who retired at the close of the 102nd Ordinary General Meeting of Shareholders held on June 23, 2023.
3. Per a resolution at the 99th Ordinary General Meeting of Shareholders held on June 23, 2020, 1) the maximum amount of fixed remuneration for members of the board is 600 million yen per year (including 90 million yen per year for outside members of the board), and 2) the stock compensation limit is 200 million yen per year (the total number of shares allotted is not more than 200,000 shares per year). As of the close of the General Meeting of Shareholders, there were eight members of the board (including four outside members of the Board) affected by 1) above and four members of the Board (excluding outside members of the Board) affected by 2) above.
4. The remuneration limit for the Audit & Supervisory Board members was resolved at the 93rd Ordinary General Meeting of Shareholders held on June 20, 2014, to be 16 million yen a month. As of the close of the General Meeting of Shareholders, there were five Audit & Supervisory Board members including three Audit & Supervisory Board members (outside) affected by the resolution.
5. Total remuneration includes bonuses totaling 190 million yen, approved at the 103rd Ordinary General Meeting of Shareholders held on June 21, 2024, to be paid to four members of the board.
6. The bonus and stock compensation portions of the above compensation and other remuneration are dependent on the performance indicator of the previous fiscal year's consolidated profit for the year attributable to owners of the parent, which was 331.4 billion yen.
7. The above stock compensation is a provisional reference value representing the amount envisaged to be granted as a monetary claim to be used as payment in exchange for the transfer-restricted stock, which is the stock compensation for the current fiscal year.
8. Ichiro Kashitani, president & CEO of the company, will be entrusted with determining the fixed remuneration and bonuses for the current fiscal year for each board member based on a resolution of the Board of Directors. Please refer to "Decision policy and decision process" above for the details and reasons for thus entrusting the decision.

Compensations Model for Each Director



Policy for Investments in Stock (As of March 31, 2024)

Policy on Strategic Cross-holding of Stocks

• Policy on strategic cross-holding of stocks

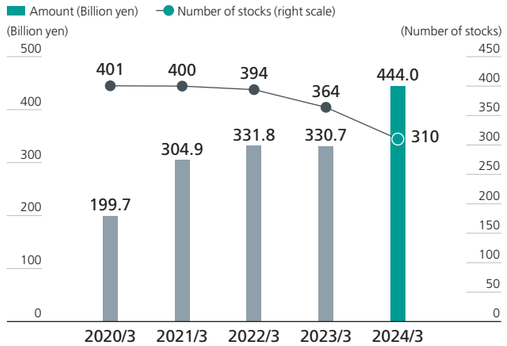
Maintaining and strengthening business and collaborative relationships with a variety of companies is necessary for the sustainable enhancement of corporate value. Toyota Tsusho owns on a limited and strategic basis the stock of important suppliers and other partners where it believes that the ownership of this stock is beneficial and important from a medium- to long-term perspective (strategic shareholding). Once every year, the Board of Directors receives a report on the results of a review of stock holdings to decide whether stock should be retained. Holdings are reduced where continued ownership is not beneficial.

The number of stocks held during the fiscal year ended March 31, 2024, was reduced by 59, not including nine stocks partially disposed of or otherwise reduced. (Book value of stocks held during the fiscal year ended March 31, 2023: 39.3 billion yen.)

• Examination of justification of stock shareholdings

Toyota Tsusho uses an indicator of its own, which is based on the cost of capital, to comprehensively assess stock holdings. The assessment covers profitability, the building, preserving, and reinforcing of business relationships, contribution to and cooperation with regional and social progress, and other considerations. This process is used to decide whether the stock should be retained and to reexamine the number of shares held. As needed, constructive dialogue takes place with the partner company from the standpoint of preserving and increasing corporate value and achieving sustainable growth. Such dialogue facilitates the sharing of information on management issues and the implementation of improvements.

Strategic Cross-shareholdings



	2020/3	2021/3	2022/3	2023/3	2024/3
Number of stocks	401	400	394	364	310
Book value (Billion yen) (a)	199.7	304.9	331.8	330.7	444.0
Consolidated capital (Billion yen) (b)	1,372.4	1,658.0	1,942.8	2,068.5	2,620.1
Ratio (a / b)	14.6%	18.4%	17.1%	16.0%	16.9%

Management Structure

Members of the Board

* Representative Directors

Nobuhiko Murakami
Chairman of the Board

Ichiro Kashitani
Member of the Board*, President & CEO

Hiroshi Tominaga
Member of the Board*

Hideyuki Iwamoto
Member of the Board*

Didier Leroy
Outside Member of the Board

Yukari Inoue
Outside Member of the Board

Chieko Matsuda
Outside Member of the Board

Goro Yamaguchi
Outside Member of the Board

Audit & Supervisory Board Members

Kazumasa Miyazaki
Audit & Supervisory Board Member

Kentaro Hayashi
Audit & Supervisory Board Member

Tsutomu Takahashi
Audit & Supervisory Board Member (Outside)

Seishi Tanoue
Audit & Supervisory Board Member (Outside)

Rikako Beppu
Audit & Supervisory Board Member (Outside)

Senior Executive Officers

Ichiro Kashitani
President & CEO

Toshimitsu Imai
Executive Vice President, CTO, CEO for Europe Region
Assistant to President, Chief Officer Responsible for Tokyo Head Office, Chief Officer Responsible for Global Strategy and Management, Europe Region

Tatsuya Watanuki
Executive Vice President, CEO for Lifestyle Division
Assistant to President, Chief Officer Responsible for Japan Regional Strategy & Coordination

Hiroshi Tominaga
CSO, CEO for Emerging Regions (Central & South America)
Officer Responsible for Tokyo Head Office, Officer Responsible for Japan Regional Strategy & Coordination, Officer Responsible for Global Strategy and Management, Emerging Regions (Central & South America)

Hideyuki Iwamoto
CFO

Akihiro Sago
CEO for Circular Economy Division

Richard Bielle
CEO for Africa Division, CEO for Africa Region
Africa Region, President of CFAO

Jun Eyama
CEO for Supply Chain Division

Naoyuki Hata
CEO for North America Region
North America Region, President of Toyota Tsusho America, Inc.

Shigeki Maeda
CEO for Asia Pacific Region
Asia Pacific Region, President of Toyota Tsusho (Thailand) Co., Ltd., President of Toyota Tsusho Thai Holdings Co., Ltd.

Kosuke Kunihiro
CEO for Green Infrastructure Division, CEO for Emerging Regions (Middle East & Central Asia)
Emerging Regions (Middle East & Central Asia)

Shigeru Harada
CEO for Mobility Division
Multi Brands SBU

Akio Hamada
CEO for East Asia Region East Asia Region
Representative of East Asia Region President of Toyota Tsusho (China) Co., Ltd.

Makiko Hamase
CHRO

Takashi Hirobe
CEO for Metal+ (Plus) Division
Mobility Material Solutions SBU

Eiji Matsuzaki
CEO for Digital Solutions Division
ICT Solutions SBU

Executive Officers

Yasuhiro Kakihara
COO for Digital Solutions Division, Company President
Device & Software Solutions SBU, President of NEXTY Electronics Corporation

Haruyuki Hattori
Regional Officer for North America Region
North America Region, Senior Vice President of Toyota Tsusho America, Inc.

Yuichi Kanazawa
COO for Supply Chain Division
Global Parts SBU

Masaharu Katayama
COO for Circular Economy Division
Resources Development SBU, Resources Recycling SBU

Kohei Okada
Deputy CSO, COO for Africa Division, Regional Officer for Africa Region
Africa Region

Hiroshi Yonenaga
Regional Officer for Emerging Regions (Middle East & Central Asia)
Emerging Regions (Middle East & Central Asia)

Kazuyuki Urata
COO for Circular Economy Division
E-Mobility Supply Chain SBU

Hiroki Nakayama
Regional Officer for Asia Pacific Region, Company President
Asia Pacific Region, President of P.T. Toyota Tsusho Indonesia

Koji Minami
COO for Lifestyle Division
Food & Agribusiness SBU

Futoshi Horisaki
COO for Supply Chain Division
Parts & Accessories SBU

Kazunori Sato
COO for Circular Economy Division
Sustainable Materials SBU

Toshiyuki Azeo
COO for Lifestyle Division
Wellness SBU

Jun Karato
Deputy CTO

Hiromasa Ishii
Regional Officer for Europe Region, Company President
Europe Region, President of Toyota Tsusho Europe S.A., President of Toyota Tsusho U.K. Ltd.

Tatsuya Hirata
COO for Africa Division, Regional Officer for Africa Region
Infrastructure SBU, Healthcare SBU, Consumer SBU, Africa Region, Deputy CEO of CFAO

Masato Ozaki
COO for Circular Economy Division, Company President
President of Toyotsu Chemiplas Corporation

Nobuaki Yahiro
Regional Officer for Asia Pacific Region, Company President
Asia Pacific Region, President of Toyota Tsusho India Private Ltd.

Takuro Akasaka
COO for Mobility Division
Toyota SBU, Value Chain SBU

Shinichiro Otsuka
COO for Africa Division, Regional Officer for Africa Region
Mobility SBU, Africa Region

Shigeharu Kato
Regional Officer for Emerging Regions (Central & South America), Company President
Emerging Regions (Central & South America), President of Toyota Tsusho DE Venezuela, C.A., President of C.I. Toyota Tsusho de Colombia S.A., Chairman & CEO of NovaAgri

Hiroshi Yanagisawa
COO for Metal+ (Plus) Division
Metal Solutions SBU

Yuko Kondo
Deputy CFO

Yasushi Aida
Deputy CFO

Shigeo Obata
Deputy CSO

Yuji Makino
COO for Green Infrastructure Division
Machinery & Infrastructure SBU, Branch Manager of Toyota Branch

Akihiro Endo
COO for Supply Chain Division
Logistics & Module SBU

Toshiyuki Ishikuro
COO for Green Infrastructure Division
Green Energy SBU

James Blyth
Regional Officer for North America Region
North America Region, Senior Vice President of Toyota Tsusho America, Inc.

Zhao Junmin
Regional Officer for Asia Pacific Region, Company President
Asia Pacific Region, President of Toyota Tsusho Asia Pacific Pte. Ltd.

CEO: Chief Executive Officer
CTO: Chief Technology Officer
CSO: Chief Strategy Officer
CFO: Chief Financial Officer
CHRO: Chief Human Resources Officer
COO: Chief Operating Officer

Data Section

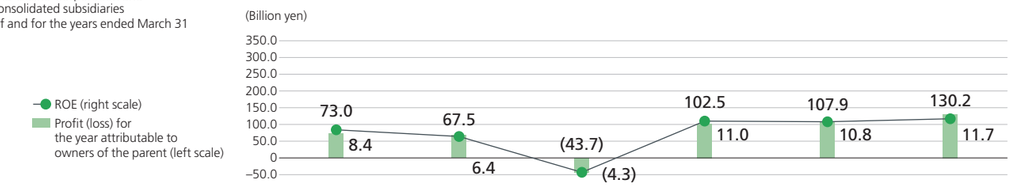
P.141 Financial Summary

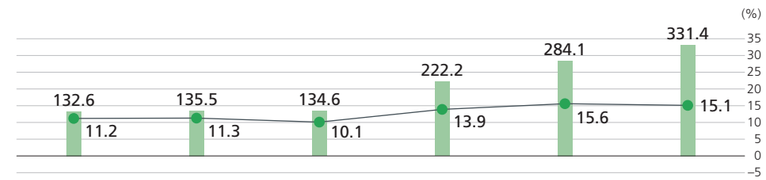
P.143 Organizational Chart

P.144 Corporate Data

Financial Summary

Toyota Tsusho Corporation and
its consolidated subsidiaries
As of and for the years ended March 31





¥151.41=U.S.$1

	Japanese GAAP (Millions of Yen)				IFRS (Millions of Yen)		Millions of Yen						Thousands of U.S. Dollars
	2014/3	2015/3	2016/3	2017/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	**2024/3**	**2024/3**
Results of Operations:													
Revenue*1	¥7,743,237	¥8,663,460	¥8,170,237	¥7,919,663	¥5,797,362	¥6,491,035	¥6,762,702	¥6,694,071	¥6,309,303	¥8,028,000	¥9,848,560	**¥10,188,980**	**$67,293,970**
Gross profit	582,498	634,572	616,042	578,887	570,872	606,282	638,428	639,885	607,626	759,237	968,846	**1,052,374**	**6,950,492**
Selling, general and administrative expenses	421,177	465,115	475,742	432,231	411,235	414,042	420,657	430,164	400,086	450,294	532,724	**583,702**	**3,855,108**
Operating profit*1	161,321	169,456	140,299	146,656	133,669	182,696	215,197	210,370	213,058	294,141	388,753	**441,589**	**2,916,511**
Share of profit (loss) of investments accounted for using the equity method	13,783	4,060	(5,676)	10,254	10,476	11,368	4,336	(2,489)	7,523	20,686	37,205	**25,849**	**170,721**
Profit (loss) for the year attributable to owners of the parent*1	73,034	67,571	(43,714)	102,597	107,903	130,228	132,622	135,551	134,602	222,235	284,155	**331,444**	**2,189,049**
Financial Position at Year-End:													
Total assets*1	¥4,072,728	¥4,533,693	¥3,952,100	¥4,096,843	¥4,212,064	¥4,310,043	¥4,441,464	¥4,545,210	¥5,228,004	¥6,143,125	¥6,377,064	**¥7,059,994**	**$46,628,320**
Total equity attributable to owners of the parent*1	973,112	1,125,639	888,674	983,242	1,050,619	1,174,718	1,195,826	1,196,635	1,469,657	1,735,011	1,914,327	**2,467,130**	**16,294,366**
Total equity*1	1,156,080	1,304,483	1,055,777	1,151,969	1,223,513	1,362,187	1,389,616	1,372,491	1,658,015	1,942,860	2,068,529	**2,620,110**	**17,304,735**
Net interest-bearing debt	1,088,974	1,233,559	1,102,786	1,050,229	1,101,974	1,006,990	988,475	1,032,494	993,462	1,238,296	1,298,309	**1,172,224**	**7,742,051**
Cash Flows:													
Net cash provided by operating activities	¥133,937	¥169,100	¥308,338	¥193,769	¥159,770	¥215,098	¥210,796	¥267,809	¥245,055	¥50,137	¥444,290	**¥542,125**	**$3,580,509**
Net cash used in investing activities	(135,587)	(199,512)	(170,839)	(130,428)	(127,525)	(92,498)	(137,546)	(173,910)	(102,176)	(157,333)	(139,918)	**(219,586)**	**(1,450,274)**
Net cash provided by (used in) financing activities	5,356	108,247	(225,202)	(28,343)	5,656	(128,741)	(24,909)	(53,679)	24,073	44,901	(206,671)	**(263,253)**	**(1,738,676)**
Cash and cash equivalents at the end of the year	412,032	499,157	399,191	430,517	426,208	423,426	465,861	496,372	677,478	653,013	771,613	**878,705**	**5,803,480**
Per Share:				Yen								Yen	U.S. Dollars
Profit for the year attributable to owners of the parent*1	¥208.01	¥192.23	¥(124.26)	¥291.56	¥306.64	¥370.08	¥376.89	¥385.25	¥382.56	¥631.63	¥807.58	**¥941.94**	**$6.22**
Basic earnings (losses) per share	207.82	192.10	—	291.56	306.63	—	—	—	—	—	—	**—**	**—**
Diluted earnings (losses) per share*2	50.00	56.00	62.00	70.00	70.00	94.00	100.00	110.00	112.00	160.00	202.00	**280.00**	**1.84**
Cash dividends for the year	24.0%	29.1%	—	24.0%	22.8%	25.4%	26.5%	28.6%	29.3%	25.3%	25.0%	**29.7%**	**—**
Dividend payout ratio*3													
Financial Measures:													
ROE	8.4%	6.4%	(4.3)%	11.0%	10.8%	11.7%	11.2%	11.3%	10.1%	13.9%	15.6%	**15.1%**	**—**
ROA	1.9%	1.6%	(1.0)%	2.5%	2.6%	3.1%	3.0%	3.0%	2.8%	3.9%	4.5%	**4.9%**	**—**
Ratio of equity attributable to owners of the parent*1	23.9%	24.8%	22.5%	24.0%	24.9%	27.3%	26.9%	26.3%	28.1%	28.2%	30.0%	**34.9%**	**—**
Net debt-equity ratio (Net DER) (times)	1.12	1.10	1.24	1.07	1.05	0.86	0.83	0.86	0.68	0.71	0.68	**0.48**	**—**
Total shareholder return	—	—	—	—	—	—	—	73.7%	135.0%	151.0%	172.1%	**308.7%**	**—**
Common Stock:				Thousands of Shares								Thousands of Shares	
Number of shares outstanding at year-end	354,056	354,056	354,056	354,056	354,056	354,056	354,056	354,056	354,056	354,056	354,056	**354,056**	**—**

Notes: 1. As of the fiscal year ended March 31, 2017, the company prepares its consolidated financial statements based on International Financial Reporting Standards (IFRS).
2. For the convenience of readers, consolidated financial statements in Japanese yen for the fiscal year ended March 31, 2017, are based on both Japanese generally accepted accounting principles (GAAP) and IFRS.
3. U.S. dollar amounts have been converted from the amounts stated in yen, solely for the convenience of readers outside Japan, at the rate of ¥151.41=US$1, the approximate exchange rate prevailing on March 31, 2024, which was the final business day of financial institutions in the fiscal year ended March 31, 2024.
4. Toyota Tsusho carried out a three-for-one split of its common stock effective July 1, 2024. The "Per Share" and "Common Stock" up to the fiscal year ended March 2024 are the results before the share split. Please see "Notice regarding Implementation of share split, Partial amendments to Articles of Incorporation accompanying share split, and Revision of dividend forecast" for details.
https://www.toyota-tsusho.com/english/press/upload_files/Notice%20regarding%20Implementation%20of%20share%20split%2C%20Partial%20amendments%20to%20Articles%20of%20%282%29.pdf

*1 All item names in the above table are IFRS categories. IFRS categories under Japanese GAAP are as follows: "Revenue" corresponds to "Net sales," "Operating profit" corresponds to "Operating income," "Profit (loss) for the year attributable to owners of the parent" corresponds to "Profit (loss) for the year attributable to shareholders of the parent," "Total equity" corresponds to "Total net assets," "Earnings (losses) per share" corresponds to "Profit (loss) per share," and "Ratio of equity attributable to owners of the parent" corresponds to "Shareholders' equity ratio." "Total equity attributable to owners of the parent" is calculated as "Total assets - Minority interests" for the fiscal years ended March 31, 2014 through March 31, 2017, which are stated under Japanese GAAP.
*2 The figure for diluted earnings (losses) (Japanese GAAP) per share for the fiscal year ended March 31, 2016, is not presented, as the company posted a net loss per share, although there were latent shares. Figures for diluted earnings (losses) per share for the fiscal years ended March 31, 2018, 2019, 2020, 2021, 2022, 2023, and 2024 are not presented, as there were no latent shares with a dilution effect.
*3 The dividend payout ratio for the fiscal year ended March 31, 2016, is not presented, as the company posted a net loss.

For more information on financial information, please see "Investor Relations" section on Toyota Tsusho's corporate website.
https://www.toyota-tsusho.com/english/ir/

Organizational Chart

(As of April 1, 2024)

General Shareholders Meeting

- **Audit & Supervisory Board**

Board of Directors Meeting

- **Audit Department**

President & CEO

- **Executive Officers Meeting**
- **Integrated Risk Management Committee**
- **Specified Import & Export Control Committee**
- **Sustainability Committee**
- **Investment Strategy Meeting**
- **Investment and Loan Committee/Meeting**

Administrative Unit

Compliance & Crisis Management Department
Operations *Kaizen* Development Department
Global Logistics Management Department
Global Safety & Environmental Promotion Department
Customer Strategy & Coordination Department
Next Mobility Development Department
Next Technology Fund Department
Carbon Neutrality Promotion Department
Corporate Planning Department
External Affairs Department
Corporate Communications Department
IT Strategy Department
DX Acceleration Department
Accounting Department
Business Accounting Department
Finance Department
Investment and Credit Department
Legal Department
Global Human Resources Department
General Affairs Department
Secretarial Department

Domestic Branches

Head Office (Nagoya)
Tokyo Head Office

Hokkaido Branch
- Sapporo Office

Tohoku Branch
Niigata Branch
Hamamatsu Branch
- Shizuoka Office

Toyota Branch
Osaka Branch
- Shikoku Office

Hokuriku Branch
Hiroshima Branch
Kyushu Branch
- Nakatsu Office

Overseas Branches & Offices

Overseas Affiliates

Number of Domestic Sites	
Head offices	2
Branches	9
Branch offices	2
Sub-branches	1
Offices	3

Number of Overseas Sites	
Branches and offices	23
Affiliates	34

Metal+ (Plus) Division

Metal+ (Plus) Planning Department
Mobility Material Solutions SBU
- Mobility Material Business Department
- Mobility Material Global Business Department
- Mobility Material Business Management Department

Metal Solutions SBU
- Bar, Wire Rod & Pipe Products Business Department
- Steel Products Supply Chain Business Department
- Metal Products Business Department
- West-Japan Bar, Wire Rod & Pipe Products Business Department

Circular Economy Division

Circular Economy Planning Department
Resources Development SBU
- Metal Resources Department
- Mineral Resources & Inorganic Chemicals Department

E-Mobility Supply Chain SBU
- Non-Ferrous Metals Business Department
- Battery Supply Chain Business Department

Resources Recycling SBU
- Reverse Supply Chain Business Department
- Aluminum Supply Chain Business Department
- High Performance Materials Department

Sustainable Materials SBU
- Sustainable Plastics Department
- Consumer Products Business Department
- Essential Chemicals Department

Supply Chain Division

Supply Chain Planning Department
Business Development Department
Supply Chain DX Department
Global Parts SBU
- Global Parts Export Department
- Global Parts Import Department
- Global Parts Sales Department
- Business Alliance Department
- Global Parts Business Strategy Department

Supply Chain Function Development Department
Logistics & Module SBU
- Logistics Business Department
- Module Business Department

Parts & Accessories SBU
- Services & Accessories Department
- Mobility Parts Department
- Function Parts & Eco Solutions Business Department

Mobility Division

Mobility Planning Department
Toyota SBU
- Americas & Europe Mobility Department
- Oceania & Middle East Mobility Department
- Asia & China Mobility Department
- KD Business Department

Multi Brands SBU
- Logistics Solutions Department
- Commercial Mobility Business Department
- Multi Brands Business Department

Value Chain SBU
- Mobility Customer Service Department
- Mobility Value Chain Business Development Department

Green Infrastructure Division

Green Infrastructure Planning Department
Machinery & Infrastructure SBU
- Powertrain Machinery Department
- EV Component Machinery Department
- Automotive Body Machinery Department

Infrastructure Project Department
Green Energy SBU
- Renewable Energy Strategy Department
- Carbon Neutral Fuels Department

Digital Solutions Division

Digital Solutions Planning Department
Device & Software Solutions SBU
- Device Business Management Department
- Software Defined Vehicle Department

Advanced Mobility Service Department
ICT Solutions SBU
- Enterprise IT Department
- Digital Infrastructure Department

Lifestyle Division

Lifestyle Planning Department
Food & Agribusiness SBU
- Agribusiness SBU
- West-Japan Food & Agribusiness Department
- Food Materials Department
- Food Solutions Department

Wellness SBU
- Sustainable Fashion Department
- Facility Solutions Department
- Insurance Management Department
- Healthcare & Medical Department

Africa Division

Africa Planning Department
Mobility SBU
- Toyota Africa Mobility Department
- Africa Mobility Value Chain Business Department
- Africa Mobility Business Department

Infrastructure SBU
- Africa Power & Infrastructure Department

Healthcare SBU
Consumer SBU

Overseas affiliates

Corporate Data

(As of March 31, 2024)

Name	Toyota Tsusho Corporation
Head Office	9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan
Established	July 1, 1948
Number of Employees	Parent company: 3,292; Consolidated: 69,517
Paid-in Capital	64,936 million yen
Common Stock	Authorized: 1,000,000,000 Issued: 352,089,401 (excluding 1,967,115 treasury stock)
Number of Shareholders	43,792

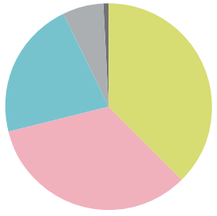
Stock Listings	Tokyo, Nagoya (Ticker code 8015)
Independent Auditors	PricewaterhouseCoopers Japan LLC
Transfer Agent for Shares / Special Management of Accounts	Mitsubishi UFJ Trust and Banking Corporation
Address	Stock Transfer Agency Department Mitsubishi UFJ Trust and Banking Corporation 7-10-11, Higashisuna, Koto-ku, Tokyo 137-8081, Japan Phone (toll-free within Japan): 0120-232-711 (Tokyo) 0120-094-777 (Osaka)
Handling Offices	All branches nationwide of Mitsubishi UFJ Trust and Banking Corporation All branches nationwide of Nomura Securities Co., Ltd.
URL	https://www.tr.mufg.jp/english/

Major Shareholders

Name	Number of shares (Thousands)	Shareholding (%)
Toyota Motor Corporation	76,368	21.69
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,122	13.95
TOYOTA INDUSTRIES CORPORATION	39,365	11.18
Custody Bank of Japan, Ltd. (Trust Account)	19,800	5.62
MUFG Bank, Ltd.	8,098	2.30
Sumitomo Mitsui Banking Corporation	4,249	1.21
State Street Bank West Client Treaty 505234	4,193	1.19
Nippon Life Insurance Company	3,522	1.00
Kochi Shinkin Bank	3,265	0.93
Toyota Fudosan Co., Ltd	3,205	0.91

Note: The percentage of shareholding is computed excluding 1,978,067 shares of treasury stock.

Breakdown of Issued Shares



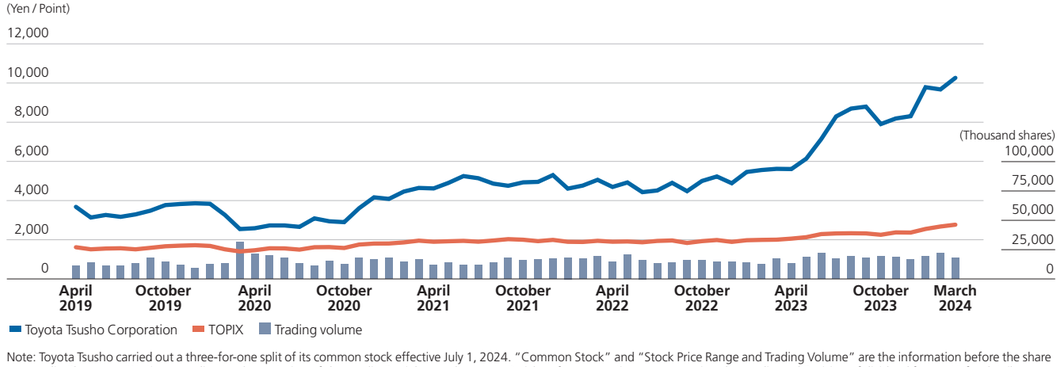
By type of shareholder

Other corporations	37.57%
Financial institutions and securities companies	33.69%
Foreign investors	21.77%
Individuals and others	6.41%
Treasury stock	0.56%

Credit Ratings

	Long-term	Short-term
Rating and Investment Information (R&I)	AA- (Stable)	a-1+
S&P Global Rating	A (Stable)	A-1
Moody's Investors Service (Moody's)	A3 (Stable)	—

Stock Price Range and Trading Volume



Note: Toyota Tsusho carried out a three-for-one split of its common stock effective July 1, 2024. "Common Stock" and "Stock Price Range and Trading Volume" are the information before the share split. Please see "Notice regarding Implementation of share split, Partial amendments to Articles of Incorporation accompanying share split, and Revision of dividend forecast" for details.
https://www.toyota-tsusho.com/english/press/upload_files/Notice%20regarding%20Implementation%20of%20share%20split%2C%20Partial%20amendments%20to%20Articles%20of%20%282%29.pdf