04

Financial and Capital Strategy

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Enhance corporate value to a higher dimension

4 Next Dimensions

- Growth Strategy
- Financial and Capital Strategy
- Human Capital Strategy
- Sustainability Strategy

Growth Strategy + Financial and Capital Strategy → Improve profitability and capital efficiency

Human Capital Strategy + Sustainability Strategy → Raise growth expectations

Improve profitability and capital efficiency + Raise growth expectations → Enhance corporate value

Balancing Growth Investment and Financial Discipline While We Strive to Enhance Corporate Value

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

Steady Profit Growth and Revenue Base Enhancement

Our consolidated profit attributable to owners of the parent (profit for the year) in the fiscal year ended March 31, 2026, rose to 370.5 billion yen. That marked the fifth consecutive year of record-high profit for the year. Despite the impact on logistics caused by the high tensions in the Middle East at the end of the fiscal year ended March 31, 2026, and the temporary losses that we anticipated, we were able to reach a new record-high profit, which I see as a tremendous success.

Our success isn't being driven by a single division, but instead by **each sales division steadily accruing profit and strengthening our revenue base.** The environment surrounding us has changed dramatically in recent years. This includes increasing geopolitical risks and the rebuilding of supply chains. Last fiscal year, as well, there were concerns about the impact of changing U.S. trade policies, but we managed to minimize their impact on us. In fact, by dealing with the new issues that arose, we further expanded our role from customers.

On the financial front, we stayed conscious of our balance sheet as we carried out our operations. While logistics disruptions resulted in shipping delays and an increase in inventories due to strategic stock expansion toward the end of the fiscal year ended March 31, 2026, we maintained a high operating cash flow of roughly 500.0 billion yen. Cash-generating power is an important metric that indicates the actual strength of a business. Cash is also an important resource that supports both growth investment and shareholder returns.

Furthermore, with respect to our capital policies, we reorganized our cross-shareholdings within the Toyota Group, something that we had positioned as an important issue during the previous fiscal year. In the fiscal year ended March 31, 2026, we eliminated cross-shareholdings with Toyota Industries Corporation. This significantly reduced our strategic cross-shareholdings, which I believe served as a great stride toward producing a leaner balance sheet and improving capital efficiency.

Reaching 450.0 Billion Yen in Profit for the Year through Organic Growth

At the end of April 2025, we announced our new Medium-Term Management Plan (MTP) for the fiscal years ending March 31, 2026, through March 31, 2028. We also switched from a rolling basis to a fixed period basis. Under this plan, we will wholeheartedly commit ourselves to achieving our targets, even in the face of the rising uncertainty in the external environment.

In the second year of the MTP, the fiscal year ending March 31, 2027, we initially took a prudent approach, with a conservative plan that reflected geopolitical risks and supply chain changes, and set a target profit for the year of 400.0 billion yen. However, based on our first-quarter results and the current business environment, we revised this target upward to 430.0 billion yen.

For the fiscal year ending March 31, 2028, the final fiscal year of the MTP, we have set a target profit for the year of 450.0 billion yen. We believe that this target can be achieved through organic growth, with each division

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building up its profits. In our existing businesses, we will not rely on new large-scale investment but instead improve profitability by increasing the added value of our services and functions.

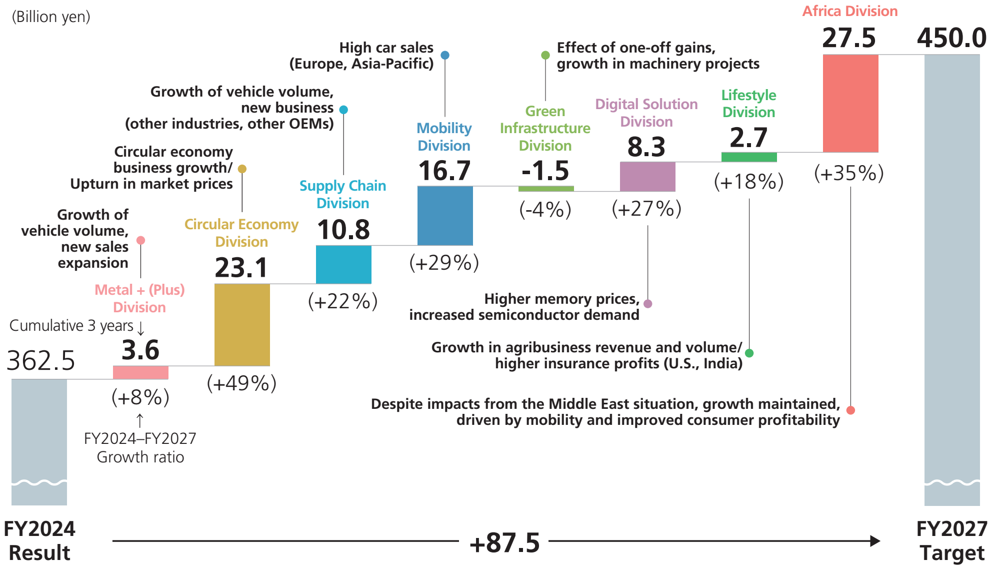
This profit growth and cash-generating power are supported by the customer base that we have built through the years. We don't just move goods and connect logistics; we combine various functions to create value by solving the problems faced by our customers. This customer base, firmly rooted in the field, is one of Toyota Tsusho's strengths and the source of our ability to adapt to changes in the environment.

President & CEO Imai's concept of the organization as a living organism-like supply chain is a clear encapsulation of these features. Instead of relying on a single route, we identify which options are best given current conditions, and we combine multiple functions as we create value. This flexibility and autonomy in our organization support our sustainable creation of new value in the face of a changing environment.

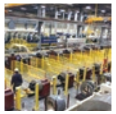
The Next Stage of Growth that Will Be Achieved Through Investment in Uniquely Competitive Areas and Business Portfolio Reforms

Under the MTP, **Toyota Tsusho plans to invest a total of 1.2 trillion yen, primarily in its four uniquely competitive areas. We will engage in disciplined investment, using ROIC based on our business characteristics as our investment standard. Our four uniquely competitive areas are the "Gondwana Economic Zone", centering on Africa and also including India and Brazil, the circular economy, next-gereration mobility, and renewable energy.** We believe the Africa-centered "Gondwana Economic Zone" has the greatest room for growth. We already have a business foundation throughout Africa, and we have grown our sales revenue to roughly 1.9 trillion yen and our profit for the year to over 94.0 billion yen while expanding from automobile sales to the healthcare, consumer, and green infrastructure business domains. Led by the "Gondwana Economic Zone" concept, under the MTP we will connect Africa, India, and Brazil, creating new distribution channels. In India, in addition to manufacturing focused on automobiles, we are also expanding in the healthcare domain. In Brazil, we are working to strengthen our food value chain, which is based in the ports in the north of the country. The circular economy is another domain with a great deal of potential. From an early stage, we have allocated business resources to the resource recycling field. In recent years, a growing amount of attention has been turned to the recycling of batteries and other resources. We believe that this field will continue to experience major growth, and we can demonstrate our value as a pioneer. In the next-gereration mobility field, we combine multiple products and technologies, using the foundation of the knowledge we have accrued through our automotive semiconductor business to provide solutions based on the needs of individual customers. One of our strengths is our ability to provide value, including quality management, stock management, and design functions. As the use of AI and software grows, we believe

Profit for the year attributable to owners of the parent



ROIC target of each business domain

			FY2024	FY2025	Target
Nature Value Businesses that contribute to solving environmental issues. Realizing a carbon-free society and ensuring a rich environment	Renewable energy business 	Energy management business 	2.3%	2.4%	5.0% or higher
Social Value Businesses that contribute to solving social issues. Realizing a sustainable society that is healthy and comfortable	Circular economy business 	Healthcare business 	12.3%	9.3%	10.0% or higher
Core Value Businesses that contribute to realizing a next generation of mobility society. Realizing freedom of mobility that is safe and secure globally	Automotive metal products and processing business 	Automobile distributor business 	16.0%	17.7%	15.0% or higher

CFO's Message

this will present us with major growth opportunities.

In the renewable energy field, we are placing great importance on profitability. In Africa, especially, we have many projects for which we anticipate a high return on investment, so we consider this region a promising investment region. Within Japan, as well, we are working to improve profitability by raising the efficiency of existing facilities and coordinating with storage battery facilities and data centers.

Investing in uniquely competitive areas isn't all that we're doing, though. We will also continuously review and revise our business portfolio. For example, we have pulled out of the oil and coal business and the thermal power generation business, shifting our business resources to growth fields. We are reviewing businesses with low levels of profitability and are continuing to accelerate our corporate metabolism by also reviewing the standards we use to make decisions regarding pulling out of or reorganizing these businesses. We will keep on reallocating our business resources to more profitable fields with greater growth potential.

Optimizing Capital Allocation with an Emphasis on Financial Discipline

We set a company-wide target of 15% ROE for the fiscal year ending March 31, 2028. In addition to pursuing returns, we are also working to improve capital efficiency to achieve this target.

In terms of pursuing returns, we will actively invest at an even higher rate than before. In the MTP, we anticipate a three-year cumulative operating cash flow of 1.4 trillion yen, and we believe we can steadily generate roughly 500.0 billion yen in cash annually. Backed by this cash generation power, we will steadily build up the capital we will use in growth investments.

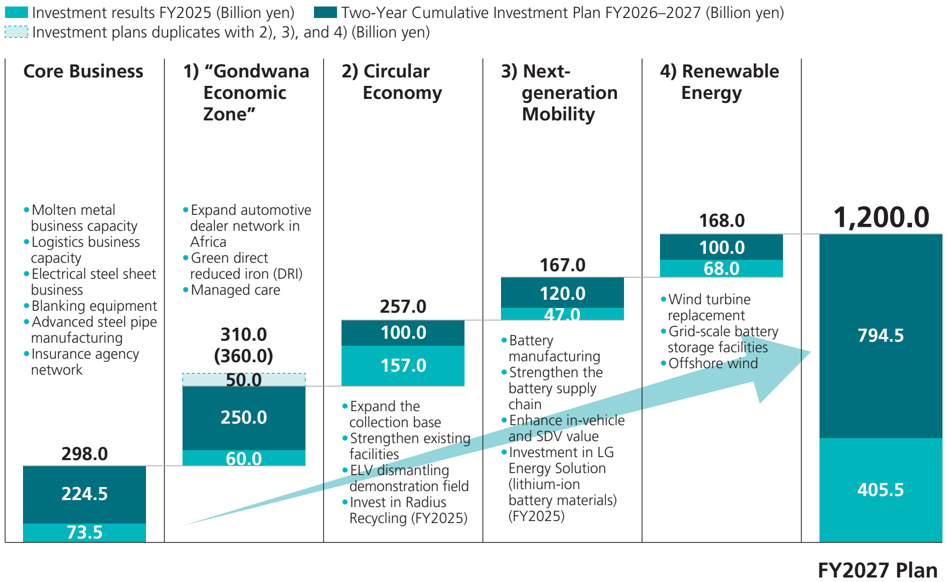
A strong focus on financial discipline lies at the foundation of our management. We maintain our net DER indicator of up to 0.8 times, and we maintain sufficient financial capacity to actively handle future large-scale investments and M&As. We believe that while maintaining this discipline, we can proceed with a total of 1.2 trillion yen in investment during the MTP period while achieving an ROE of 15%.

For our shareholder returns, **we have set a total payout ratio of 40% or higher as a KPI for March 31, 2028.** We will continue to provide steady returns through progressive dividends. We continued to provide stable shareholder returns through progressive dividends and, with funds generated through measures such as share sales, completed a 663.6 billion yen share repurchase by the end of June 2026. With respect to the acquisition of treasury stocks, we prioritized this below growth investment in the past, but it is positioned as an important method for achieving an ROE of 15%, so we will continue to acquire treasury stock while keeping a close eye on the balance of treasury stock acquisition and growth investment.

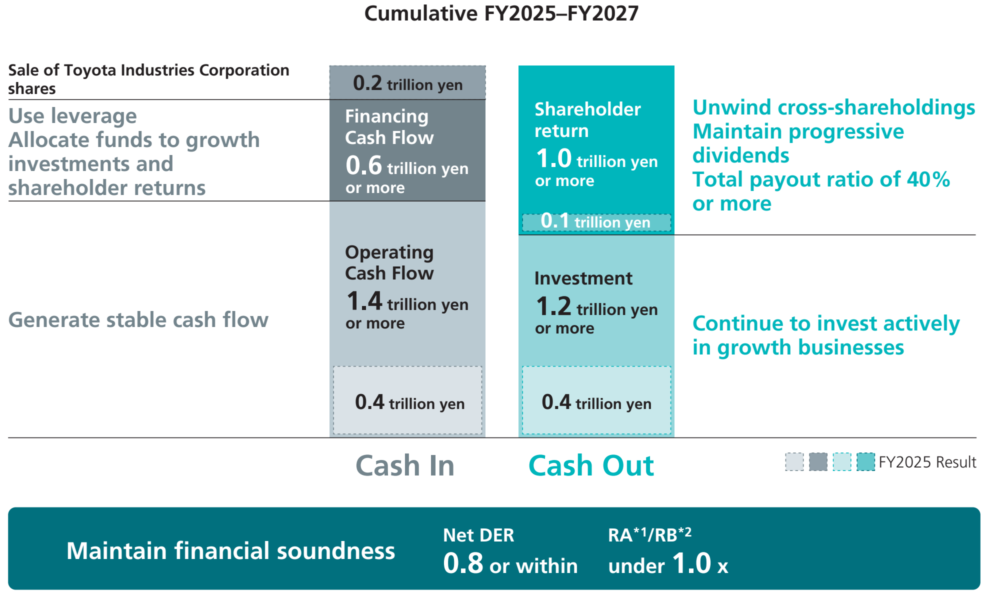
We will also continuously review and revise our strategic cross-shareholdings.

In the fiscal year ending March 31, 2026, we eliminated cross-shareholdings with Toyota Industries Corporation, which

Investment allocation across 4 uniquely competitive areas



Capital allocation



*1 RA:Risk Asset *2 RB:Risk buffer

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accounted for a large portion of our strategic cross-shareholdings, bringing our strategic cross-shareholdings ratio down significantly.

I see this as an important step toward improving our capital efficiency. We will continue confirming the validity of our holdings from the perspectives not only of their significance to our business strategies and their contributions to our trading relationships, but also of whether they generate value that surpasses capital costs.

We won't maintain financial discipline through these initiatives simply by matching up the numbers. We will also create a foundation of business and assets that we can control, and we will accurately assess the current state of our management operations and build a financial base that enables dynamic decision-making.

By balancing growth investment and shareholder returns, we will improve our capital efficiency and increase our sustainable corporate value.

Using Dialog to Provide a Deeper Understanding of Our Corporate Value

Dialog with investors is one of the types of corporate value we offer. Through dialog, we assess how the market sees us, what it expects from us, and what areas we are not communicating sufficiently. These dialogues provide insights that we can use to make improvements to our disclosures and explanations, and also to reappraise our businesses and strategies and to polish our management. In recent years, we have heard from many that our businesses and strategies have become easier to understand. For our African business, there were previously various views on growth potential and risk. However, by steadily expanding our business and building up results, I feel that our growth potential and strengths are gradually coming across more clearly. In the mobility field, as well, our revenue structure, which is not reliant on the number of units sold, is coming to be better understood as a result of advances in semiconductors and devices and the refinement of our logistics functions.

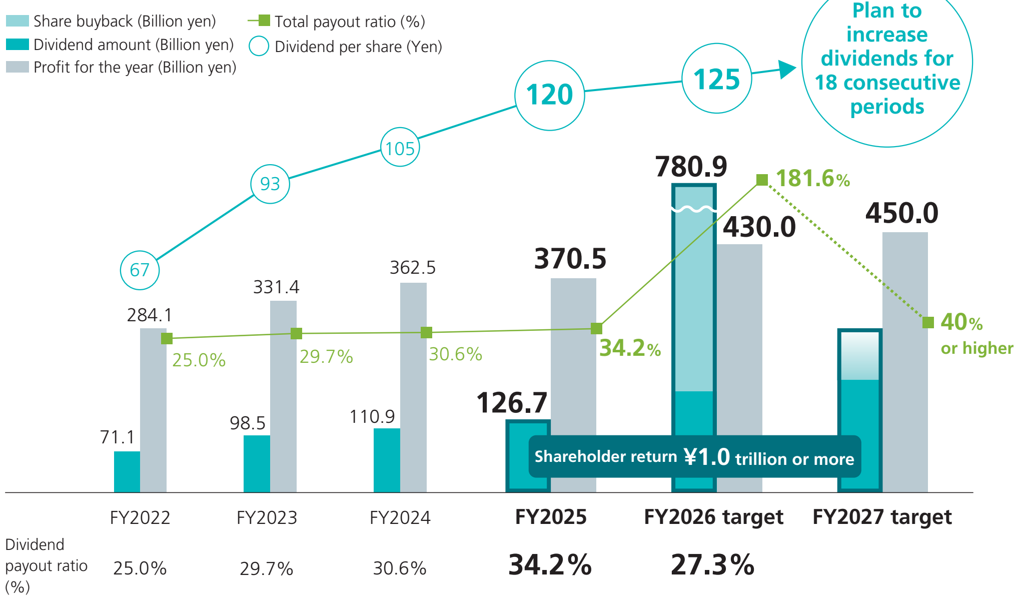
We have gradually become better able to convey these initiatives to the market, and I feel that the way the market sees our businesses and growth potential has changed.

These changes in how our company is evaluated have been reflected in our rising stock prices, but it is also vital that we continuously produce results that meet those expectations. **I believe that meeting the expectations of the market helps us earn long-term trust.**

We are now making steady progress toward realizing the goals of the MTP. **We will be entering the final phase of completion, and the president & CEO and all of our management team will work to achieve our targets, driven by our strong commitment. We hope that our shareholders and investors will continue to have high hopes for our growth, and we appreciate their support.**

Web For the latest IR information, please see here:
https://www.toyota-tsusho.com/english/ir/earnings-presentations/2026.html

Shareholder Returns Policy



Investment Cycle Management and Risk Asset Management

Basic Approach to Investing

To achieve sustainable growth, we believe it is important to appropriately manage risk and to generate reliable results from investments. 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 sales division policies based on company-wide policies and the formulation of investment pipelines.

Regarding new investment projects, major policy is decided by the Medium-Term Management Plan Meeting and the Investment Strategy Meeting, while decisions on individual projects are made by the organization concerned based upon business plans screened by the Investment and Loan Meeting/Investment and Loan Committee. 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 sales division put in place a collaborative team to resolve issues. Some of our affiliated companies, both in Japan and overseas, have been authorized to make investments in order to accelerate the investment decision-making process.

*1 RVA: Risk-adjusted Value Added. RVA = Ordinary income x 60% - Risk asset × Risk cost rate
Risk asset is the maximum amount of expected loss should a contingency (a once-in-a-century event) occur, and risk cost rate is the shareholder expected rate of return based on Toyota Tsusho's return on equity (ROE) target of 15% or more.

Investment and Loan Committee / Meeting

At the Investment and Loan Committee, chaired by the CFO, and in the Investment and Loan Meeting, chaired by the deputy CFO, we manage investment input using ROIC, a management indicator of profitability, and RVA, which is used to verify if the revenue that is secured is commensurate with the amount of risk. Furthermore, we use our own environmental check sheets to quantitatively verify projects from multiple perspectives, including assessments of climate change and other environmental risks, greenhouse gas emissions, and emissions reductions. We have also enriched our systems for investment follow-up, to solve the problems faced by our operating companies and to replace assets. We always closely scrutinize our consolidated balance sheets. In addition to performing day-to-day risk analysis for foreign exchange rates, interest, credit, product market conditions, and the like, we have also established a system for comprehensively checking country risks, including geopolitical risks. This screening is also performed for our new investments, and new investments are investigated closely in advance of Investment and Loan Committee Meetings or Investment and Loan Meetings.

Investment and Results Monitoring

After investments are made, the Administrative Unit and the sales division concerned jointly and continuously monitor and support projects facing issues ("check and support"). In addition to independent monitoring by the sales divisions, the Administrative Unit also monitors through balance sheet and profit/loss (BS/PL)*2 standards. If a project falls short of quantitative standards, we assess the sustainability of the business and decide whether to restructure or exit. By continuing to repeat this investment cycle, we aim to allocate management resources optimally and improve capital efficiency.

*2 We set the following quantitative standards:
BS standard: If the capital deficiency ratio is 50% or higher
PL standard: If there is a net loss for two consecutive periods, or if a downturn is at least 30% of planned value at time of investment for two consecutive periods, decide to either restructure or exit.

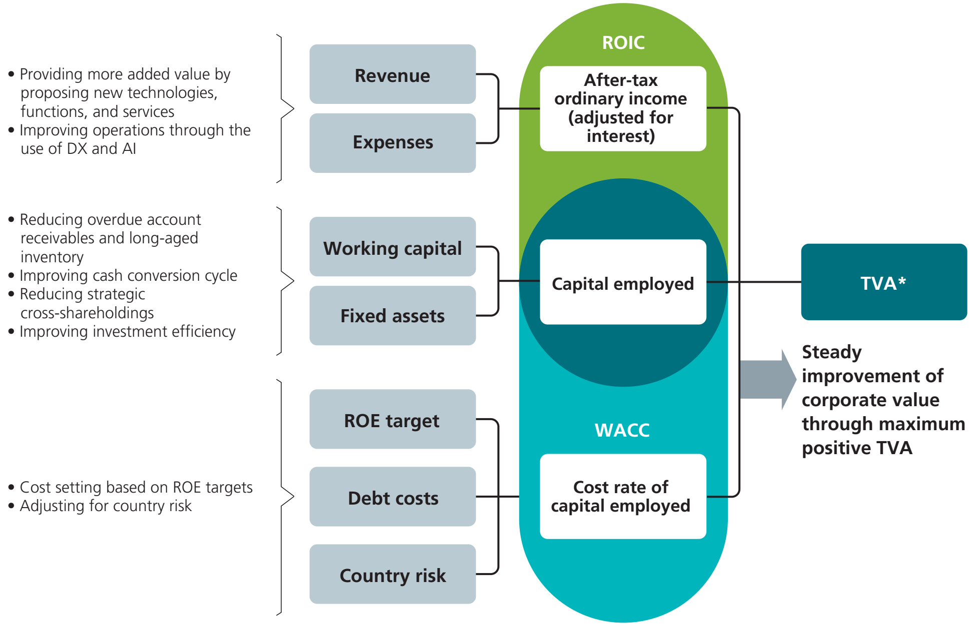
Investment Cycle Management and Risk Asset Management

Framework Focused on Capital Efficiency and Cost of Capital

We have implemented ROIC as a business management indicator, also using it as a KPI when deliberating on investment projects. This allows us to be keenly aware of the efficiency of return on invested capital. We set quantitative ROIC targets of 15% or more for the Core Value domain, which is focused on the mobility that we have been working on through the years, 10% or more for the Social Value domain, which contributes to taking on social challenges such as resource recycling, and 5% or more for the Nature Value domain, which contributes to global environmental challenges such as renewable energy. We carry out initiatives aimed at improving profitability and capital efficiency.

For optimal allocation of management resources, we have classified our businesses into four quadrants based on their competitiveness and growth expectations, and we are reevaluating these businesses. One example of this is reviewing our business portfolio, securing growth investment funding and shifting to growth businesses by accelerating our efforts to exit non-core businesses and reduce the number of low-profit companies.

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



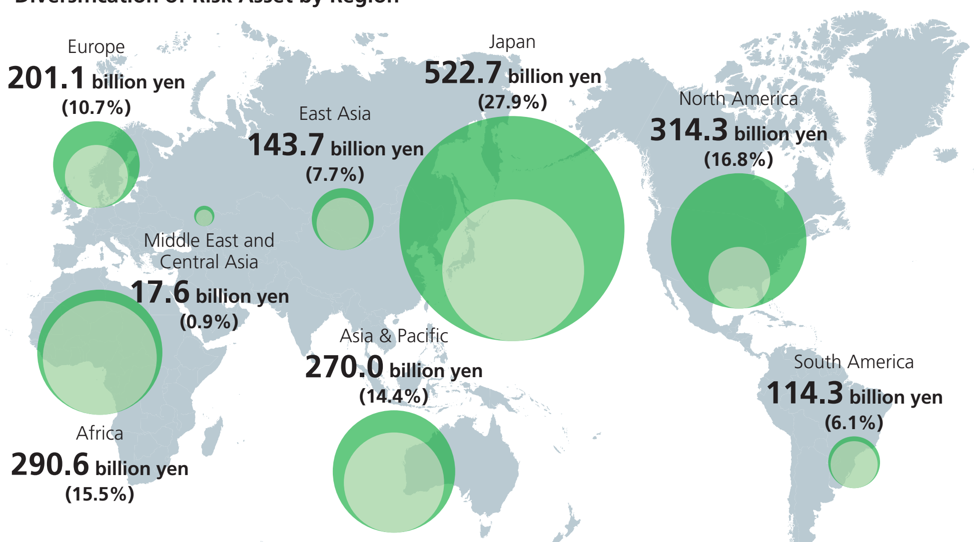
* TVA: Toyotsu Value Achievement. TVA = (Ordinary income - Interest income or expenses) x (1 - Respective country's tax rate) - Invested capital x Cost rate of invested capital by country; ordinary income is profit before income taxes, adjusted for non-recurring, extraordinary, and significant gains 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.

Risk Asset Management (RAM)

We engage in risk asset management (RAM), 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 RAM 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 higher 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 some emerging countries, our RA continue to be well diversified by region. As a result of RA management and the continuous accumulation of RB, the RAM figure for the fiscal year ended March 31, 2026, stood at 0.6. RA was again held within the range of RB (ratio of RA to RB of 0.6, which is below 1.0), and we thus maintained a sound and stable financial structure.

Diversification of Risk Asset by Region



• Size of the circle corresponds to size of RA
●: End of March 2026 ●: End of March 2023
• 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, 2026, and percentages of total Risk Asset.