



CSR Report
2012

Since its establishment in 1948, the Toyota Tsusho Group has expanded its businesses from a global perspective to provide products and services under the banner of “Creation of Added Value.” Group companies worldwide are currently cooperating closely in undertaking operations encompassing production, processing, retail and services that respond to the conditions and needs of each region.

The Toyota Tsusho Group will fully utilize its global networks, expertise in international collaboration and the strengths cultivated within the Toyota Group to strive toward a new image—one of a trading company capable of flexible thinking and making precise, well-tailored proposals.



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Metals Division 9



Automotive Division 13



15 Machinery, Energy & Project Division

CSR Report 2012

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Corporate profile

(as of March 31, 2012)

Company name:	Toyota Tsusho Corporation
Establishment:	July 1, 1948
Paid-in capital:	¥64,936 million
Common stock issued:	354,056,516 shares
Head office:	Century Toyota Bldg. 9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan
Tokyo head office:	3-13, Konan 2-chome, Minato-ku, Tokyo 108-8208
Branches & sales offices (Japan):	12 (Hokkaido, Tohoku, Niigata, Hamamatsu, Matsumoto, Mishima, Toyota, Osaka, Hokuriku, Hiroshima, Kyushu, Takamatsu)
Branches & representative offices (overseas):	25
Consolidated companies:	Domestic: 95 Overseas: 309
Number of employees:	3,499 (non-consolidated) 33,845 (consolidated)

Editorial comments

Editorial policy

While Toyota Tsusho Corporation had posted environmental reports on its website since 2002, this information has been integrated into the CSR Report since 2005. The purpose of this report is to describe and report to our stakeholders worldwide Toyota Tsusho's activities aimed at the sustainable development of a global society.

The Toyota Tsusho Group views CSR not as a special undertaking, but rather considers it inseparable from the management of all corporate activities. This year's report offers special features detailing sustainability efforts made worldwide by each of our seven operating divisions. In addition, the report introduces activities in which we engage through our business, such as "developing a culture of safety," "creating value through personnel diversity," "implementing environmental initiatives" and "undertaking social contribution."

Reference guidelines

GRI Sustainability Reporting Guidelines (3.1 version)
Ministry of the Environment, Japan, Environmental Reporting Guidelines (2007 version)
ISO 26000 (A corporate social responsibility reference)

Scope of the report

Toyota Tsusho Corporation's main consolidated subsidiaries and affiliates. However, some of the activities described herein are those of Toyota Tsusho Corporation only.

Reporting period

This report covers the period from April 1, 2011, to March 31, 2012 (although certain activities are included that fall outside this reporting period).

Date of publication

August 2012 (previous publication: August 2011; next publication: August 2013)

Representative responsible for publication

Jun Karube, president

Working to foster mutually supportive, mutually beneficial sustainability for individuals, society, and the earth

Corporate social responsibility as the core emphasis in management

We at Toyota Tsusho regard fulfilling corporate social responsibility as the essence of corporate management. In that spirit, we strive to maximize our value as a corporation worthy of the respect of all our stakeholders. That means tailoring our business models to continuously changing needs and serving customers and the community at large with unprecedented kinds of value.

Underpinning our commitment to fulfilling our corporate social responsibility are formal precepts and guidelines that we have adopted as our corporate philosophy and guiding principles. And we affirm our shared values in the three emphases of the Toyota Tsusho Group Way: (1) On site, hands on, in touch; (2) A passion for business; and (3) Teamwork.

Generating new kinds of value in accordance with our Global 2020 Vision

Our Global 2020 Vision is a 10-year blueprint for sound growth that we adopted in the past fiscal year. The vision provides for addressing the expectations of our stakeholders by responding ever more attentively and promptly to fast-changing needs. Its core emphases are on contributing to the development of next-generation mobility, to improvements in the living environment, and to the resolution of global issues.

The vision calls for us to be a company that takes responsibility for safeguarding the global environment and for achieving operational sustainability. It also calls for us to provide customers with safety and with peace of mind. And we are working systematically to heighten awareness of those ideals throughout our organization.

In tackling the Global 2020 Vision, we are rallying our people under the twin rallying cries of “Breakthrough” and “Co-creation.” We are seeking breakthroughs through proactive self-transformation with an eye to making quantum leaps. We are seeking to create new kinds of value in cooperation with new and established partners. And we are backing our commitment to both themes with a new training program for present and future leaders in our operations.

New initiatives in the past fiscal year

A highlight of the past fiscal year was an Australian project that underlines our expanding presence in resources development. We own 15% of a coal development block in Queensland, and we signed a contract in December 2011 to supply coal-bed methane gas from the block for conversion into liquefied natural gas (LNG). Our supply contract is for 20 years, and the LNG produced from our methane will help ensure reliable supplies of energy for gas and electric utilities in Japan and elsewhere.

Another highlight of the past fiscal year was a big step forward in expanding our iodine business. We are a leading supplier of iodine, a material for which demand is growing steadily, and we expanded our supply capacity in December 2011 with the start of production at a project in Chile. An important application for iodine is contrast media for X-rays. We are preparing to supplement our ongoing work in extracting, refining, and marketing iodine with a hands-on presence in producing contrast media. That will augment our value chain in the medical sector and will thus position us to contribute more widely toward improving the quality of life.

Yet another initiative of note is our continuing progress adopting the ISO 14001 regimen for environmental management. The third-party monitoring that accompanies the ISO 14001 certification process is invaluable in earning the confidence of our stakeholders. And we will therefore work to secure ISO 14001 certifications at operations worldwide.

A strong commitment to fulfilling our corporate social responsibility will continue to shape every phase of activity at Toyota Tsusho. We will work in every way possible to help foster mutually supportive, mutually beneficial sustainability for individuals, society, and the earth. And we thank you, our stakeholders, for your continuing goodwill as we tackle that task.

August 2012



Jun Karube
President



Toyota Tsusho's approach to CSR

Toyota Tsusho Corporation conducts CSR activities with the goal of realizing our Corporate Philosophy of “living and prospering together with people, society, and the Earth.” We have been continuing to work to improve our CSR activities, for example by establishing the “Toyota Tsusho Supply Chain CSR Behavioral Guidelines” in 2012.

Our CSR philosophy

Our Behavioral Guidelines describe how we will conduct CSR activities to realize our Corporate Philosophy

Toyota Tsusho Corporation's Corporate Philosophy sets forth the company's raison d'être and the resolve with which it manages its operations. Our Behavioral Guidelines define a code of action for all executives and employees. Toyota Tsusho's basic management philosophy is based on a Fundamental Philosophy of unchanging ideals that should be passed on to future generations.

Our Behavioral Guidelines describe how we will conduct CSR activities to realize our Corporate Philosophy.

Fundamental Philosophy

Corporate Philosophy

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

Behavioral Guidelines

As a good corporate citizen, we will:

- Implement open and fair corporate activities,
- Fulfill our social responsibilities and conserve the global environment,
- Offer creativity and provide added value, and
- Respect people and create a responsive workplace striving to achieve job satisfaction.

The Toyota Tsusho Group's philosophy system

Our philosophy system codifies our actions into four tiers designed to realize our Fundamental Philosophy

Toyota Tsusho's Group philosophy system comprises four tiers: “Fundamental Philosophy,” “Vision,” “Long-Term Plan and Annual Plan,” and “The Toyota Tsusho Group Way.”

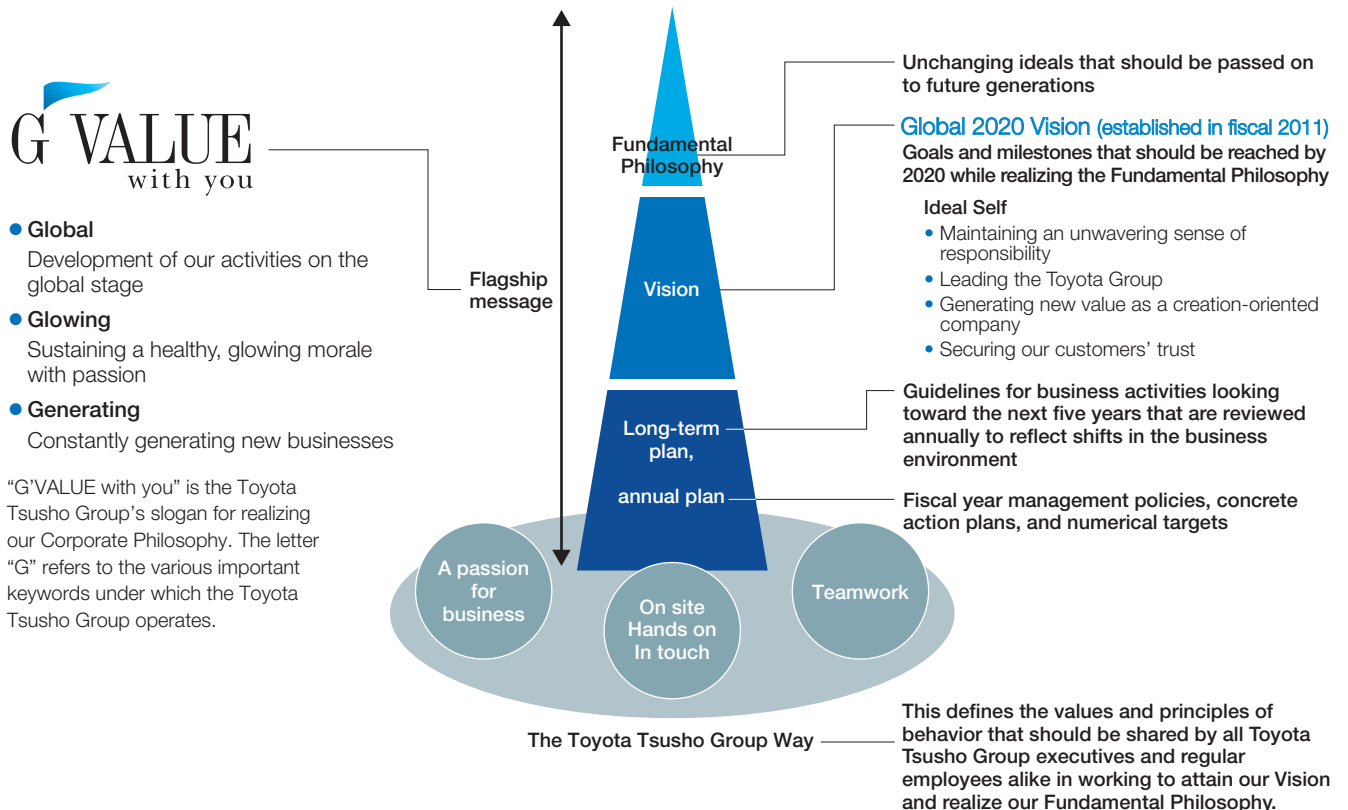
At the apex of Toyota Tsusho's philosophy system is its Fundamental Philosophy, which addresses such questions as “What is the purpose of our corporate existence” and “What are our objectives, and how will we achieve them?” Our Fundamental Philosophy comprises our Corporate Philosophy and Behavioral Guidelines.

Our newly formulated vision addresses the question of how we will realize our Fundamental Philosophy 10 years hence. Five-year long-term plans and annual plans provide specifics on how we will achieve the targets described in the Vision.

Toyota Tsusho has formulated our new corporate vision, the Global 2020 Vision, to clarify our objectives for the 10-year period commencing in fiscal 2011, which are to be shared among all group employees throughout the world. This new vision presents our corporate ideal as striving to “maintain an unwavering sense of responsibility” and “garner our customers' trust,” and clarifies how Toyota Tsusho will pursue CSR initiatives even more proactively than in the past.

To promote these initiatives, the Toyota Tsusho Group Way sets forth the group's unique values, beliefs and daily principles of conduct. On the basis of the Toyota Tsusho Group Way, all Toyota Tsusho executives and employees pursue the aim of creating value

Four-Tier Conceptual Hierarchy



from the customer's perspective, based on three principles: "passion for business," "On site, Hands on, In touch," and "teamwork."

"G'VALUE with you" is the Toyota Tsusho Group's flagship message, forming the basis for its initiatives as it strives to realize its group philosophy.

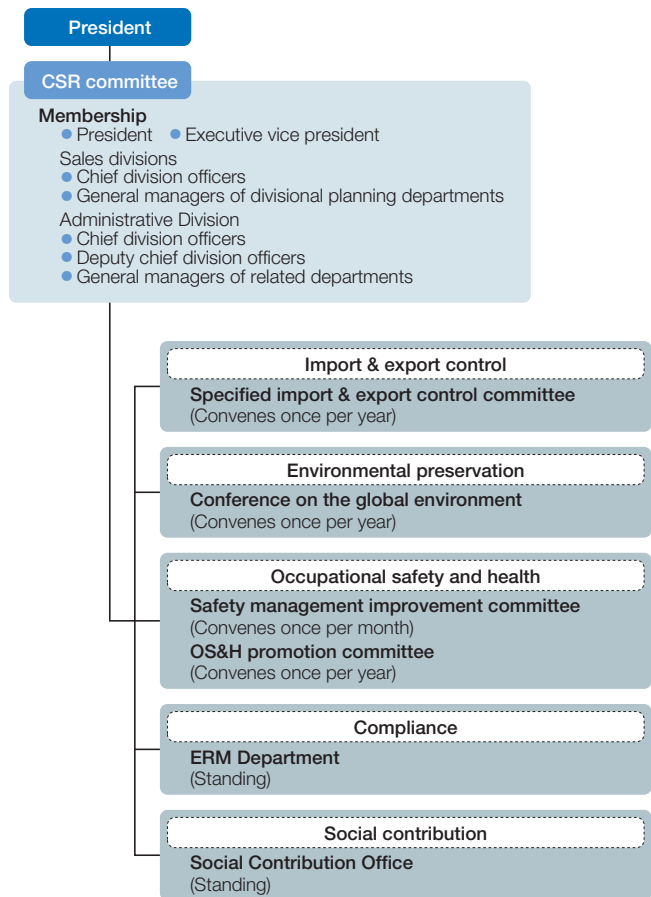
Promotion structure and stakeholders

We aim to provide added value that will satisfy all our stakeholders

In 2005, we reorganized the corporate ethics committee and named it the CSR Committee (chaired by the president), to serve as the central organization for promoting CSR throughout the group. Organizations under the CSR Committee include the Specified Import & Export Control Committee, the Conference on the Global Environment, the Safety Management Improvement Committee, and the OS&H Promotion Committee, with each committee discussing and deliberating the various CSR themes. Also, the ERM (Enterprise Risk Management) Department, which is responsible for companywide integrated risk management, covers compliance, while the Social Contribution Office is a specialized organization that actively drives our social contribution efforts.

Toyota Tsusho Corporation seeks to conduct even more active CSR efforts based on this structure, and aims to provide added value that will satisfy all our stakeholders.

CSR promotion structure



Toyota Tsusho Corporation stakeholders and CSR



CSR management in the supply chain

New establishment of the Toyota Tsusho Supply Chain CSR Behavioral Guidelines

The Toyota Tsusho Group is building a diverse global value chain and procuring materials and goods from countries around the world. Forced labor and child labor are concerns in some of those countries, so we believe it necessary to promote CSR management across the supply chain in conducting our business.

To deal with this, we established the Toyota Tsusho Supply Chain CSR Behavioral Guidelines on April 1, 2012, so as to realize mutual sustainable growth with our suppliers by achieving shared awareness of CSR with them and promoting coordinated CSR efforts.

Henceforth the Toyota Tsusho Group will steadily develop adherence to these guidelines by our suppliers, and strengthen and promote CSR management across the supply chain.

Toyota Tsusho Supply Chain CSR Behavioral Guidelines

Established April 1, 2012

- Respect the human rights of employees and refrain from inhumane treatment of others.
- Prohibit forced labor, child labor, and insufficiently compensated labor.
- Strive to furnish a safe, hygienic, and healthy work environment.
- Refrain from discrimination in hiring.
- Comply with all related laws and international rules, conduct fair trading and thoroughly prevent corruption.
- Ensure the quality and safety of goods and services.
- Strive to maintain a sound global environment.
- Promptly and appropriately disclose information concerning the above.

Metals Division

In addition to selling iron, steel, and non-ferrous metals, we provide high-value-added, proprietary processing and logistics functions. **→ Pages 9–10**



- Recovery and processing of scrap metal inside plants
- End-of-life vehicle recycling
- Development of rare-earth resources

Global Production Parts & Logistics Division

We support the global development of production activity in the automobile industry on both the procurement and logistics fronts. **→ Pages 11–12**



Automotive Division

We are building our automobile distributor and retailing business throughout the world. **→ Pages 13–14**



Machinery, Energy & Project Division

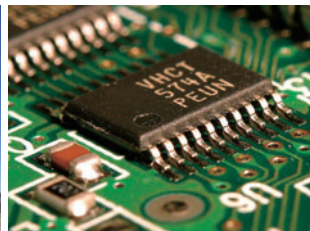
We support industry through the sale and service of various types of machinery and equipment, and by providing a stable supply of energy. **→ Pages 15–16**



- Procurement of crude oil and coal
- Gas field drilling
- Recycling of industrial waste and waste oil

Chemical & Electronics Division

We are expanding our offerings in a diverse range of fields, including materials and parts made from chemicals and plastics, electronic devices, and ICT equipment and services. **→ Pages 17–18**



- Development of iodine and other chemicals

Produce & Foodstuffs Division

This division handles business in a host of categories in the grain and foodstuffs fields. **→ Pages 19–20**



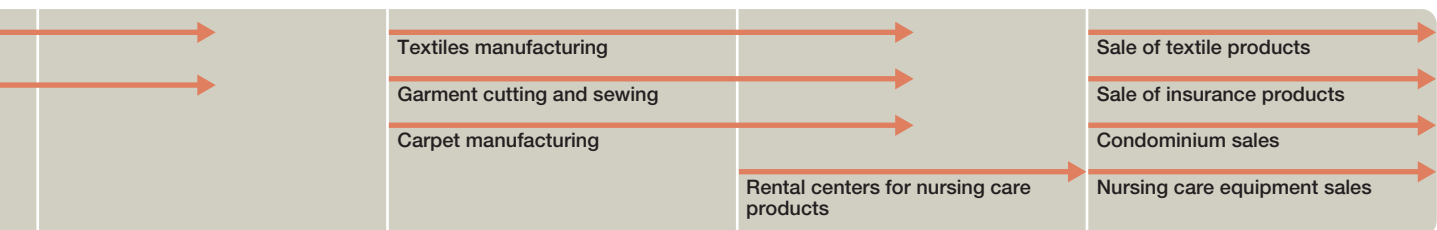
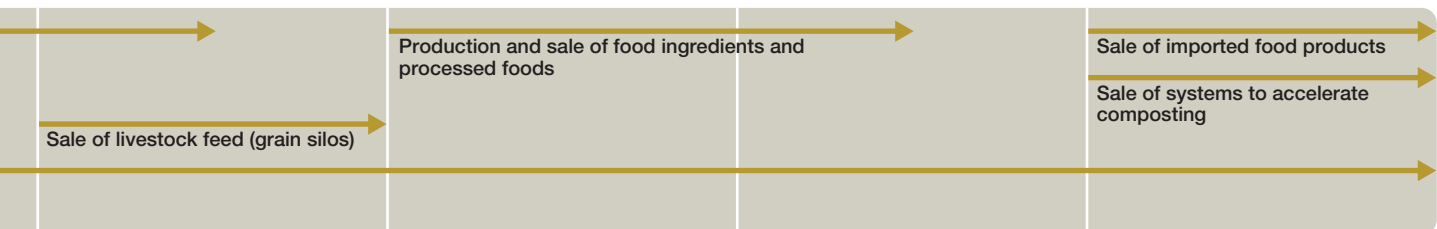
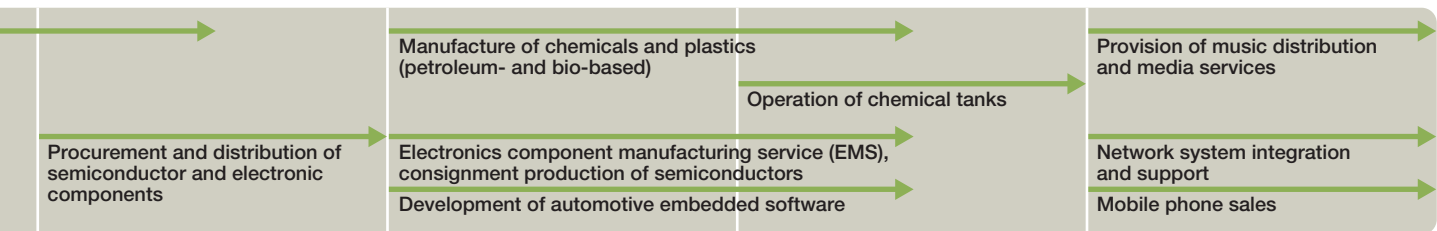
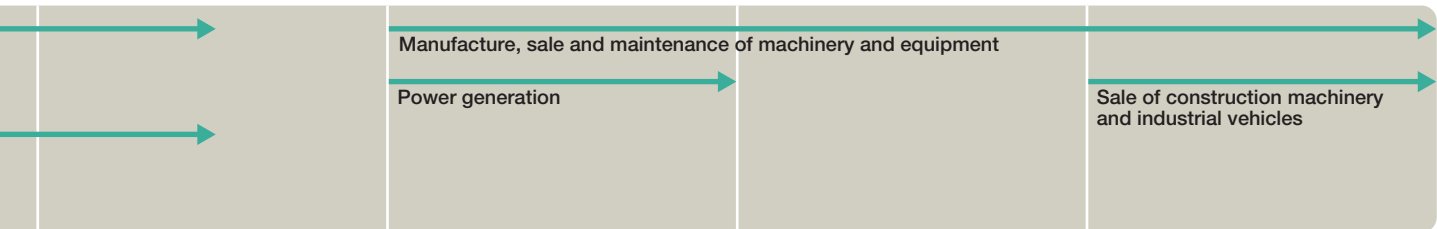
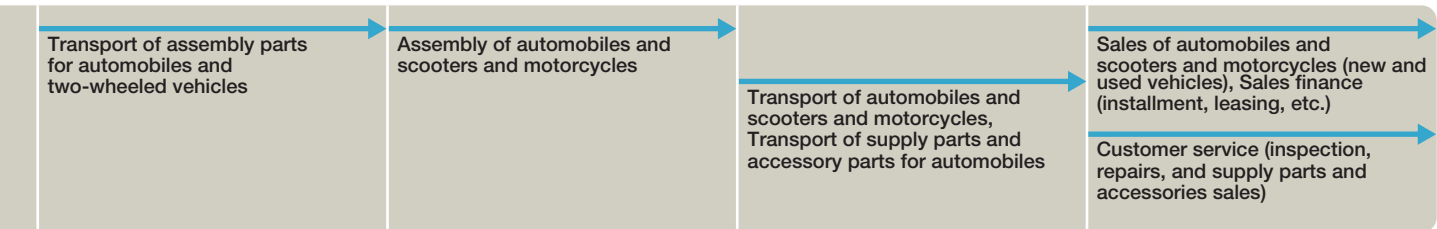
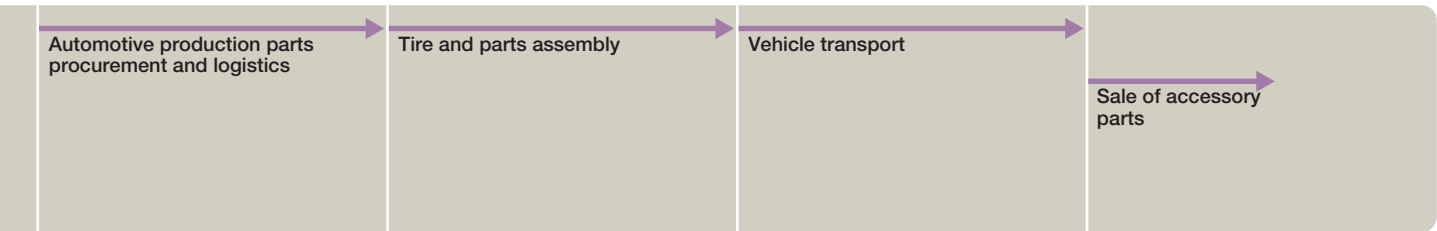
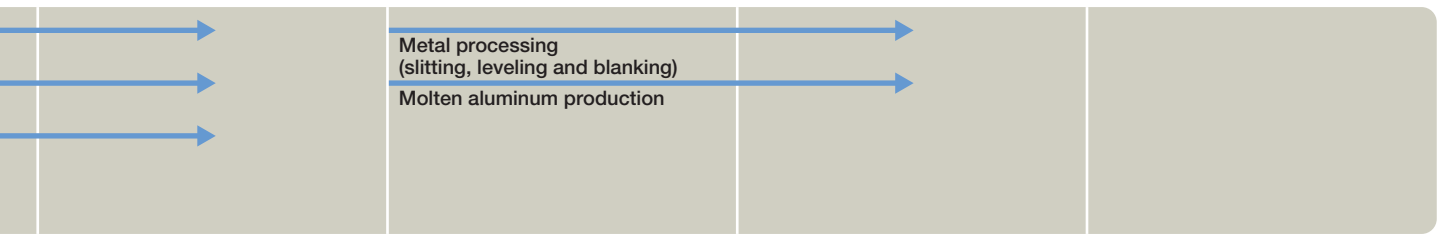
- Foodstuff procurement
- Agricultural production and cultivation management
- Quality and safety control (food reliability and safety)

Consumer Products, Services & Materials Division

“Reassurance, safety and comfort” are the keywords that describe the broad range of products and services we offer to support people’s lives. **→ Pages 21–22**



- Recycling of textile products
- Environmental materials





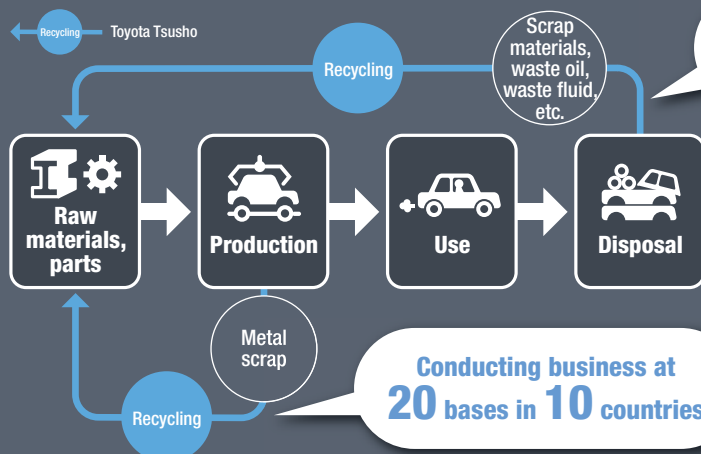
Metals Division

From cradle to grave—promoting recycling throughout the vehicle lifecycle

Toyota Tsusho Corporation's recycling business covers the entire vehicle lifecycle, from the recycling of scrap metal generated during the production process through that of materials retrievable from end-of-life vehicles (ELVs). In 2012 we began construction of an ELV recycling plant in China. We are spreading our Japan-established "environment-friendly recycling" mechanisms throughout the world.



Recycling and the vehicle lifecycle



Operating **2 bases in China** in 2012
Aiming to have **20 bases** by 2017

Recycling bases within plants



Promoting vehicle recycling business for a better global environment

In 1970, Toyota Tsusho Corporation became one of the first companies in Japan to launch an end-of-life vehicle (ELV) recycling business with the goal of using scrapped vehicles effectively as a materials resource. Toyota Tsusho is a leader in Japan in ELV recycling expertise, from techniques for safe and environment-friendly methods for shredding scrapped vehicles through efficient extraction of valuable materials such as ferrous and non-ferrous metals and plastics. Toyota Tsusho also launched our in-plant recycling business for the re-use of scrap metal and other materials discarded during the vehicle manufacturing process. Therefore, Toyota Tsusho's ELV recycling spans the entire vehicle lifecycle, from vehicle production through scrapping.

Also, Toyota Tsusho's Global 2020 Vision, our long-term vision established in 2011, establishes contributing to improving living conditions and solving global issues as two of our priority initiatives, and to further those objectives we established the Environmental and Recycling Business Development Department in April 2012. This enhances our structure for strengthening, based on our companywide long-term vision, the vehicle recycling business which has long been a focus of Toyota Tsusho.



Plants engaged in metal scrap recycling

Recycling business start-up in China, which faces a high volume of ELVs

Toyota Tsusho Corporation is currently conducting in-plant recycling business at 20 bases in 10 countries, including China. At the same time, it is difficult to conduct ELV recycling business in countries or regions that lack a legal structure for environmental regulations, so previously we had focused on conducting that business in Japan.

Nonetheless, we anticipate that environmental awareness will grow in emerging markets, and that such markets will make progress in the development of environmental regulations. China, which is the world's largest automobile market, is expected to be generating as many as 5 million ELVs annually five years from now, and lack of a proper disposal mechanism for these will surely be a major problem for that nation. Meanwhile, to this day China has no system for the proper disposal of the toxic substances found in ELVs, such as chlorofluorocarbons, waste oil and waste fluids.

Toyota Tsusho has for several years been moving forward with projects related to ELV recycling at various locations in China. In



ELV recycling plant

March of this year we were contracted to run trials of an ELV recycling system developed through a joint Chinese/Japanese governmental project, which commenced in Beijing in April. Other projects are underway in various locations.

We are constructing methods for separating metal, plastic and other materials on an efficient separation line with the goal of creating a model for Chinese ELV disassembly plants. The project is aimed at promoting the concepts of environment-friendliness, safety and high-productivity.

Using our vehicle recycling expertise to create a comprehensive recycling business

ELVs contain a variety of different kinds of material in addition to ferrous and non-ferrous metals (aluminum, copper, precious metals, rare metals, etc.), such as urethane foam, resins, and rubber. In addition, vehicles contain many parts that can be dangerous or directly pollute the environment if not handled correctly, such as the large, high-voltage batteries in hybrid and electric vehicles. So breaking down and processing ELVs requires specialized techniques and expertise.

By applying the broad array of techniques and expertise for breaking down and recycling ELVs up to now, Toyota Tsusho will take up the challenge of creating a comprehensive recycling business for the recycling of a broad variety of other products.

Stakeholder comment

I firmly believe that ELV recycling can create a bridge for friendly Sino-Japanese relations.



Mr. Lu Kejian
People's Republic of
China Ambassador to Japan

The Chinese nation has become very aware that the ELV recycling field in China, which has become the world's main automobile market, must become more highly developed. Japan already has experienced environmental degradation as a result of ELVs, and possesses the technologies for dealing with that problem. Toyota Tsusho Corporation is a leader among Japanese companies in ELV recycling experience.

I believe that Toyota Tsusho's ELV recycling business efforts will help solve China's environmental problems and preserve our precious resources. It is my firm conviction that we can build a bridge between our two nations through our mutual efforts.

Message from the coordinator

Our goal is to be a leader in every area of recycling

Almost all of the departments within the Metal Division have the word "metal" in their name, but the name of the newly-formed Environmental and Recycling Business Development Department doesn't mention metal. This is because we intend it to become a "recycling hub" that handles all kinds of materials, rather than just metals.

We are seeking to build a recycling infrastructure that handles all discarded materials, including items such as plastics and waste oil, as well as metals.

Kazutaka Kitazume

General Manager
Environmental and Recycling Business
Development Department

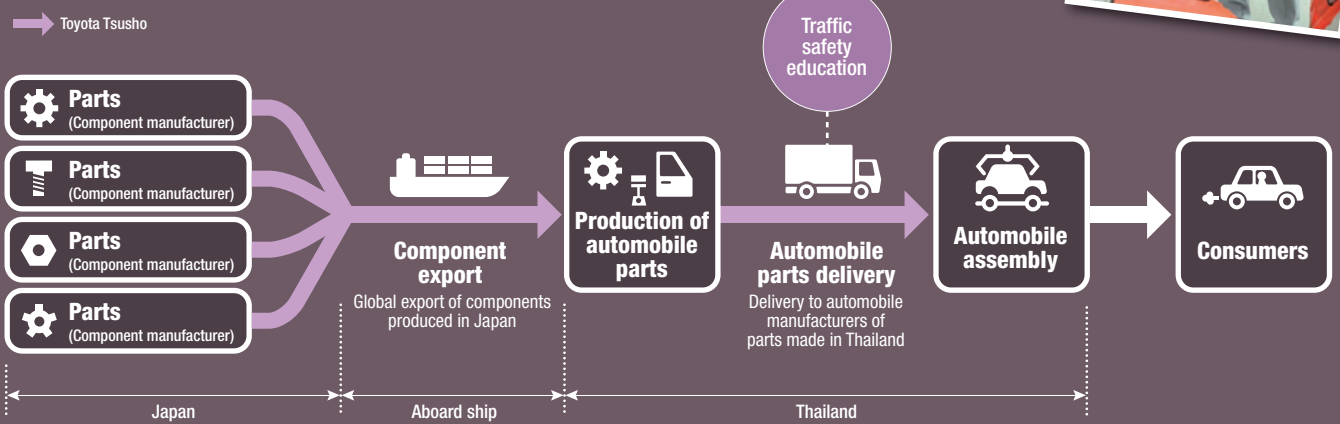


Thoroughly training our drivers in Thailand, where shipping is increasing with economic growth

Thailand, which is one of the world's leading auto-producing nations, is a key export destination for our global production parts and logistics business. Toyota Tsusho Corporation operates the largest trucking company in Thailand. We are working to develop a culture of traffic safety in Thailand by training our drivers to be safety-conscious and professional.



The Global Production Parts & Logistics Division value chain



Opening of the Traffic Safety Education and Training Center (T-PRO)

In Thailand, where shipping volumes are increasing in tandem with economic growth, there is also increasing demand for professional drivers to work distribution routes. TTK Logistics (Thailand) Co., Ltd. (a joint venture of Toyota Tsusho Corporation, Toyota Tsusho Thailand Co., Ltd., and Kimura-Unity Co., Ltd.) operates a fleet of approximately 850 trucks with approximately 1,700 drivers to handle its logistics business and deliver the components that local auto parts makers need.

While there is an urgent need to cultivate drivers, large-truck operating licenses can be obtained quickly in Thailand, and drivers enter the company lacking truly professional skills. Also, Thailand's traffic accident rate per registered vehicle is about four times that of Japan, so we at Toyota Tsusho believe that traffic safety education is essential to Thailand.

Therefore, in October 2011 we opened the "T-PRO" training center in Chachoengsao Province to function as our base for traffic safety education. T-PRO has been designed in accordance with the Thai Ministry of Transport's overland transport vehicle training curriculum training course. The center has a total area of 41,500 m², and has special features that include a high-speed driving track with 16-degree banked curves and an eco-driving course for practicing fuel economy skills, as well as other facilities that make diverse training possible, such as courses for large truck and forklift operators.



Driving course



Classroom instruction

Local trainers for safety education tailored to regional characteristics

T-PRO offers a multilevel curriculum providing a range of courses starting with entry-level testing through instructor training for systematic training of employee-drivers. Local trainers receive instruction in Japan, so they can provide instruction that combines Japanese safe driving expertise with their unique perspectives on the needs of Thai drivers. An effort is made to provide practical training that allows the safe experience of simulated "danger" that also takes into account the conditions of Thai roadways, which are often poorly maintained. For example, students learn firsthand how difficult it is to stop by hitting the brakes when moving fast on a wet road. The benefits of this practical training prove that "experience is the father of learning," and are reflected in drivers' post-training safety records.



Eight newly certified local trainers

Strengthening our future local traffic safety efforts

Toyota Tsusho Corporation has created measures based on analysis of the causes of accidents that have actually occurred in Thailand, so as to evolve training content to match traffic conditions in that country. T-PRO and local transport organizations are working together to implement the PDCA cycle to apply and reexamine these. This is based on the concept of accumulating safety measures and education expertise unique to Thailand so as to reduce accident rates.

In addition, while we of course seek to improve the safe driving skills and awareness of Toyota Tsusho's and our partner companies' drivers, we also plan to accept drivers from other companies as well as local drivers in the future. This means expanding functions to include large vehicle operator training in conjunction with the automobile, trucking and bus industries, as well as gaining national certification as a driver training center that issues vehicle operator licenses and offering various training programs to people outside our company, with the goal of becoming a benchmark traffic safety facility for the emerging Asian economies. By continuing to broaden the activities of T-PRO, we will contribute to better traffic safety in Thailand.

Stakeholder comment

Our greatest assets are our Thai trainers, who apply Japanese safe driving expertise in line with local conditions.



Mr. Kazutaka Shimomoto

T-PRO instructor
(Senko Co., Ltd)

We began developing Thai trainers in 2009, two years before the opening of T-PRO. A total of 15 Thai trainer-candidates were sent for instruction at traffic safety education facilities in Japan, where they were taught basic knowledge and techniques. Afterward, Japanese specialists were dispatched to Thailand to conduct a three-month course to educate the trainer candidates thoroughly in the skills they would need as instructors. These Thai trainers, who have been educated according to a Japanese curriculum arranged to optimally match Thai traffic conditions, have become T-PRO's greatest assets. We expect great things from our Thai trainers.

Message from the coordinator

Contributing to the development of regional traffic safety culture is our social responsibility.

Thailand has a high traffic accident rate due to local road conditions and insufficient opportunities for driver education. While safe, just-in-time delivery of products is our duty to our customers, as a member of the automobile industry we also have a social responsibility to contribute to developing a traffic safety culture in Thailand by cultivating professional drivers. We will continue to make efforts focused on safe transport and accident prevention.

Ryuhei Hirata

General Manager
Logistics Business Department





Automotive Division

Developing business firmly rooted in the South Pacific region, especially Papua New Guinea

Toyota Tsusho Corporation is in charge of Toyota vehicle sales in the South Pacific region, in which we are conducting direct imports and retail sales in seven countries and territories, including Papua New Guinea. We are contributing to regional development through sales of new and used vehicles and the rent-a-car business as a good corporate citizen with firm regional roots.



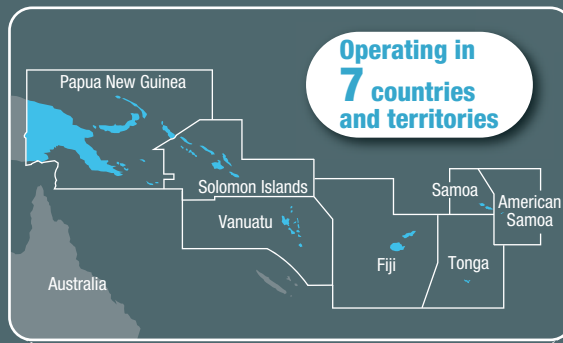
Operations of the Automotive Division in the South Pacific Region



New vehicle sales



Used vehicle sales



Rent-a-car business



After-sales service

Automobiles fulfilling an important role in Papua New Guinea, where traffic networks are undeveloped

Approximately 80% of Toyota Tsusho Corporation's sales in the seven South Pacific countries and territories where we conduct business directly are in Papua New Guinea, which has the largest economy in that country group. Papua New Guinea has a population of approximately 7 million, and consists of the eastern half of New Guinea, which is the world's second-largest island, as well as around 600 smaller islands. In addition to gold and copper mining, liquefied natural gas (LNG) development projects have also begun driving economic growth.

Toyota Tsusho imports and sells Toyota, Hino and Yamaha products under the trade name "Ela Motors" in Papua New Guinea, and operates 16 branches in 15 population centers, including small towns. Including our rent-a-car business, we employ more than 1,000 people, making us a company with firm regional roots.

16-branch network in Papua New Guinea



Focusing on remedying the regional technician shortage

Papua New Guinea's traffic network, including railways and highways, is undeveloped due to the many steep mountains on the island, so airplanes and boats are the main forms of transport between towns. At the same time, local people use off-road vehicles as their daily means of transport on undeveloped roads, with off-road vehicles fulfilling an important role as a lifeline for the transport of a variety of items, including food and medicine. The vehicle market in Papua New Guinea has been growing year after year along with the economy, with new vehicle sales reaching 8,500 units in 2011, a two-fold increase over the five-year period. Our share of that market is approximately 60%. Toyota Tsusho Corporation is helping to support regional economic development by selling the vehicles that are indispensable to moving people and goods.

Vehicles are subjected to a harsh use environment in Papua New Guinea, where the roads are undeveloped. Also, in an emerging economy such as Papua New Guinea a breakdown on the road can be a matter of life or death, so proper vehicle maintenance and repair takes on greater significance than in a developed country. Therefore, Toyota Tsusho is making an effort to cultivate employees who can handle maintenance and repair. We have approximately 300 service staff employees directly tasked with maintenance and repair work in Papua New Guinea. About 80% of them have received certification after taking the official Toyota basic training program.

Social contribution focused on medicine and education, which are in great demand

Toyota Tsusho Corporation is engaged in social contribution that corresponds to the characteristics and needs of the regions. Our efforts in Papua New Guinea are focused on medicine and

education, which are common issues in emerging economies.

Papua New Guinea is a country with endemic tuberculosis, and we have been focused on efforts to eliminate that disease. Those efforts, mainly focused on national agencies and local governments, include awareness campaigns and donations of vehicles for the use of medical staff.

Also, illiteracy is one of the issues among the population due to insufficient primary school education, and there is a shortage of libraries and textbooks, so our educational efforts include financial support for schools and donations of vehicles for libraries.



Local children in front of a donated mobile library



Tuberculosis awareness brochures at Ela Motors

Stakeholder comment

We hope Ela Motors will continue to take the lead in the campaign to eradicate tuberculosis.



Dr. Paul Aia
National Tuberculosis
Manager of National
Department of Health of
Papua New Guinea

In addition to social contribution activities such as donating vehicles to the Papua New Guinea government's tuberculosis program, Ela Motors is the first Papua New Guinea company to establish a workplace where employees are made aware of the facts of tuberculosis and where measures have been taken to prevent discrimination against tuberculosis patients, demonstrating the company's high degree of concern about the tuberculosis problem. The National Department of Health of Papua New Guinea is targeting 2050 as the year by which tuberculosis will be eradicated, and we hope that Ela Motors will continue to work as our partner toward that goal.

Message from the coordinator

Returning 1% of profits to the community as a good local citizen.

As good, firmly rooted local citizens, all Toyota Tsusho Group companies in the South Pacific region return 1% of their profits after taxes to their communities. As in the example of our activities in Papua New Guinea, the content of the return is determined by each company based on the specific needs of their local communities.

In some cases the contribution takes the form of voluntary social service, such as employees painting or making other repairs at a primary school, rather than just economic aid. By putting in "sweat equity" along with local people, we contribute to the development of all the countries in the South Pacific region.

Koji Ueda

General Manager
Asia & Oceania Automotive Dept.

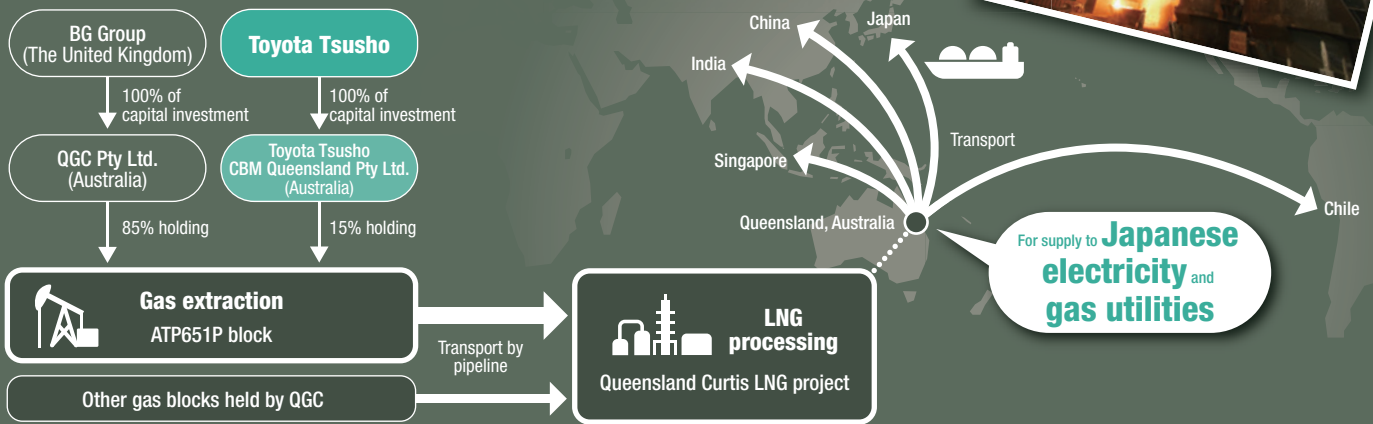


Securing stable energy supply by participating in coal bed methane gas development in Australia

The unconventional natural gas is expected to play an important role in meeting future energy demands. Toyota Tsusho Corporation, one of the first companies to focus on the unconventional natural gas, initiated a coal bed methane development project in Australia in FY2011.



Coal bed methane value chain



CBM attracting much attention as new source of natural gas

Investment in unconventional natural gas, which was once viewed as commercially unviable, is surging amid high resource prices and improvements in extraction technology. Today, unconventional natural gas already accounts for as much as approximately 50% of natural gas production and consumption in the United States, the world's largest natural gas producer and consumer.

A new source of the unconventional natural gas attracting much attention is CBM, which is a natural gas extracted from coal seams. Australia, which boasts abundant reserves of CBM, is host to a number of liquefied natural gas (LNG) projects expected to be fed by CBM. LNG made from Australian CBM is expected to supply Japan's power and gas utilities. For Japan, which meets almost 100% of its natural gas demands through imports, it is highly anticipated as a new source of energy.

Our investment in Australian CBM

Toyota Tsusho Corporation has built a long-term energy value chain that extends from resource development to securing stable supplies. We have signed contracts for the import of Middle East crude oil and Southeast Asian heavy oil, and have initiated gas production projects in Northern Africa, Australia and North America, as well as coal production projects in Australia. An early mover in the field, we secured development rights for CBM in Australia in 2009. In 2011, after extensive exploration, we started a development project in Australia's "coal state," of Queensland, partnering with the United Kingdom's BG Group plc., one of the world's leading gas companies.

Under the project, extracted CBM is to be transported by pipeline to the Queensland city port of Gladstone and converted to LNG for export to power and gas companies in Japan, Chile, Singapore and elsewhere.



LNG conversion plant underway near the port of Gladstone

Contributing to the local community

Together with our partner, BG Group plc, Toyota Tsusho is striving to preserve the environment in pursuing this project, adhering strictly to the laws and regulations of Queensland.

We are also dedicated to contributing to the local community development through this project. In addition to creating local employment opportunities, we are considering making the groundwater collected* during the extraction of CBM available to farms and factories.

* The extraction of CBM, which is kept locked in coal seams by groundwater pressure, requires reducing pressure by removing groundwater. End users are being considered for pumped-out water.



Construction of a water processing plant to minimize environmental impact (Photo shows plants under construction in neighboring mining sector)

Stakeholder comment

We welcome this eco-friendly natural gas project.



Mr. Tak Adachi
Trade and Investment
Commissioner
Trade and Investment
Queensland (Japan)
Queensland State
Government

Trade and Investment Queensland's Japan office works mainly to promote trade, investment and education exchange between Japan and Queensland. We served as liaison on this project between Toyota Tsusho and local companies and state departments. We are delighted to be able to welcome a development project for natural gas, a low-carbon, environmentally friendly energy source that will build a new export industry and create new jobs.

Message from the coordinator

I hope that we can continue to contribute to providing a stable supply of energy by actively pursuing the development of new resources.

Through this initiative to develop CBM, a promising new source of natural gas, we will supply our CBM to the Queensland Curtis LNG project. We also believe we will contribute to providing a stable energy supply for Japan by supplying the CBM to this project, which will provide LNG to Japan's power and gas utilities that are also major stakeholders in the project.

We started a similar CBM development in Canada in April 2012. I hope that we can continue to contribute to a stable supply of energy by actively pursuing the development of new resources.

Koji Tsuchimoto

General Manager
Energy Business Development Department





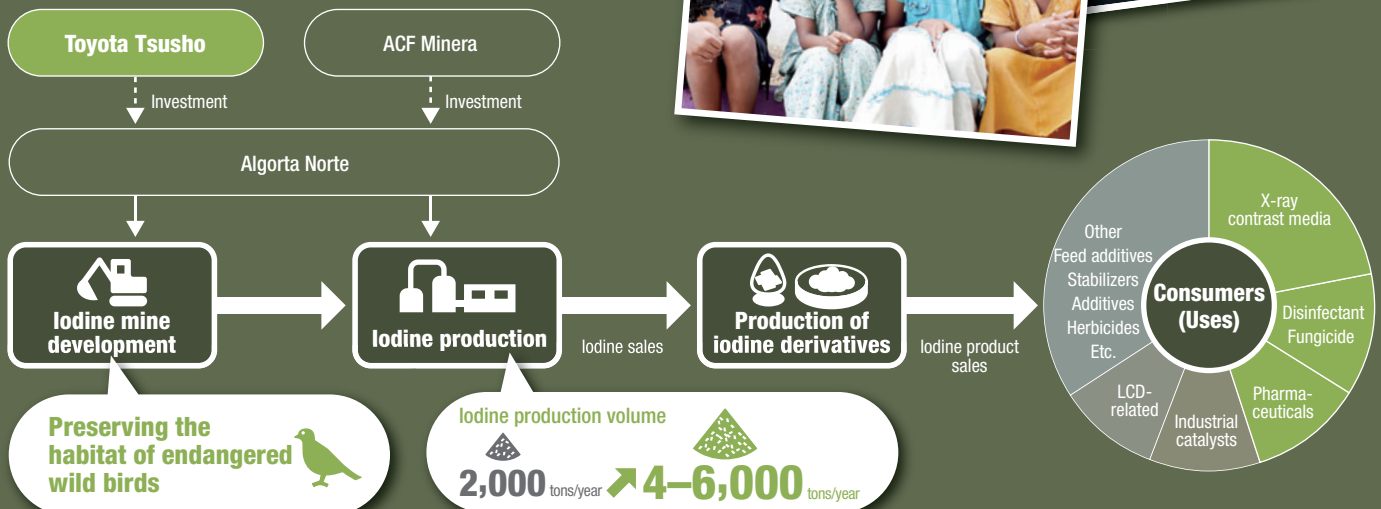
Chemical & Electronics Division

Large-scale development for stable supplies of iodine, for which demand is increasing worldwide

Toyota Tsusho Corporation is engaged in mining, production, and sales of iodine, which is a vital ingredient in such items as X-ray contrast media and disinfectants. To help meet the rising demand for iodine in emerging economies in recent years, Toyota Tsusho is participating in large-scale iodine development in Chile, securing a new supply source for this important substance.



Iodine value chain



Expanding demand, mainly for medical use, for iodine in emerging economies

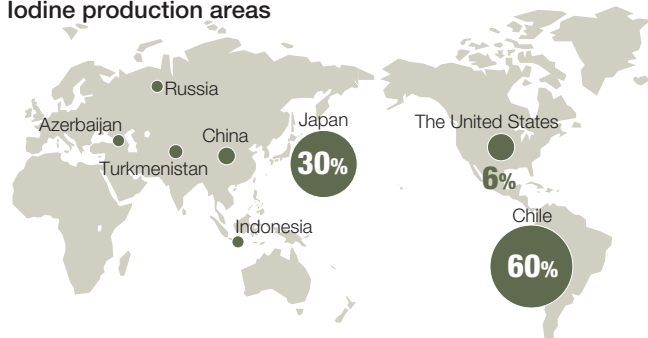
Iodine, which is an ingredient in items such as X-ray contrast media and disinfectants, is an indispensable medical-sector resource. Demand for iodine is increasing along with the global population, and Toyota Tsusho Corporation has been engaged in iodine mining, production and sales since the 1970s so as to ensure supply.

Production of iodine is mostly limited to three countries: Japan, the United States, and Chile. Toyota Tsusho mines and produces 2,000 tons of iodine annually in Japan and the United States, most of which is sold to major contrast media manufacturers in the United States and Europe.

Medical needs have been increasing in recent years in emerging economies such as China and India, with the iodine market growing at a pace of 4% annually. Generic pharmaceutical* manufacturers of contrast media are coming into prominence in these emerging economies, making urgent the securing of new supply sources to meet the growing demand. Nonetheless, in Japan the land subsidence that accompanies iodine mining has become an issue, while increasing production in the United States is difficult because iodine deposits are limited. Therefore, Toyota Tsusho has engaged in iodine mining and production in Chile, which is the only country in the world where large-scale development is possible.

* Pharmaceuticals with the same ingredients that are manufactured by companies other than the original manufacturer when the rights to newly developed pharmaceuticals have expired

Iodine production areas



Engaging in large-scale iodine development in Chile following that in the United States and Japan

Toyota Tsusho has partnered with ACF Minera S.A. in investing in Algorta Norte S.A., an iodine development and production company. Construction of a plant commenced in May 2010 in the Chilean state of Antofagasta, and the plant went online in 2011.

Toyota Tsusho currently has a 7% share of the approximately 28,000-ton annual global iodine market. We aim to expand this share to 15% by 2015 through development of this business.



Iodine is extracted and condensed using a blowout tower located in the middle of a desert.

Development plans from the perspective of preserving groundwater and protecting wild birds

There are differences among the iodine production processes in Japan, the United States and Chile. In Japan and the United States, iodine is extracted and concentrated from liquid called "brine," which is brought from underground. In Chile, ore deposits containing iodine are mined, piled up in the open air and soaked, which dissolves the iodine.

The usual practice in Chilean iodine development is to use groundwater to soak the ore. In the new large-scale development project, the amount of groundwater taken is restricted, so as to preserve groundwater supplies. To achieve this, a pipeline has been laid from the seashore to the inland desert where the iodine ore is found, so seawater can be used instead of groundwater.

Nonetheless, the seashore is also a habitat for rare species. Endangered bird species, the Gaviotin Chico and the Gaviota Garuma, breed in the area along the planned pipeline route. Therefore, we were careful to establish the pipeline route so it makes a detour around the breeding areas, so as not to disturb the habitat.

There is also the expectation that important archeological sites exist in the area around the mine. Therefore, we enlisted the help of a team of archeologists conducting research in the area to do an inspection prior to the commencement of mining and production.

Stakeholder comment

We are conducting business with the environment and local community in mind.



Mr. Carlos de Urruticoechea S.
Director
ACF Minera S.A.

Our company has been in the iodine and nitrate business for more than 25 years. We have respect for Toyota Tsusho Corporation's long sales and distribution record, and have entered into a business partnership with them. To conduct this business we have prepared a suitable work environment in the harsh desert and hired 300 people. We have also taken steps to minimize environmental impact. We vow to continue being a vital company that considers the environment and local communities while complying with all regulations.

Message from the coordinator

We will respond to demand for iodine in the growing medical sector.

Toyota Tsusho Corporation is contributing not only to ensuring a stable supply of iodine, which is a rare resource, but also to creating jobs in local communities. In the case of the Chile project, we have hired around 300 persons, fulfilling our role as an important local industry.

Henceforth, in addition to mining, production, and sales of iodine we will also participate in the manufacturing of X-ray contrast media. Our plan will lead us to the building of a value chain that runs both upstream and downstream in the medical sector.

Takashi Sato

General Manager
Environmental Business & Inorganic Chemicals Department

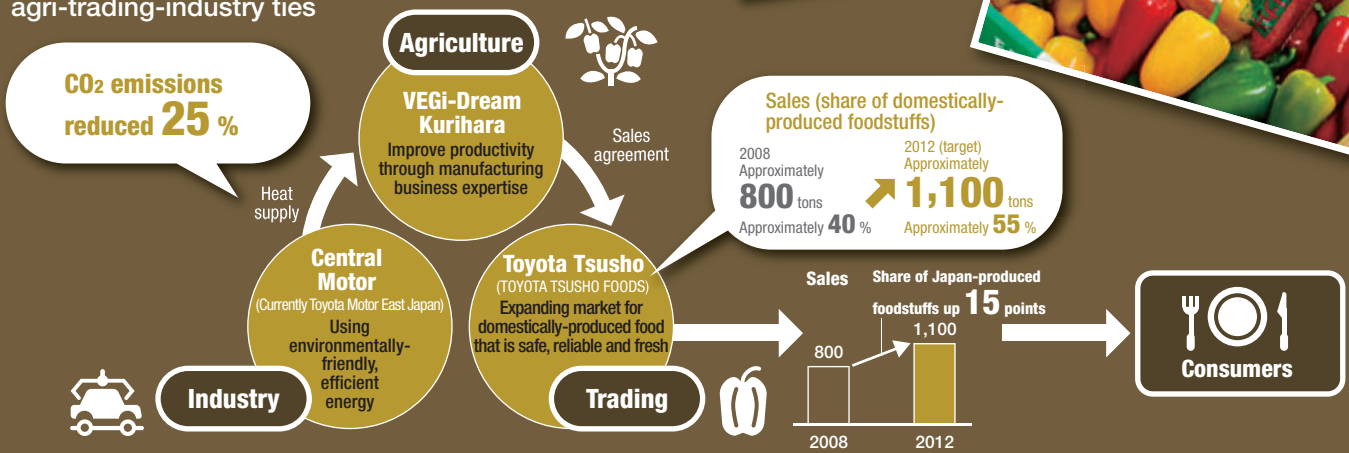


Toward high-efficiency, low-environmental-impact greenhouse cultivation using heat emitted from an auto plant

VEGi-Dream Kurihara Corporation is engaged in greenhouse cultivation of bell peppers in Japan's northeastern Miyagi Prefecture. One issue confronted by greenhouses is the high cost of climate control. We are trying an experimental method using the heat emitted from a nearby auto plant, reducing both production costs and environmental impact.



A new agricultural business model founded on agri-trading-industry ties



Responding to consumer demand for safe, reliable, fresh and tasty bell peppers

The bell pepper, which is native to South America, is a member of the eggplant family. It is much-loved for its sweetness and rich coloration, and demand for this vegetable has been growing year after year in Japan. Nonetheless, 95% of the bell peppers consumed in Japan are imported. Toyota Tsusho Foods Corporation, a wholly-owned subsidiary of Toyota Tsusho Corporation, began importing Dutch-grown bell peppers in 1992, and since then has continued to build a structure for year-long bell pepper supplies by importing additionally from other countries such as New Zealand and Korea. Nonetheless, supply volumes of imported bell peppers are not fixed and prices are unstable, in addition to which consumers are more and more concerned about the safety and reliability of food. This has resulted in increasing demand for a stable supply of Japan-grown bell peppers. To meet that demand, in 2008 Toyota Tsusho Foods partnered with local farmers to establish VEGi-Dream Kurihara in Kurihara, Miyagi Prefecture, which is suited to the cultivation of bell peppers, with the goal of providing a stable supply of safe, reliable, fresh and tasty bell peppers.

The path to becoming Japan's largest bell pepper producer

Pilot planting (0.7ha) was completed in March 2009. The first harvest took place without a hitch the following May. The Japan-grown bell peppers were a big hit, and business was expanded to meet the increasing need by making the second bell pepper planting over a 4.2ha area, which was completed in June 2010. Nonetheless, although everything had been moving forward as planned, operations were damaged when the Great East Japan Earthquake struck in March 2011. Even so, the full- and part-time employees somehow managed to overcome the difficulty, and repairs were fully completed by March 2012. In 2012, the first year after the recovery, the targeted production volume is approximately 840 tons (for the first and second plantings combined). After start-up at the new production site in Ohiramura, Miyagi Prefecture, (described below) in February 2013, annual production will exceed 1,000 tons. The total volume of bell peppers consumed in Japan in 2008 was 25,000 tons, of which 2,000 tons were domestically produced. Therefore, it can be said that VEGi-Dream Kurihara will become Japan's largest bell pepper producer.



Bell pepper just after planting (about 30 cm)



Bell pepper at harvest time (about 1.5–4.5m)

Realizing a highly efficient, low-environmental-impact production site through cooperation with an automotive plant

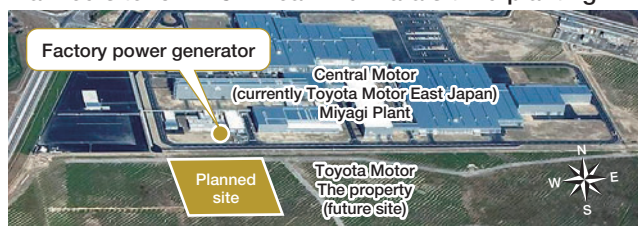
Computer controls are used to regulate greenhouse temperature and nourishing solution in growing bell peppers hydroponically. Unabsorbed nourishing solution is filtered and reused, while the CO₂ emitted by heaters is absorbed within the greenhouse, making for a thorough recycling system. Nevertheless, because the greenhouse cultivation takes place in Miyagi Prefecture, from the start the biggest issue has been heating in winter, which takes up about 30% of production costs.

To address this issue, Toyota Tsusho Corporation and VEGi-Dream Kurihara gained the cooperation of Toyota Motor Corporation, its subsidiary Central Motor Co., Ltd. (currently Toyota

Motor East Japan, Inc.), and the local government of Ohiramura, Miyagi Prefecture in creating a new "Agriculture–Trading–Industry Project" to build a new bell pepper production site that uses the heat emitted from a factory. In this project, the bell pepper production site is built next to the factory's power generator. Heat emitted by the generator is used to make hot water that is supplied to the greenhouse and used to warm it. In addition to reducing energy costs by recirculating heat, the CO₂ emissions reduction benefit is also improved through energy conservation.

Construction of the new planting facilities, which represent an attempt at a new agriculture–trading–industry business model, commenced in July 2012, with start-up scheduled for February 2013.

Planned site for VEGi-Dream Kurihara's third planting



Stakeholder comment

We hope this will be a driving force for Miyagi Prefecture's disaster recovery.



Mr. Yoshihiro Murai
Governor of Miyagi Prefecture

In Miyagi Prefecture we are strongly encouraging high value-added agriculture through agriculture–trading–industry cooperation, and are working to realize competitive agriculture. This example of efforts for leading-edge protected horticulture through efficient energy use is getting attention nationwide for its technology, and I firmly believe it will serve as a great driving force as a model that will lead the recovery of Miyagi Prefecture's agriculture from the earthquake disaster.

As a pioneering model for a new generation of agriculture, it is my hope that the benefits of this business can spread broadly from Miyagi Prefecture throughout the entire nation.

Message from the coordinator

We hope that this new form of agriculture for an industrial nation can contribute to the disaster-stricken areas and Tohoku in general.

If our efforts prove a success this new model for agriculture–trading–industry cooperation, by which the unused heat from a factory is employed in agriculture, can be spread to other locations in Japan. Our goal is to encourage Japanese agriculture and increase Japan's rate of food self-sufficiency.

We also believe that this endeavor is important for Miyagi Prefecture. Not only will this give a boost to the efforts to recover from the great earthquake disaster, but it can also bring about new employment opportunities in Tohoku, which faces a shortage of winter jobs, as well as contribute to the creation of specialty products from this area. We want our bell peppers to offer a message of recovery.

Seiichiro Takahashi
Chief Representative Officer
VEGi-Dream Kurihara Corporation





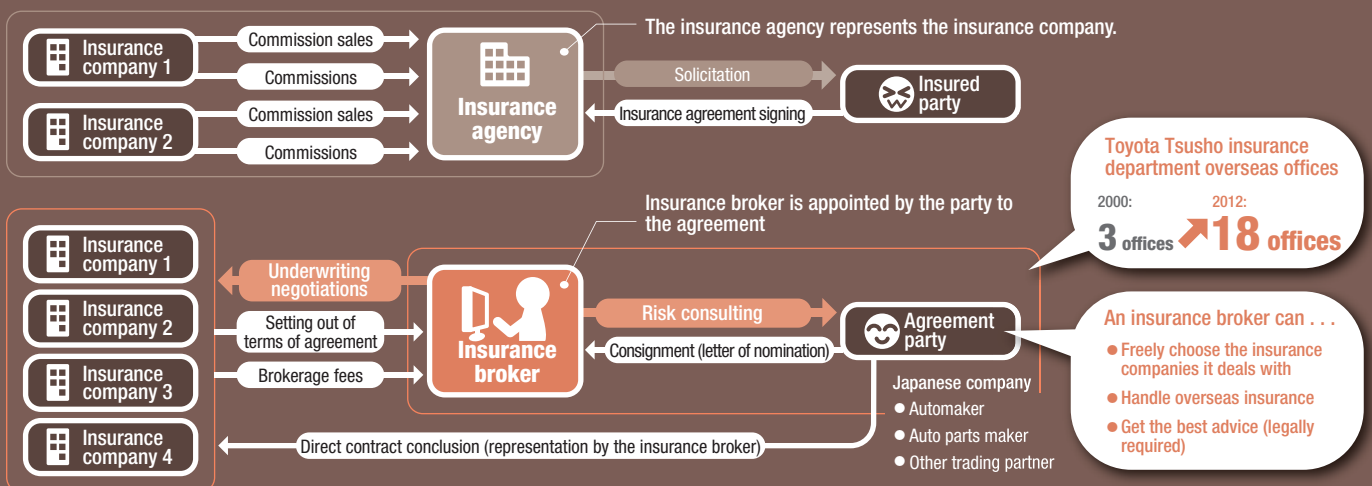
Consumer Products, Services & Materials Division

Contributing to the Vietnamese economy by insuring Japanese companies in Vietnam

Toyota Tsusho Corporation sells and brokers insurance around the world. We have entered the insurance brokerage business in rapidly growing Vietnam to support the influx of Japanese companies into that market, and are, thus, further contributing to the growth of the Vietnamese economy.



Differences between insurance agency and brokerage business

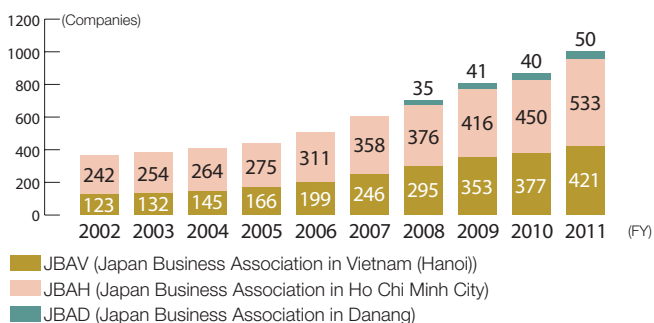


Demand for insurance is growing along with the economy in Vietnam

The Vietnamese economy has been growing at 5% to 8% annually since 2000. The diligence of the Vietnamese people and the stability of the nation's government are strong selling points that attract investment from overseas.

The number of Japanese companies moving into Vietnam has been greatly increasing. In 2010, 140 companies directly invested in Vietnam (based on new approvals), bringing the total to 1,397. This has led to increased demand not only by companies for insurance, but also for insurance services that ensure the safety and peace of mind of Japanese living in Vietnam.

Members of the Japan Business Association in Vietnam



Reference: "2011 Vietnam Summary: The Vietnamese Economy in Statistics" (JETRO Hanoi Center, September 2011)

Commencing insurance brokerage business in Vietnam to support the ongoing entry of Japanese companies into that market

Toyota Tsusho Corporation's insurance agency business began in 1950, with most of our customers being Toyota Group companies and their employees. Including companies and employees outside the Toyota Group, our insurance unit currently has approximately 2,000 corporate and 600,000 individual customers, and we are the largest in Japan in terms of agency representation for life and casualty insurance. Furthermore, in 1997 we established Toyotsu Insurance Management Corporation (TIM), which is an insurance brokerage specializing in offering optimal risk measures through a mix of a number of insurance products.

We have also for the past few years been actively developing our agency and brokerage business overseas, and currently have 18 offices in 13 countries, with support for our Japanese corporate customers entering markets outside Japan being our focus. There has been an increase in demand for risk management and insurance programs among the Japanese companies flowing into Vietnam, so we established Toyota Tsusho Insurance Broker (Vietnam) Corporation (TTIBV) in 2011. TTIBV, which basically is a go-between representing clients in negotiations with insurance companies, began offering optimal insurance to customers in

Toyota Tsusho insurance department's network of overseas offices (18 offices in 13 countries)



September of the same year. Toyota Tsusho is the first Japanese company to receive a license to operate an insurance brokerage in Vietnam.

Contributing to Vietnam's economic development through the insurance business

Companies, as well their employees, that are leading the way into Vietnam, which has nascent social and legal infrastructures, are subject to a great deal of latent risk, providing an important role for insurance that can enable them to function with peace of mind. The provision of a comprehensive range of insurance services, such as accessible consulting, insurance premium negotiation, contract conclusion, and accident response, offers stability that allows Japanese companies to engage actively in their business, and is also connected to developing the Vietnamese economy. We plan to extend these services to non-Japanese companies and their employees in the future.

The hiring of local staff and their skill development through training also constitutes a contribution to Vietnam's social development. The skill development support offered to local staff includes not only training programs in Vietnam, but also training courses in Japan as part of our efforts to offer a broad variety of skills.



TTIBV office

Opinion of a local corporate employee

I seek to improve the level of service I offer by deepening my knowledge of insurance.



Mai Thi Huong (Left)
Nguyen Thu Huyen (Right)

Toyota Tsusho Insurance Broker (Vietnam) Corporation

TTIBV offers insurance services such as risk management, optimal insurance programs, claims adjustment and others. Customers can use our advice to build even firmer defenses against risk. My goal is to continue to build up experience and comprehensive insurance knowledge so as to offer an even better level of service.

Message from the coordinator

We are achieving customer satisfaction as a general insurance consultant.

As the first Japanese insurance brokerage in Vietnam, we are offering Japanese companies, including those of the Toyota Group, safety and security.

We are making particular use of our long experience and expertise regarding auto industry PL and manufacturing process risk. We want to achieve customer satisfaction as a general insurance consultant.

Masaharu Yoshimura

CEO
Toyotsu Insurance Management Corporation



Safety efforts

Based on the Toyota Tsusho Group's Policies on Safety and Health, the Group promotes occupational health and safety initiatives that are designed to ensure the continuity of operations by ensuring the safety of all people who work at Toyota Tsusho Corporation and all those who are involved in its operations, including business partners and investees. We have also established the Food Safety Promotion Office so as to offer safe and reliable food, and are building a food safety management system.

The Toyota Tsusho Group's Policies on Safety and Health

1. Recognizing that good communications are paramount for ensuring safety and health, top management places a high premium on dialogue with employees.
2. While strictly adhering to relevant safety and health laws and the internal workplace business rules and procedures of our customers, we have established our own standards, as we work to raise the level of our safety and health management.
3. We utilize occupational safety and health management systems and work to continually improve and maintain these systems as we aim to raise safety and health levels.
4. To promote safety and health activities at all companies throughout the Toyota Tsusho Group, we will establish the necessary organizations and structures and clarify the locations of responsibilities.
5. To progress with the creation of comfortable and healthy workplaces, we will provide all employees with sufficient and necessary education for ensuring their safety and health.

We aim to be a company that everyone trusts by protecting the health and safety of all.

Toyota Tsusho Corporation believes that ensuring the safety not only of our Group employees, but of every worker associated with us, is a fundamental corporate social responsibility. We are working to create a corporate culture at all of our Group companies that encourages people to speak out in the interest of accident prevention, and aim to create a “zero danger” company. We actively engage in safety efforts based on the three pillars of “control structure,” “education and personnel development,” and “support for accident prevention.”

First, we build a control structure for ironing out problems by convening the safety management improvement meeting and a weekly safety meeting for regular discussions of efforts to prevent accidents. Next, education and personnel development includes education in how to foresee danger, risk assessment activities, and the practical safety workshop through which employees increase their safety

consciousness. This cultivation of human resources capable of foreseeing danger and preventing accident occurrence is conducted overseas as well as in Japan. Furthermore, support for accident prevention is conducted through plant safety inspections and risk assessment, and regular improvements to safety efforts are made at the manufacturing business entities, while we promote the autonomy of each business entity and region.

We also conduct preliminary discussions and site checks for construction projects when we start up a new business, fulfilling our duty to take safety into consideration. Risk associated with traffic accidents has become prominent as our business grows in emerging economies, and in response we are working to reduce accidents and putting an effort into encouraging safe driving that takes particular regional characteristics into consideration.

Toyota Tsusho's long-term vision, the Global 2020 Vision, states that we want to be a company that “garners our customers' trust.” By considering safety in every aspect of our business, and ensuring the safety and health of each person with whom we are associated, we can be a company that is respected and trusted by everyone. I am working with everyone in moving forward with safety management so as to realize that ideal.



Mikio Asano
Executive Vice President
Safety and Health Management General Supervisor

Occupational safety and health management

Structure

We strive to share safety information and raise safety consciousness, with the weekly safety meeting and safety management improvement committee at the core of our efforts.

Toyota Tsusho Corporation convenes weekly safety meeting attended by about 20 business division heads from Group companies and departments where accidents have occurred, as well as the members of the “zero accident” teams. Attendees of the weekly safety meeting share information on accidents and measures to prevent recurrence, and seek develop such measures in the business entities of each Division.

Also, the safety management improvement committee, which extends laterally across the entire company and is attended by divisional executives (division general managers and directors in charge of “zero accident” promotion), meets monthly for the sharing of information and the uplifting of safety consciousness among top executives.

Zero accident team members have been placed in all departments to promote safety

Under the supervision of the heads of the sales divisions, zero accident team members at all sales departments take part in safety management activities within their own sales departments, as well as in any Group companies that their departments are responsible for

managing. They work to uncover any issues, propose countermeasures and manage the progress of activities.

Furthermore, at zero accident team conventions, which are held once each year, attendees report on their departments’ activities. In addition to awarding commendations for excellence, these conventions serve to strengthen initiatives.

We strengthened efforts to prevent accidents in fiscal 2011, focusing on themes such as “extending the range of risk assessment activities” and “clarifying residual risk.” Also, of the activities reported, two superior examples were awarded prizes: the safety management efforts of the South Africa subsidiary, and the safety management efforts at a large-scale contracted construction project in Thailand.



Prizes awarded to Group companies with a long record of being accident-free

Promoting labor health and safety throughout the Group

We have established the Toyota Tsusho Group OS&H promotion committee to promote occupational health and safety activities at Toyota Tsusho Corporation and its Group companies in Japan. This committee is chaired by the general

manager of the Human Resources Department, with the safety and health management general supervisor, who is a Toyota Tsusho director, and the representative directors of 52 Group companies in attendance.

While the activities at our overseas Group companies vary according to the particular circumstances in each country, in principle the activities at these companies hold in common the policies and philosophy of “Safety First,” with safety activities promoted in response to the laws and regulations of each country.

Promoting labor health and safety

Basic stance

Promoting safety management that includes Group companies and suppliers

Toyota Tsusho Corporation has consistently engaged in accident and disaster prevention activities since the establishment in 1985 of the Safety Management Office (and through the Safety & Global Environment Management Department established in 2001).

In fiscal 2011 we implemented the “3S Policy” — “Sincere, Straightforward, Speedy” — regarding the range and timing of accident reports, along themes of “safety awareness transformation and speeding up” and “making independent entities more ‘visible’.” Also, we made efforts to make safety more “visible” by establishing indicators based on evaluations through safety diagnoses, etc. As a result of such efforts, “Sincere,

Structure for promoting occupational health and safety



Safety efforts

Straightforward, Speedy” have taken hold at each department, making possible more open and accurate accident reports.

In fiscal 2012 we will plan to hold global conferences in four regions—Japan, the United States, China (Tianjin) and Thailand—to strengthen regular information sharing.

Toyota Tsusho Corporation

We identify issues and implement countermeasures through programs such as plant inspections by top-level management.

Toyota Tsusho conducts plant inspections at our business sites in Japan and overseas, whereby top-level management and the leaders of business divisions take the initiative in checking safety. We also conduct “plant safety diagnoses,” which involve reviews of 10 items, including the management structure, the status of occupational health and safety committee activities, and the annual activity plan’s implementation status. Furthermore, we perform risk assessments in an effort to prevent accidents from occurring. These activities enable us to identify issues and implement countermeasures.

In fiscal 2011, top-level management conducted plant inspections in six countries: Japan, Thailand, Malaysia, Indonesia, China, and the United States. Plant diagnoses were carried out at Group

Work stoppage rate* at domestic Group companies operating factories (Fiscal 2011)

	Metals	Energy	Others
Target companies	13	5	15
Employees	1,117	601	2,918
Stoppage rate	0.44	0	0.39

* **Work stoppage rate:** an indicator of accident frequency. The calculation is based on the number of accident-related casualties per 1 million working hours.

$$\text{Work stoppage rate} = \frac{\text{Number of deaths and injuries due to accidents}}{\text{Total work hours}} \times 1,000,000$$

Efforts by the Chemical & Electronics Division

Introducing control systems for solvent ingredient tanks

Solvent ingredient tanks are in use in the tank operations business at two Chemical & Electronics Division locations, one in Thailand and the other in Indonesia. Chemicals associated with fire or explosion risk are handled in this business, so maintenance is carried out under a systematic management system to help prevent accidents from occurring.

companies (39 in Japan and 55 overseas), with thorough guidance on safety management provided on-site. In addition, each Group company conducted risk assessments to look into measures to identify sources of danger so as to prevent accident occurrence.

Suppliers

The Safety and Health Cooperation Council, with a membership of around 550 suppliers, works to enhance safety maintenance.

Through the cooperation of our approximately 550 suppliers, we have formed the Safety and Health Cooperation Council, an organization that seeks to prevent accidents.

Suppliers are divided into two categories, “construction” and “delivery,” with conferences or seminars held for each category four times annually to share information related to safety management and trends on the indication of non-conformance. Directors and general managers from five divisions—Metals, Machinery, Energy & Project, Global Production Parts & Logistics, Chemical & Electronics, and Consumer Products, Services & Materials—attend these conferences or seminars, with the Safety Promotion Group members serving as the secretariat.

In fiscal 2011, we held study sessions for suppliers in the “construction” category concerning “equipment lockouts,”* and for those in the “delivery” category concerning oil-leak countermeasures, so as to enhance safety management.

* When conducting an operation in which a technician places his or her entire body inside the equipment, a lock is used to prevent others from accidentally switching the equipment on.

Investments

Conducting safety reviews of business investments at the planning stage

When Toyota Tsusho is contributing 50% or more of the investment in a project accompanied by construction, we conduct an examination of the planning through construction work cycle to confirm that a safety management structure has been put in place.

The safety promotion group of the Safety & Global Environment Management Department strives to ensure that construction is completed without any accidents or disasters. To this end, the group ensures that the five elements of the safe construction cycle are operating properly, thereby fulfilling our duty as a contractor to take safety into consideration.

Safety training

Training

We are expanding rank-based safety training and cultivating in-house safety training instructors.

We believe that human resource cultivation is where safety management truly begins, so in addition to Group employees, we also conduct safety training for suppliers.

In line with our aim of increasing safety awareness, the zero accident team members who direct safety activities at sales divisions are required to undergo training upon appointment as a safety manager. In fiscal 2011, 165 people took part in this training, raising the cumulative total to 917. Rank-based safety training is also provided to new employees, mid-level employees, managers and executives, and we are expanding the scope of safety training to include suppliers.

We cultivate the instructors who provide this safety training in-house so they can understand the situation within the Toyota Tsusho Group and provide instruction corresponding to actual workplace needs. Training is provided by employees who have received RST Trainer certification as instructors for occupational health and safety by Japan’s Ministry of Health, Labor and Welfare and the Toyota Group’s instructor certification for supervisory foreman education as “specialist instructors for all Toyota Tsusho personnel responsible for work operations.”

Principal training and number of people taking courses (Fiscal 2011)

Training topic	Target	Number of people taking courses
Education and training for new employees	New employees	210 persons
Training upon appointment as a safety manager	Mid-level employees, managers	165
Training for personnel posted overseas		68
Education for persons responsible for construction		121
Education for persons responsible for work operations	People in charge (including at Group companies and suppliers)	715
Training for high-elevation workers		254
Education on prevention of electrical shock		244
Practical safety workshop		635
Training for top-level executives	Executives	450

At our workplaces, we also assemble a variety of safety training programs on DVD. Four types of DVDs are available: in the construction category, training covers working at high elevations, slinging work and preventing electric shock; in the delivery category, lashing and crane operations; in the production category, how to respond to abnormalities during operations; and the management category. We have distributed these DVDs to 337 business units in Japan and overseas, as we work to expand our safety assurance initiatives on a global scale.

We have set up a practical safety workshop to enhance employee sensitivity to danger.

To heighten employee sensitivity to danger, in fiscal 2009 we established the Practical Safety workshop at the Toyota Steel Center. The workshop offers simulation of some 40 different types of danger, including squeezing and danger involving heavy items, and in addition to attendance by Toyota Tsusho and Group company employees the workshop is also open to business partners who take part in the Safety and Health Cooperation Council.

In fiscal 2011, 635 people used this facility.



A practical safety workshop

Providing information on safety

The entirely new OSH*-NET design enhances the provision of safety and health information.

We have set up the “zero accident” Room at our headquarters, where we provide information about Toyota Tsusho Corporation’s safety initiatives, as well as disaster case studies and training content.

The facility is open to employees of Toyota Tsusho and Group companies, and can be freely used by customers and suppliers.

In fiscal 2011, as part of our “Don’t Forget or Let It Fade” activities, the “zero accident” Room was put to use on the date of the occurrence of a serious accident to reconfirm safety.

Also, we used OSH-NET, an electronic bulletin board set up in fiscal 2008, to offer employees health and safety information, such as materials on safety and health management, disaster case studies, the

minutes of various meetings and information on safety and health, all in a single convenient location. In addition to completely renewing the design of OSH-NET in fiscal 2011, making it easier to view and use, we began posting new information about accidents and committees. We strive to have all of our employees share and understand information about a variety of safety and health efforts, and for the entire company to aim to improve safety awareness.

* OSH: Abbreviation for occupational safety and health



OSH-NET

Ensuring food safety

Supply chain

We provide guidelines for careful selection of superior suppliers and product management.

The Produce & Foodstuffs Division has created a food safety management system with the Food Safety Promotion Office at its core, and strives to comply with laws and regulations. Our process of supplier selection includes plant inspections in addition to the screening of records. Only suppliers that have cleared our supplier selection management standards are chosen for registration.

Guidelines for product management based on our Supplier Management Standards are provided to registered suppliers, and strict management of each process, from ingredient selection through product shipping, is required. Also, local supplier inspections have been stipulated in an inspection manual based on our food safety management system rules, and in addition to requiring that registered suppliers conduct regular inspections, when suppliers find on-site inspections to be difficult, Toyota Tsusho conducts inspections through the Produce & Foodstuffs Division. If serious problems such as legal infractions are discovered as a result of these inspections, measures are in place to eliminate the ingredient or product in question and cease its shipment.

Toyota Tsusho Corporation also conducts inspections of imported products

based on our own inspection rules. If serious problems such as legal infractions are discovered as a result of these inspections, the cargo in question is not shipped within Japan, and measures are in place to either return it or dispose of it.

Furthermore, if by chance problems are discovered through an inspection, we have constructed a structure for preventing food mishaps that includes a thorough inquiry into the cause of any problem as well as recurrence prevention.

Toyota Tsusho’s logistics bases

We have created our own manuals in conformity with the demands of Japan’s Ministry of Agriculture, Forestry and Fisheries and Japan’s Ministry of Health, Labor and Welfare for thorough quality control.

The Produce & Foodstuffs Division maintains grain silos at four sites in Japan. We operate these silos according to our own quality control manuals that conform to Japan’s Ministry of Agriculture, Forestry and Fisheries guidelines and directives (on feedstuffs and wheat) and Japan’s Ministry of Health, Labor and Welfare directives (on corn). We conduct thorough cleaning and temperature controls at every stage, including pre-loading, loading, storage and shipment.



Grain silo

Appropriate product labeling

We strive for appropriate labeling and confirm the accuracy of ingredient labeling and date management.

We strive for thoroughly appropriate labeling so as to offer accurate information and product security. We confirm in advance that the ingredients actually in the product match the labeling, and we store label records, including label samples and artwork, etc. The Supplier Management Standards of the food safety management system stipulate rules regarding date management, such as sell-by and use-by dates, and we confirm that our suppliers are conducting proper date management.

Human resource initiatives

While employee and corporate growth are a matter of course, Toyota Tsusho Corporation promotes CSR based on our Principles Concerning Employees so as to realize our Corporate Philosophy of “Living and prospering together with people, society and the Earth, we aim to become a value-creating company that contributes to the creation of a prosperous society.”

Principles concerning employees

We aim to realize our management strategies without being constrained by past experiences or preconceptions and based on the watchwords “real source” and “On site, Hands on, In touch.” Accordingly, from the perspective of overall optimization, the Toyota Tsusho Group will employ, develop and advance employees who can cooperate and lead the way to an even better future.

Key points for promoting CSR from an employee perspective

Point 1

Build an environment that allows employees to work with vitality.

To enable a company and its employees to realize continuous growth, it is essential to create a workplace environment and systems that make employees' work rewarding and fulfilling. With this in mind, we are devising a number of measures to build such an environment and systems.

Point 2

Create frameworks for promoting constant and autonomous reforms and improvements.

We regard a company's responsibility as enabling employees to act with self-initiative, with an unceasing desire to pursue reforms and improvements. Toyota Tsusho is building systems and frameworks that promote such actions.

Point 3

Develop human resources capable of responding flexibly, quickly and sincerely to changes in the environment.

The management environment is evolving at a breathtaking pace. Even so, we will work to strengthen our business functions and develop human resources capable of continually undertaking sincere business activities.

Point 4

Promote teamwork with an eye toward overall optimization as an organization.

While maintaining respect for individuals, we also recognize the limitations of acting individually and are thus determined to create an organization that enables overall optimization. To do so, we believe it is essential to have a corporate culture that fosters mutual respect and ensures sufficient vertical, horizontal and diagonal communication. We are currently creating a framework for such a corporate culture.

We are working to create opportunities for fuller dialogue between upper-level management and employees so as to achieve our Global 2020 Vision.

We at Toyota Tsusho Corporation make daily efforts based upon our Principles Concerning Employees to create a work environment in which all employees, including those of our affiliates, can work with vitality and feel highly motivated so we can all realize continuous growth.

We initiated our “Dialogue between the president and the employees” program in fiscal 2011 so as to create opportunities for direct discussions about business policies that would foster mutual understanding, which is necessary so that all of us at Toyota Tsusho can work as one to achieve our Global 2020 Vision. In addition, we held “Labor-Management Confabs by Division” at which the chief officers of each division explained to union members the business policies of their respective divisions. We also initiated a cross-organizational project with the theme of “co-creation,” which is a vision-achievement keyword, and began applying not only the fruits of that project but also using the project itself

to drive human resources development.

In addition to rank-based training, in fiscal 2011 our in-company training programs included the Innovation Leader Cultivation Seminar for young employees to learn about creating new businesses. For our Japan and overseas executive-level personnel we also held Breakthrough Seminars and the Leadership Development Program for those who would become managers in the next term. In fiscal 2012 we will renew work interchange training and our practical career training for administrative staff.

We also conduct a variety of health checkups and stress tests continuously to support employee health management and work-life balance, and have a system in place for consultation with company physicians. In fiscal 2011, we also initiated mental health checkups and delivery of company physician e-zines for expatriates posted overseas, so no matter where they are posted our employees can get mental and physical health support.

In addition to annual overseas visits to our worksites by company physicians, in fiscal 2012 we will promote work-life balance improvement by encouraging employees to take more of their allotted paid leave.

Our people form the foundation of our business. We are making efforts for our people and our company to grow together, so that we can continue contributing to society through our business.



Kuniaki Yamagiwa
Managing Director and Chief Officer
of the Administrative Division

Personnel systems

Basic stance

We work to conduct employee performance evaluations that are fair and performance-based.

Toyota Tsusho Corporation considers “overall optimization” a core value that relates to all personnel activities, including hiring, training, evaluation and rotation. To exist as an organization and provide greater value to stakeholders, Toyota Tsusho believes that in addition to boosting individual performance, cooperation from multiple organizations and human resources is essential.

Toyota Tsusho strives to evaluate employees based on their performance, without bias to gender, age or nationality. When determining performance levels each year, we require interviews with the person conducting the evaluations. We also hold coordination meetings at various stages of the process of deciding evaluations to ensure that employees are assessed from multiple perspectives.

Similarly, we work to ensure fair and results-based systems of employee classification, compensation and rotation.

Challenge rotation

We boost employee motivation toward their jobs by meeting their posting requests.

Toyota Tsusho Corporation has in place a challenge rotation system, whereby the company seeks to encourage high levels of job motivation by meeting employees’ requested postings.

“Challenge rotation” is a system through which we give job-posting preference to employees who have indicated a specific desire to obtain specific postings. The system is available to employees who have been handling the same job for five years or more and involves the presentation of a specific plan (a plan for engaging in new business that the employee would like try in which the work skills built up so far will be used, but conversely that will also provide the acquisition of new perspectives and horizons) for an employee’s desired posting. In fiscal 2011, 36 employees made applications through this system, of which 19 were assigned to different posts.

Commendation systems

We take a variety of perspectives into consideration in presenting commendations to organizations and individuals in recognition of their contributions to realizing our corporate vision.

Every year, we present commendations to organizations and individuals in Japan and overseas in recognition of their efforts to realize our corporate vision.

Awards are not limited to job performance by individual employees. Organizations achieving high levels of operating performance may receive the division GV award*, individuals who acquire Company-recommended certifications receive a commendation for obtaining qualifications, and individuals volunteering to make social contributions can receive a commendation for social contribution.

* Name derived from Toyota Tsusho Corporation’s flagship message, “G’ VALUE with you”

Principal commendation systems and fiscal 2011 award recipients

Name	Target	Recipient
Division GV award	Organizations achieving high levels of operating performance	24 organizations
Commendation for obtaining qualifications	People obtaining Company recommended qualifications	164 persons
Commendation for social contribution	Individuals volunteering to make social contributions	20 persons
Excellence award for proposing improvements	Individuals successful in making operational improvements	32 persons

(Application and selection processes for each award)

● Division GV award

Applications are made to each planning department using a special application form, and award recipients are determined at each division. Eight are selected from among these for the GV superiority prize, and the president himself selects the recipient of the president’s award.

● Commendation for obtaining qualifications

Candidacy is automatic through the use of the acquired qualification report form, which can be submitted at any time

● Commendation for social contribution

Direct application is made to the Human Resources Department using a special application form

● Excellence award for proposing improvements

“A”-ranking applications are sent to the Planning Department from the administrative office making the improvement proposal, and award recipients for each division are selected from among these.

Labor-management dialogue

Building good relations based on dialogue

We took proposals from labor union representatives and held the labor-management confabs at each sales division.

Approximately 70% of Toyota Tsusho Corporation associates, or 2,543 people, belong to the Toyota Tsusho Labor Union. All employees in principle are union members.* Each year, labor union representatives meet with executives in charge of human relations approximately 10 times, convening the Personnel System Evaluation Committee to discuss personnel systems and other aspects of a work-life balance.

In fiscal 2011, we initiated the Labor-Management Confabs by Division based on the opinion expressed at the Personnel System Evaluation Committee that “We would like to establish a forum for getting the frank opinions of chief division officers.” These confabs provide opportunities to promote understanding by union members of business policies through direct dialogue between union members and chief division officers at each division.

Based on a cooperative relationship with the labor union, Toyota Tsusho encourages joint lectures featuring external instructors and contributes to a year-end holiday party party sponsored by the labor union. This also promotes exchanges among union members.

* Employees of section chief grade or higher, as well as employees with line chief experience, do not qualify for union membership.

Human resource development

Basic stance

We are cultivating human resources capable of implementing the Toyota Tsusho Group Way.

Toyota Tsusho Corporation implements a diverse range of educational and training programs to develop personnel capable of exemplifying the keywords of the Toyota Tsusho Group Way: “A passion for business,” “On site, Hands on, In touch” and “teamwork” and to raise employee skill levels. Furthermore, we focus on personnel who can share information throughout the Company and cooperate from the perspective of overall optimization.

Education and training

We held Breakthrough Seminars for leaders to bring about Global 2020 Vision.

To maximize overall organizational performance from the perspective of total optimization, we offer rank-based training to employees from the time they enter the company through their sixth year, as well as to newly appointed executives. In addition, we have established practical knowledge courses for younger employees and offer an array of training programs for studying business skills, including Innovation Leader Cultivation Seminars to cultivate the start-up mentality for creating new businesses. We also offer e-learning courses (around 100 courses, such as business and leadership programs, etc.) to our global staff working overseas.

We conducted a long-term program, the "Breakthrough Seminars," for our leader-level and "cafeteria style" rank-based training for younger employees in fiscal 2011. In fiscal 2012, we plan to conduct long-term programs for administrative staff and work interchange training for younger employees.

Training results

Toyota Tsusho, non-consolidated

Category	Course name	Number of attendees	
Personnel in charge of specific tasks*<!--1</b-->			
Long-term program	Breakthrough Seminars	25 persons	
	Innovation Leader Cultivation Seminars	18 persons	
	New business conception	24 persons	
Rank-based training	Training for newly appointed department general managers	15 persons	
	Training for newly appointed group leaders	51 persons	
	Practical training for newly appointed managers	56 persons	
	Training for newly appointed L-staff	56 persons	
	Training for newly appointed ST-staff	39 persons	
	T1 re-training	35 persons	
	Training for newly-appointed T1	45 persons	
	Cafeteria-style training	Mid-grade accounting	125 persons
		Strategy and marketing	55 persons
		Career design/ability to involve others	77 persons
		Ability to question and communicate	76 persons
	OJT-related	Beginning accounting	142 persons
		Second year training	65 persons
Business skills used throughout the company (open recruitment)	M&A	44 persons	
	Problem-solving	8 persons	
	Logical writing	38 persons	
	Writing emails in English	51 persons	
	OJT leader training	62 persons	
According to goal	Pre-overseas appointment training	160 persons	
Administrative staff			
Long-term program	Practical career training	154 persons	
	SG re-training	12 persons	
Rank-based training	Training for newly-appointed SG	16 persons	
	Training for newly-appointed G1	24 persons	
	G2 training	67 persons	
	Second year training	21 persons	

NOTES

*1 Personnel in charge of specific tasks: Employees who may be relocated to different regions. Also called "career-track employees."

*2 Administrative staff: Personnel who handle backup work for personnel in charge of specific tasks or routine tasks in a specific region. Also known as "general employees."

We are building a self-education support system to match employee ambition

We are building a self-education support system to support employee self-education by providing subsidies to cover course fees for correspondence courses and other external learning opportunities. We make this system well-known by posting information on an electronic bulletin board and in education system electronic brochures, and by emailing eligible employees so as to encourage more of them to take advantage of it.

We are developing a variety of educational systems at our Toyota Tsusho Group companies as well, and are working to improve the quality of human resources development throughout the entire Group.

We have put in place an overseas language study program to enable employees to learn about local cultures and business customs.

As a trading company, Toyota Tsusho Corporation posts employees to overseas assignments on a frequent basis. To help develop employees who can handle such postings, we have put in place an Overseas Foreign Language Study system for personnel in charge of specific tasks who are in at least their second year of employment.

Following one year of language study at an overseas university or language education institution, employees taking advantage of this system undergo approximately one year of practical training under the guidance of an expatriate stationed at an overseas branch or trading subsidiary. This system therefore functions as a program that offers language study opportunities as well as enables participants

Training system chart (extract) Toyota Tsusho, non-consolidated

Personnel qualifications	Long-term program (business creation/operational reforms)	By rank		Business skills used throughout the company (Necessary)		OJT-related	According to goal (internationalization/management personnel cultivation)	
		(Necessary)	(Open enrollment)	(Necessary)	(Open enrollment)		(Necessary)	(Open enrollment)
Personnel in charge of specific tasks	SK		Training for newly appointed department General Managers	Practical training for newly appointed managers	Evaluator training			
	K	Break-through Seminars	Training for newly appointed group leaders					
	L	New business conception	Training for newly appointed staff (L-staff, ST-staff, T1 staff)	Re-training (T1 staff)		M&A		
	ST							
	T1							
	T2	Innovation Leader Cultivation Seminar	Cafeteria-style training -Mid-grade accounting -Strategy and marketing -Career design/ability to involve others -Ability to question and communicate -Beginning accounting	Practical knowledge courses	Business skills test (GMAP)	Evaluate training	Problem solving	
	T3			Second year training			Logical writing Writing emails in English	
Administrative staff	SG	Practical career training	Training for newly appointed staff (SG staff, G1 staff)	Re-training (SG staff)	Practical knowledge training	Correspondence courses		
	G1							
	G2		G2 training					
	G3		Second year training (problem-solving)			Writing emails in English		
Joint	Introduction		New employee introductory training New employee follow-up training					
	Informal decision		Trading business correspondence course, third-grade bookkeeping test TOEIC test					

to experience local customs and cultures. It serves as a highly effective system for cultivating staff members who will be posted overseas and also plays an important part in promoting employee career development and job rotations.

We actively encourage employees to use this system. In addition to advertising this system on the company-wide notice board, recommendations are made through the Planning Department in at each operating division.

People dispatched overseas for foreign language study and their study locations

Toyota Tsusho, non-consolidated (FY)

Countries to which employees are dispatched	2009	2010	2011
Argentina	1	1	0
Egypt	0	1	0
Mexico	0	1	1
China	1	1	1
Russia	1	0	1
Portugal	1	0	1

We are promoting the advancement of executive-level personnel overseas.

In recent years, our overseas business ratio has increased, and the need has grown to share our Corporate Philosophy, values and objectives globally. Accordingly, Toyota Tsusho Corporation is stepping up its efforts to train personnel hired locally at overseas branches and companies in the Toyota Tsusho Group Way and Global 2020 Vision.

We also work to develop personnel into managers at overseas business units. We

have made the personnel systems at our primary business units consistent and introduced the Leadership Development Program for executive-level personnel. In fiscal 2011 there were 24 participants in this program. At the same time, at headquarters we offer training for employees prior to being posted overseas to make their transition to conducting business overseas as smooth as possible.

Our Human Resources Department at headquarters dispatches its expatriates overseas to handle local human resource requirements. The department is also working on a framework that will enable it to respond in English and Chinese. Since 2005, human resource managers from overseas subsidiaries have been sent to headquarters for a period of six months to a year. This initiative helps to develop human resources and promote Group solidarity in Japan and overseas.



LDP training

The consultation contact point is available to all Group employees irrespective of terms of employment. We work to make sure that the system is well-known, and it is explained during new-employee training and newly appointed manager training.

Training and awareness activities

We conduct training and other initiatives to boost employees' human rights awareness.

To increase employees' awareness of human rights, we conduct training activities, centered on the Human Resources Department. Nearly all Toyota Tsusho employees take the harassment training offered by the Human Resources Department.

In addition, the same training is conducted at affiliated companies. In fiscal 2011, it was conducted at about 40 companies.

Fair hiring

Personnel in charge of hiring undergo human rights training and recruit in an unbiased manner.

Toyota Tsusho Corporation's hiring activities avoid discrimination based on gender, age, nationality or disability, and instead focus on fairly determining whether an individual's abilities, skills, motivation and aptitude are consistent with the position Toyota Tsusho seeks to fill.

To prevent discrimination and prejudice in our recruiting, those in charge of hiring are required to undergo training on human rights.

Respect for human rights

Basic stance

We strive to ensure respect for human rights, based on our Behavioral Guidelines.

Toyota Tsusho Corporation's Behavioral Guidelines state that we will "respect people, and create an active workplace worth working in."

In keeping with this principal, we prohibit discrimination on the basis of gender, age, nationality or disability and encourage respect for human rights.

Consultation office

We have set up a consultation contact point to deal with harassment.

Toyota Tsusho Corporation has set up a contact point for consultation on and reporting of sexual harassment, power harassment, discriminatory language, and other human rights matters. Investigations are launched if necessary after consultation or reporting has been made, and when required the person who filed is notified.

In fiscal 2011, this desk handled three cases, which we resolved through cooperation from the company's in-house counsel.

Promoting fairness

Basic stance

We have in place a variety of systems to meet our goal of being an organization that empowers many people with different abilities.

Toyota Tsusho Corporation has established the Diversity Promotion Office, which spearheads our effort to create a workplace that welcomes diversity, under the concept of "establishing an organization that allows everybody to fully utilize their capabilities without discrimination on the basis of gender or age and to create new value."

Our approach includes expanding our systems to support a work-life balance, provide training for female employees to develop their careers, promote the employment of people with disabilities, rehire retired workers, and promote diversity in a host of other ways.

Opinion of local associate of an overseas company

in Turkey

An idea suggested in LDP training has become an actual project.

In 2003, I joined Toyota Tsusho Europe S.A. Gebze BR as an Assistant Manager in the Steel Products Sales Department. Through the management and leadership skills I gained through Excellence in Results Training in Brussels, PDCA and LDP training in Japan, as well as a variety of e-learning courses, I was promoted to upper-level manager in 2011. Currently I am working as the project manager of the Recycling Business M&A Project. I drew up plans for this project as a new business proposal during my LDP training in 2010. That an idea I had during training could turn into an actual project is a great source of motivation.



Sitki Hanagasi

Toyota Tsusho Europe S.A. Gebze BR

Encouraging female employees

Our practical career training for administrative staff has been renewed.

Toyota Tsusho Corporation has a number of initiatives in place to promote increased roles for female employees.

We have renewed practical career training for administrative staff in fiscal 2012, and plan to restructure it into two types—concentrated short-term training (which can be taken after two or more years at the company) and long-term training (elective) for those aiming for a further career boost. This training is aimed at cultivating employees who can take the perspective of the group or organization in setting their own goals and test their hypotheses.

We also participate in the Chubu Diversity Net* seminar held once or twice annually to promote participation in joint seminars for various industries and create a network of female professionals.

In addition, we take measures to support the career continuity of female employees. For example, a human resources coordinator will arrange talks between a female employee who has taken childcare leave and her superiors one month prior to that employee returning to work, to make possible a smooth return. (Such talks are also arranged for male employees returning from childcare leave.)

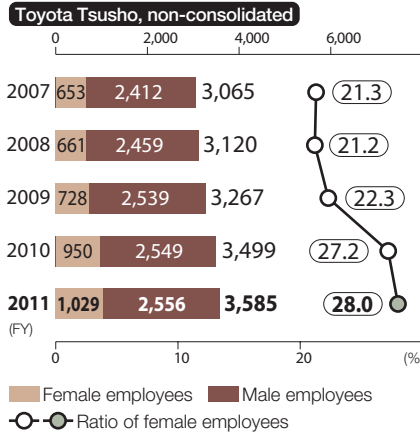
* A volunteer organization established through an alliance of companies in Japan's Chubu (central) region to encourage corporate cultures that recognize and respect diversity among human resources by sharing information and initiatives. Toyota Tsusho is one of the lead companies.

Work-life balance

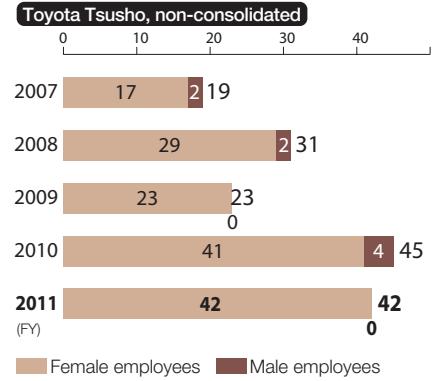
We have systems in place to help employees balance work and life.

Toyota Tsusho Corporation is expanding a variety of systems to help employees balance work and outside life, such as childcare leave and a system of reduced working hours.

Number of employees by sex



People taking childcare leave



Opinion of a user of the work-life balance system

I am making use of childcare leave and the system of reduced working hours in raising my two children.

When our daughter, who was our first-born, arrived I, took childcare leave for one year, and then when our son was born I took seven months. I took advantage of the system of reduced working hours after I returned to my job so I could balance child-rearing with work.

At Toyota Tsusho there is nothing unusual about using the childcare support system to continue working while raising children. I think it would be even better were the company to put in place a work-at-home system for employees that care for family members, because the need for that will increase as Japanese society grays.



Kaoru Ichinyanagi

Hino and Subaru
Automotive Department
Automotive Division

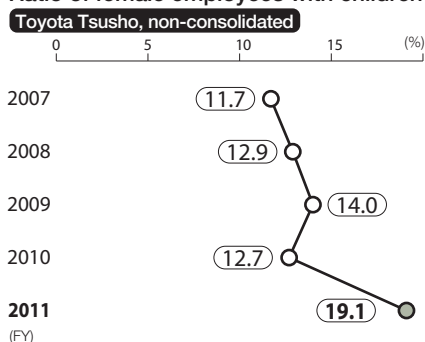
Overview of systems to help achieve a work-life balance by supporting childbirth and child care Toyota Tsusho, non-consolidated

	Pregnancy		Childbirth		Child Care		
	Approx. 8.5 months after pregnancy		Approx. two months after birth		Two years	Three years	Elementary school student
Leave of absence					Childcare leave		
Vacation	Annual paid vacation Vacation to prevent harm during pregnancy		Pre-partum vacation (six weeks) If multiple-child pregnancy, 14 weeks Post-partum vacation (eight weeks)		Annual paid vacation Child nursing care vacation (five days per year, through elementary school)		
Reduced working hours, etc.	Flexitime system				System of shortened working hours for child rearing		
Limited overtime work	Limited overtime work No late-night work (10pm to 5am) permitted				Limited overtime work No late-night work (10pm to 5am) permitted		
Evaluation					Subject to evaluation if working four months or more during evaluation period (April to end-March)		
Promotion			May be promoted		May be promoted		
Salary			Provided Including pro-rated bonus		Not provided Does not include pro-rated bonus		
Various services					Childcare support site, "wiwiw" (from six months prior to start of maternity leave to six months after returning to work) WELBOX baby-sitter coupons, day-care center coupons		
Consultation, Interview, etc.	Maternity leave and return-to-work interviews Interview prior to maternity leave				Interview prior to returning to work		Interview three months after returning to work

Available only to women Available to men and women

variety of support systems that promote our employees' work-life balance.

Ratio of female employees with children



Employing people with disabilities

We aim to provide a workplace where able-bodied people and people with disabilities can work together in a pleasant environment.

We strive to make our facilities barrier-free, for example by installing elevators and toilets for the use of the physically challenged and placing Braille instructions in passageways and other locations. We have also set up Toyotsu Office Service Corporation as a special subsidiary* under the Disabled People Employment Promotion Act, to encourage the hiring of people with disabilities.

As one initiative that also enhances our welfare offerings, we have established in-house massage facilities that we call the "Health Keeper System," which hires sight-impaired nationally certified Amma massage practitioners.

* A subsidiary that, subject to certain requirements, is considered jointly as a single operating location for the purposes of calculating the parent company's percentage of employees with disabilities

Rehiring retired workers

We offer systems that meet diverse needs.

Toyota Tsusho Corporation has set 60 as its mandatory retirement age.

However, in fiscal 2006 we set up a system for rehiring former employees who wish to work after retirement.

Under this system, employees who wish to be rehired take a one-month vacation prior to being rehired. Our system for rehiring retired workers is flexible and meets diverse requests such as reduced working hours.

Record of rehiring retired workers

Toyota Tsusho, non-consolidated (FY)

2007	2008	2009	2010	2011
17	20	19	12	15

Health and safety management

Routine health checks and mental health activities

We help employees maintain their physical and mental health through routine health checks and stress tests.

We provide annual health examinations for all employees, check-ups for adult diseases for employees aged 30 and above, and health checks for employees posted overseas prior to their departure and upon their return. In addition, to prevent the onset of mental health conditions, employees fill out "mental health checkup" surveys and undergo stress checks, which may be followed up with examinations by industrial physicians or discussion with consultation counter staff. Three consultations were made at the consultation counter in fiscal 2011.

We have made health checks and stress tests available to part-timers and special outsourced employees as well to regular employees, and consultation with industrial physicians can be made irrespective of hiring status. In 2011, we also initiated mental health checkups and delivery of industrial physician e-zines for expatriates posted overseas as part of our companywide health promotion efforts.



Mental health guidebook

Time management

We work to prevent health damage caused by long working hours.

To prevent employees from damaging their health due to long working hours, Toyota Tsusho Corporation has introduced a work monitoring system to ascertain the working hours of all employees. This system provides bimonthly checks of overly long working hours. Under this system, employees designated by the Human Resources Department as working overly long hours are required to meet with their superiors, and the detailed response requires direct improvements.

In fiscal 2010, we introduced the Monthly Paid Holiday Movement to encourage employees to take paid vacation time.

Trends in taking of paid holidays

Toyota Tsusho, non-consolidated (FY)

2009	2010	2011
34.83%	35.81%	38.94%

Seminar prior to overseas assignment

We offer a seminar to boost overseas risk management capabilities.

Toyota Tsusho Corporation offers training for employees and their families prior to being posted overseas, and we seek to improve understanding the importance of ensuring personal safety while overseas as well as of health management, including mental health.

This training was conducting four times in fiscal 2011, with a total of approximately 120 participants. The training covered a variety of subjects, including overseas management, overseas labor management and other work-related themes, through items such as lifestyle guidance for the posting destination.

In addition, after being posted overseas employees are provided support, such as safety, health and medical information on an as-needed basis. We also have a system in place whereby a specialized department (the ERM Department) is designated to enact measures in the event of an emergency in specific regions and quickly ensure the employee's safety.

in Thailand



Opinion of an expatriate posted overseas

Talking with people at the Human Resources Department and people who have experience being posted overseas did away with my concerns.

I was posted to Thailand in April 2012. While I had heard that Thailand is a relatively safe country with good medical care, it was my first overseas posting and I was somewhat concerned. Nonetheless, my concerns were alleviated after I talked at my training sessions with people with knowledge in every field, those with experience being posted overseas, and people in charge from the Human Resources Department. Not only did they suggest things to look out for in the country where I was to be posted, but they also told me about the good things there and matters about which I could be confident. In particular, it also seems that people with families feel better about

overseas posting after bringing their families along to training.



Koichi Enomoto
TTK Logistics (Thailand) Co., Ltd

Approach to the environment

Toyota Tsusho Corporation considers its approach to the environment to be inextricably linked with our Corporate Philosophy of “living and prospering together with people, society and the Earth.” In accordance with the Toyota Tsusho Group’s Environmental Policy, all executives and employees share this understanding and perform their activities accordingly.

Toyota Tsusho Group’s Environmental Policy

- 1 As a responsible corporate citizen, we strive to reduce impact on the environment, conserve energy, recycle resources and eliminate environmental pollution, while placing a high priority on not disturbing the global environment in conducting business.
- 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-oriented economy and society 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 impact on the environment by establishing an environmental management system and continue to improve 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.

Our mission is to pass on a bountiful global environment for future generations.

The various environmental issues cropping up in Japan and overseas pose challenges that Toyota Tsusho must not seek to avoid. Conducting business in an environment-conscious manner and responding to environmental challenges is our social responsibility and duty, and indeed we view it as our mission. By fulfilling this mission we can realize our Corporate Philosophy of “living and prospering together with people, society and the Earth, we aims to become a value-creating company that contributes to the creation of a prosperous society.”

To realize our Corporate Philosophy, we are building the Toyota Tsusho Group environmental management system based on the Toyota Tsusho Group Environmental Policy. In addition to seeking to bring about a society in harmony with nature, meaning one that is recycling-oriented as well as low-carbon, we are also working to maintain full compliance with all

environmental laws and regulations and to prevent pollution.

Toyota Tsusho is developing global environmental efforts in our businesses in a variety of fields, and new measures in Japan in fiscal 2011 included environmental risk assessments and environmental plant inspections. These measures are aimed at quantitative monitoring of risk and the visualization of risk control at plant sites, and have strengthened our environmental compliance as well as our structures for preventing pollution. We will continue to make such improvements in fiscal 2012, and will also develop such efforts at our overseas sites.

The Toyota Tsusho Group’s strong desire for the global environment can be summed up as “to fulfill our responsibility toward the global environment and sustainable business so as to ensure that we pass on a bountiful global environment for future generations.” This desire is woven into the Global 2020 Vision set

out by the group in fiscal 2011. In addition to moving forward with environment-friendly business measures in each of the three areas described in the vision—“next-generation mobility systems,” “better living environments,” and “solutions to global issues”—we will continue to make improvements in environmental management.



Mikio Asano
Executive Vice President
Environmental Management General Supervisor

Environmental management

Promotion structure

We are stepping up our environmental management efforts, focusing on our conference on the global environment.

Toyota Tsusho's environmental management efforts are centered on our conference on the global environment. Participants include the environmental management general supervisor, environmental management representative and chief division officers, as well as environmental management representatives of Group companies. This forms the structural basis for our group-wide environmental management initiatives.

Our annual conference on the global environment, which is aimed at promoting the Toyota Tsusho Group's environmental activities, was held in August 2011. The conference was a venue for sharing examples of thorough incorporation of the directives of the environmental management general supervisor, who bears ultimate responsibility for the environment for the Toyota Tsusho Group overall, improvement of issues of environmental significance, and measures to prevent recurrence of irregularities, complaints or close calls that have taken place at Group companies. The information shared at the conference is studied thoroughly at each head office organization and group company, with the global environment management group (which functions as the conference secretariat) providing controls and support for the promotion of environmental conservation activities at each group company.

We also held an environmental promotion conference in March 2012,

which was attended by the people in charge of the ISO administrative offices of a total of 55 Group companies, so as to share and promote the policies indicated at the conference on the global environment. At the environmental promotion conference, the results of environmental risk assessments, which were newly introduced in fiscal 2011 (at 33 companies), and information about items such as pollution prevention efforts (concerning effluent, soil pollution, fluid leaks) were also shared.



Conference on the global environment

Preliminary environmental evaluation of new businesses

To prevent environmental pollution, we conduct advanced evaluations on the state of compliance with laws and regulations and pollution-prevention measures.

The Global Environmental Management Group fulfills Toyota Tsusho's managerial responsibilities with regard to new businesses. The group conducts environmental assessments from the planning stages and thoroughly implements environmental measures to comply with environmental laws and regulations and to prevent environmental pollution. Environmental assessments conducted prior to the start of a business address the so-called "seven types of pollution"* and evaluate the environmental effect of the business in 10 categories, including industrial waste, hazardous chemical substances and hazardous inflammable substances. When assessment results show

environmental risk measures to be insufficient, instructions are given for the situation to be corrected within a limited timeframe.

In fiscal 2011, approximately 50 such cases were found, in the organic fertilizer production business, metal recycling business, solar power generation business, and others, but in no case was reexamination necessary.

* Air pollution, water contamination, soil contamination, noise, vibration, ground subsidence and offensive odors

Emergency response

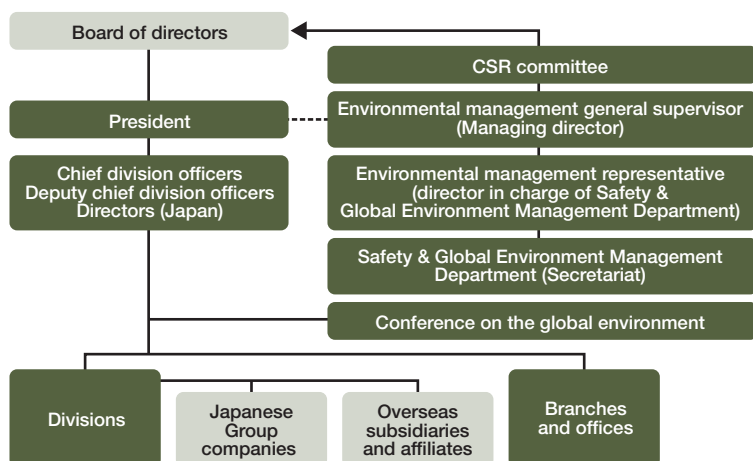
We have put in place emergency communication procedures and set up a system to ensure reporting within one hour.

Toyota Tsusho Corporation has set up emergency communication procedures in preparation for emergencies, such as when environmental standards established by laws, regulations and ordinances or in agreement with the community are exceeded, or complaints from local residents or governments are received. This system is designed to ensure that in the event of an accident, the department in which the problem arose takes immediate steps to minimize risk and reports to related departments within one hour.

Next, the direct causes are specified through analysis and preventative measures are constructed, and the process continues until the effectiveness of those measures is confirmed. The same process is applied in the case of minor environmental irregularities, which represent an exceeding of voluntary standards or occur within the industrial zone but do not conflict with laws or regulations.

There were no environmental accidents in fiscal 2011 that resulted in non-compliance with laws or regulations. Those accidents that did occur were

Environmental management promotion structure



Members

- Environmental management general supervisor
- Environmental management representative
- Chief division officers
- Environmental management representatives at Toyota Tsusho Group companies (full-time representatives)
- Auditors
- General managers of planning department of respective divisions
- General manager of Corporate Planning Department
- General manager of General Administration Department
- General manager of ERM Department
- General manager of Safety & Global Environment Management Department
- General manager of Overseas Supervisory Department

Aims of our conference on the global environment

Promoting improvements in environmental activities

- ⊙ Ensure thorough deployment of top management directives
- ⊙ Present cases that show improvement in critical environmental issues
- ⊙ Prevent recurrence of noncompliance (lateral deployment)

Note: Each department, branch and office assigns primary and secondary environmental leaders. Additionally, each Group company assigns primary and secondary environmental leaders as well as internal auditors to work under the persons in charge of environmental management.

Approach to the environment

reported across the organization to other departments or Group companies as examples via the conference on the global environment or the company intranet, and we engaged in emergency preventative measures.

Establishment of an environmental management system

We are encouraging ISO 14001 certification at Group companies in Japan and overseas.

Toyota Tsusho Corporation is pursuing a course of consolidated environmental management on a global basis as a way to promote our environmental preservation efforts and prevent environmental and other risks from materializing. As a common tool to help achieve this objective, we encourage group companies in Japan and overseas to acquire certification under ISO 14001 international standards for environmental management systems. Two companies overseas acquired this certification in fiscal 2011. As a result, as of March 31, 2012, we had received ISO 14001 certifications for 61 companies in Japan and 155 overseas.

Group companies in Japan and overseas also use the same environmental management manuals. In addition to posting these manuals on our intranet, we ensure their widespread distribution by handing them out at ISO seminars.

Internal and third-party audits

We are Verifying of the operational status of the environmental management system through internal and third-party audits.

Toyota Tsusho Corporation performs internal audits to ensure that our environmental management system is operating effectively.

In addition to the status of CO₂ reduction plans, waste reduction progress management and target achievement, risk management and compliance systems, and environmental business efforts, the status of development of past directives at other departments was emphasized in the audits

conducted in fiscal 2011. While internal audits were conducted at 101 Toyota Tsusho departments and 57 Group companies, no serious problems were found.

We also implemented third-party ISO audits (periodic audits) via external audit institutions for 74 Toyota Tsusho departments and 46 Group companies in fiscal 2011. These confirmed that our environmental management system is operating effectively.

We also conducted plant environmental inspections at 10 overseas companies, making visible those companies' environmental strengths, weaknesses and issues.

Internal and third-party audit results (fiscal 2011)

	Toyota Tsusho (non-consolidated)	Group companies
Internal audits	101 departments	57 companies
Third-party audits	74 departments	46 companies

Developing environmental management personnel

We develop environmental management personnel through seminars.

Each year, Toyota Tsusho Corporation conducts ISO seminars to cultivate personnel to drive our environmental management. In fiscal 2011, we newly convened seminars for our ISO leaders (primary and secondary environmental leaders, those in charge at ISO administrative offices, etc.). A total of 195 participants from the Nagoya, Tokyo and Osaka Head Offices studied the roles of each leaders, annual schedules, etc.

We also held seminars conducted by outside instructors for internal auditors at our Japan group companies, in which 18 participated in fiscal 2011. We plan to conduct these at two locations, our Nagoya and Tokyo head offices, in fiscal 2012, so as to improve the level of expertise of all group internal auditors.

Seminar results (fiscal 2011)

	Toyota Tsusho (non-consolidated)	Group companies
ISO seminar		
Nagoya (2 times)	54	53
Tokyo	5	8
Osaka	29	46
Total	195	
Internal Audit Seminars		
Nagoya	1	17
Total	18	

Preventing global warming

Reducing office CO₂ emissions

We seek to improve energy conservation consciousness by publishing our daily energy use volumes on our internal website.

As a member of the Japan Foreign Trade Council, Inc., Toyota Tsusho Corporation participates in a voluntary action plan formulated by the council to achieve the Kyoto Protocol's greenhouse gas reduction targets. Our target is to reduce average annual energy use by around 2,854 tons from fiscal 2008 to fiscal 2012. The target involves the reduction of electricity and gas used at 26 of our offices.



Relocation of the Tokyo Head Office to an energy-saving building

Annual schedule of environmental activities

April 2011	May	June	July	August	September	October	November	December	January 2012	February	March
ISO seminars		Monthly environmental activities Distribute and display posters. Hold seminars on energy conservation efforts.		● Conference on the global environment Report on responses to environmental management general supervisor directives. Thorough indication of irregularities, complaints or close calls.	● Internal audit seminars		● Internal audit		● Third-party audits		● Environmental promotion conference
Internal audits		Third-party audits		Internal audit seminars		Internal audit		Third-party audits		Third-party audits	
Encourage cool business attire in summer: Set room temperature to 28°C. Posted notices in elevators at Nagoya Head Office											

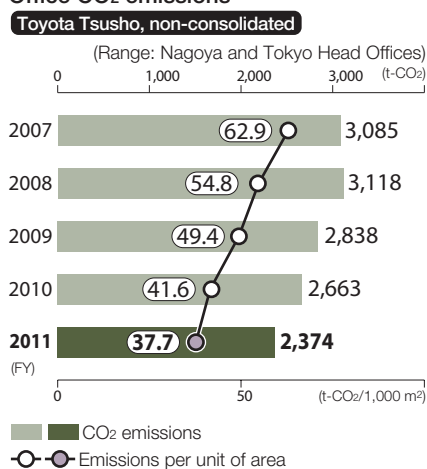
To lower the amount of electricity used in heating and cooling, we have set air conditioners at 28°C in summer and 22°C in winter. We have also posted signs in all elevators at our head offices and in various other locations to encourage cool business attire in summer and warm business attire in winter. In addition, we are introducing solar power generation systems and installing louvered shades on windows to help conserve energy used in air conditioning.

In fiscal 2011, our Tokyo Head Office was transferred to an energy-saving building. In addition, we publish the daily energy use volumes of all our Nagoya, Tokyo, Osaka, and Toyota offices on our companywide internal website as part of our efforts to cut peak energy use and increase energy conservation consciousness among our employees.

Henceforth we will seek a 1% cut, on a unit sales basis, of energy use as called for by the Japan Foreign Trade Council, Inc.* (JFTC), a private-sector organization of which Toyota Tsusho is a member.

* Founded in 1947 as a private-sector organization in the area of international trade. JFTC seeks to contribute to the development of Japanese trade, trading companies and the economy.

Office CO₂ emissions



Reducing CO₂ emissions at Group companies

We have introduced on-demand power use viewing equipment and a rotation system as measures for cutting peak-time demand.

We are proceeding with streamlining production mainly at the plants of 57 Group companies in Japan through measures such as the following: 1) consolidation of manufacturing equipment; 2) installing skylights to reduce electrical lighting needs; 3) turning off compressors when not in use to reduce energy consumed during idling; and 4) consolidating similar production equipment. We have also implemented measures to cut demand during peak hours in response to

post-earthquake governmental requests to save energy by introducing a rotation system and on-demand power use viewing equipment*, as well as LED lighting, use of motor inverters, etc.

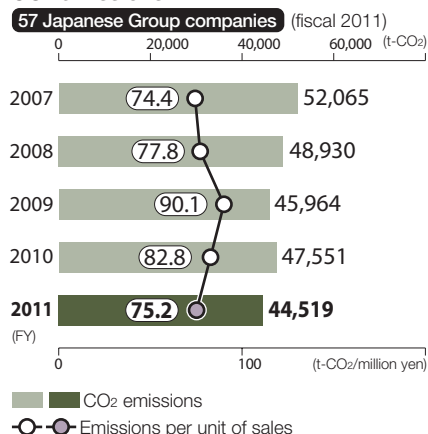
As a result of such efforts in fiscal 2011, we achieved our target of a 1% reduction year-on-year in CO₂ emissions per unit of sales, cutting emissions volume by six points and per unit volume by nine points compared to the previous fiscal year.

* Equipment for measuring power use in real-time



Skylights at Toyotsu-new Pack
(upper: external view; lower: inside view)

CO₂ emissions



* **57 Japanese Group Companies:** Toyotsu Smelting Technology Corporation, Toyota Steel Center Co., Ltd., Toyota Metal Co., Ltd., Aichi Kokan Industries, Ltd., Toyotsu Recycle Corporation, Kanto Coil Center Co., Ltd., Ecoline Corporation, Oriental Kogyo Ltd., Green Metals Japan, Inc (Hokuriku Plant), Prosteel Co., Ltd., Hanshin Kogyo Corporation, Toyotsu Material Corporation, Toyotsu Tekkou Hanbai Corporation, Toyotsu Hitetsu Center Corporation, Green Metals Japan, Inc. (Hokkaido), Nippon Apt Co., Ltd., Toyotsu Chemiplas Corporation, Tomuki Corporation, Toyota Tsusho Electronics Corporation, Tomen Devices Corporation, Toyotsu Syscom Corporation, Tomen Electronics Corporation, Td Mobile Corporation, Toyota Chemical Engineering Co., Ltd, Daiichi Sekken Co., Ltd., Ene Vision Corporation, Toyotsu Techno Corporation, Toyotsu Machinery Corporation, Eurus Energy Holdings Corporation, Toyotsu Energy Corporation, Toyotsu Petrotex

Reducing CO₂ emissions at the Metals Division

We are installing energy-saving equipment and introducing kaizen (improvement) activities to curtail CO₂ emissions.

The Metals Division is developing its molten aluminum business, in which it melts down aluminum materials and supplies aluminum in a molten state. Energy-saving equipment has been introduced at our plants along with a variety of *kaizen* measures so as to reduce energy use.

We made progress in fiscal 2011 in introducing regenerators*¹ and other energy efficient equipment at MOST, our U.S. subsidiary, which a high-volume producer. We also have switched to manufacturing-use solvent that emits lower amounts of fluoride, cutting emissions of toxic substances (fluoride) and reducing environmental impact caused by chemicals. We are also making progress in reusing chips*² and cutting oil*³ in an effort to reduce waste.

We plan to introduce regenerators at our biggest single plant, PT Indonesia Smelting Technology (IST) in an effort to reduce the plant's CO₂ emissions by approximately 23%. Also, we will proceed to install inverters in plant equipment at Toyotsu Smelting Technology (TST) Corporation and Tianjin Toyotsu Aluminium Smelting Technology (TAST) Co., Ltd., and make further efforts to reduce CO₂ emissions by installing recuperators that collect heat.

*¹ Burners that raise combustion efficiency by reheating exhaust heat in the air, for use in combustion air.

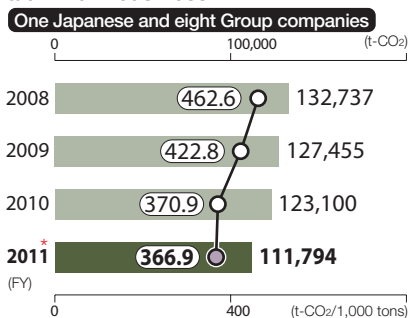
*² Particles from cutting processes.

*³ Oil used for friction reduction and cooling in cutting processes.



Molten aluminum production

CO₂ emissions from the molten aluminum business



CO₂ emissions
Emissions per unit of production

* With the exception of April through June due to the impact of the earthquake

Approach to the environment

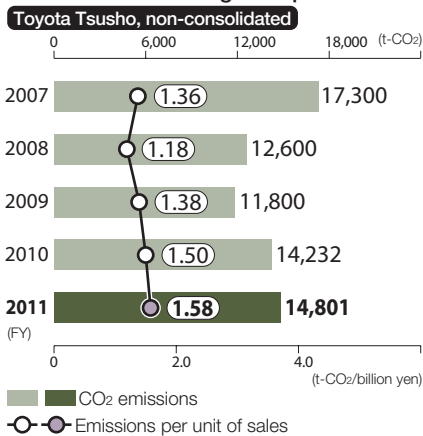
Corporation, Tomen Power Samukawa Co., Ltd., Tas Corporation, O-rush International Co., Ltd., Tohoku Grain Terminals Co., Ltd., Tohoku Godo Warehouse Co., Ltd., Kanto Grain Terminals Co., Ltd., Toyo Grain Terminals Co., Ltd., Higashi-nada Tomen Grain Silo Co., Ltd., Chubu Shokuryo Company Ltd., Yamakichi, Toyota Tsusho Foods Corporation, Grand Place Corporation, Toyotsu Vehitecs Co., Ltd., Toyotsu Textile Corporation, Toyotsu-new Pack, Toyota Tsusho Celltec Corporation, Toyotsu Living Co., Ltd., Toyo Cotton (Japan) Co., Toyotsu Family Life Corporation, Toyotsu Insurance Management Corporation, Toyotsu Paper Resource Corporation, Toyotsu Hoken Customer Center Corporation, Toyotsu Automotive Creation Corporation, Toyotsu Lifecare Corporation, Toyotsu Human Resources Corporation, Toyotsu Logistics Service Co. Ltd.

Reducing CO2 emissions during transport

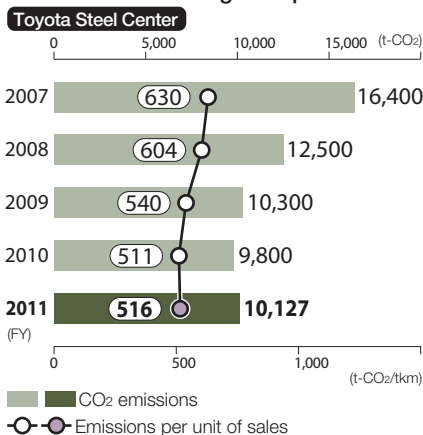
We are promoting the reduction of CO2 emissions centered on two companies that are "specified consigners"* under Japan's Law Concerning the Rational Use of Energy.

Toyota Tsusho Corporation and Toyota Steel Center Co., Ltd., which are certified as specified consigners under Japan's Law Concerning the Rational Use of Energy, aim to reduce CO2 emissions 1% per year on a unit sales basis. To achieve this, the two companies are promoting a modal shift from trucks to rail or ship transport, which emits less CO2. They are also increasing container

CO2 emissions during transport



CO2 emissions during transport



loading ratios and shortening distribution routes to make truck transportation more efficient. Measures such as these are designed to reduce CO2 emissions during product transport and other aspects of logistics through cooperation with shippers.

The portion of Toyota Tsusho's sales taken up by metals and other heavy items for distribution has increased, so CO2 emissions per sales unit from fiscal 2007 through fiscal 2011 have worsened 3.9% since fiscal 2007. Nonetheless, those of Toyota Steel Center have improved 4.9%. Henceforth, we plan to concentrate the logistics of our processing centers, and make further serious efforts, such as increasing the rate of digital tachograph installation.

* Companies that transport 30 million tons or more of cargo per year

Using sustainable resources

Reducing waste and promoting recycling

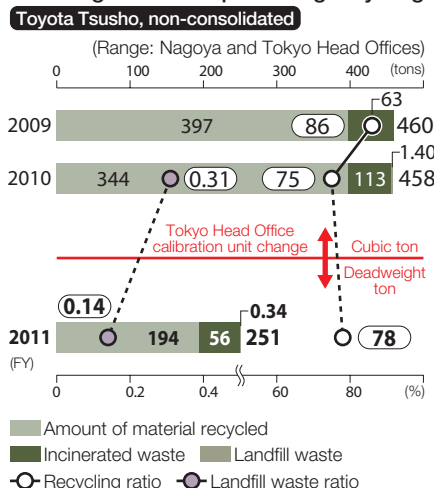
We set and achieved our new "landfill waste ratio of less than 0.5%" target.

Toyota Tsusho Corporation promotes the 3Rs: reduce waste, reuse products and recycle resources.

In fiscal 2011, we established a "landfill waste ratio of less than 0.5% for the overall waste emissions of Toyota Tsusho (non-consolidated) and Group companies in Japan overall," and proceeded with waste reduction efforts. As a result, the Toyota Tsusho (non-consolidated) landfill waste ratio was 0.14%, while that for Group companies in Japan overall was 0.45%, which thereby achieved our target.

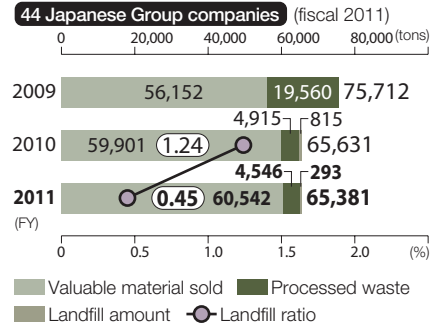
Henceforth we have set a recycling ratio target of more than 80% (by fiscal 2015) for Toyota Tsusho (non-consolidated). We will

Reducing waste and promoting recycling



also set goals for each Group company in Japan accordingly, and continue to promote the 3Rs for waste.

Reducing waste and promoting recycling



* 44 Japanese Group Companies: Toyota Tsusho Corporation., Toyotsu Smelting Technology Corporation, Toyota Steel Center Co., Ltd, Toyota Metal Co., Ltd., Aichi Kokan Industries, Ltd, Toyotsu Recycle Corporation, Kanto Coil Center Co., Ltd., Oriental Kogyo Ltd., Green Metals Japan, Inc., Prosteel Co., Ltd., Hanshin Kogyo Corporation, Toyotsu Material Corporation, Toyotsu Hitetsu Center Corporation, Nippon Apt Co., Ltd., Ene Vision Corporation, Toyotsu Techno Corporation, Toyotsu Machinery Corporation, Tomen Power Samukawa Co., Ltd, Toyotsu Energy Corporation, Toyotsu Petrotex Corporation, Topix Corporation, Toyotsu Logistics Service Co. Ltd., Tas Corporation, O-rush International Co., Ltd., Toyotsu Chemiplas Corporation, Toyota Tsusho Electronics Corporation, Tomen Devices Corporation, Toyotsu Syscom Corporation, Tomen Electronics Corporation, Td Mobile Corporation, Daiichi Sekken Co., Ltd., Tohoku Grain Terminals Co., Ltd., Tohoku Godo Warehouse Co., Ltd., Kanto Grain, Terminals Co., Ltd., Toyo Grain Terminals Co., Ltd., Higashi-nada Tomen Grain Silo Co., Ltd., Chubu Shokuryo Company Ltd., Yamakichi, Toyota Tsusho Foods Corporation, Grand Place Corporation, Toyotsu Vehitecs Co., Ltd., Toyotsu Textile Corporation, Toyotsu-new Pack

Pollution prevention

Chemical management

Chemical management in consideration of human health and the environment in line with the EU REACH*1 regulations.

Some of the substances used in industrial processes pose a pollution risk or can damage human health. At the Toyota Tsusho Group, we use and manage these substances in compliance with the various rules established by the European Union.

For example, in response to the REACH regulations we manage the quantities of all substances and compounds contained in our products. Also, we confirm whether or not SVHCs*2 are contained in molded items, and use and manage chemical substances in consideration of human health and the environment.

*1 REACH: EU law on the use, handling and purposes of chemical substances.

*2 SVHC (substances of very high concern): Substances concerning which there is substantial concern about serious negative impact on the environment or human health.

Environmental training and environmental awareness

Boosting employee awareness

“From ‘power conservation’ to ‘gaining from energy conservation,’” seminars were held promoting a radical change in consciousness among employees.

We strive to spark employees’ environmental awareness through e-learning and monthly environmental campaigns.

Toyota Tsusho Corporation is also promoting initiatives to heighten the environmental awareness of general employees. For example, in fiscal 2009 we began conducting an intranet-based e-learning course on eco-verification.

We also conduct joint environmental activities with the Toyota Group. As a member of our Toyota-wide production environment conference, we promote the “All-Toyota Global Environmental Awareness Month” every June.

After the Great East Japan Earthquake in fiscal 2011, not only was cutting power demand at peak times necessary in the service areas of Tohoku Electric Power Co. Inc. and Tokyo Electric Power Company, Incorporated, but the entire country was focusing on energy conservation throughout the year. We therefore held seminars called “from ‘power conservation’ to ‘gaining from energy conservation,’” focusing on that theme.



Energy conservation seminars

e-Learning course participants (FY)

	2010	2011
ISO 14001 basics, putting it into practice	3,030	3,266
Eco-verification (Parts 1_17), biodiversity	8,880	10,828

Environmental business efforts

We are developing businesses aimed at recycling and helping to reduce global warming.

Toyota Tsusho Corporation is developing a variety of businesses in its aim of contributing to the formation of a recycling-oriented society. For example, we have begun a recycling business that takes advantage of our long track record in steel and aluminum. To help prevent global warming, we are also working to popularize wind and solar power generation systems.

Toyota Tsusho’s environmental business

Resource recycling	Recycling of iron, aluminum, precious metals, used paper, wood
Renewable energy	Sales of wind power and solar power generation systems
New energy	Biodiesel fuel business
Next-generation electric vehicles	EV charging infrastructure business
New materials	Sales of plant-derived polyethylene
Animal waste treatment	Sales of composting system for animal waste

● Renewable energy: Starting work on the largest geothermal power plant project in Kenya

In November 2011, Toyota Tsusho Corporation received an order for a project, in collaboration with a Korean engineering firm, to expand construction of the largest geothermal power plant in Kenya. The project involves construction of two 140 thousand kilowatt geothermal power plants in the Olkaria region northwest of Nairobi, targeting 2014 for the startup. In addition to being a renewable form of energy that emits little in the way of greenhouse gases, hopes are high for geothermal energy as a

stable power source that is not affected by changes in the weather.

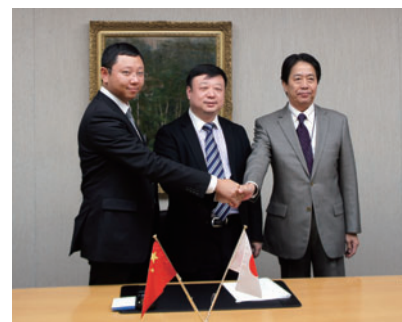


● Next-generation vehicles: Agreement concluded for promotion of electric vehicle charging infrastructure business in China

In December 2011, Toyota Tsusho Corporation entered into an agreement with a major information communication systems company and an automotive parts manufacturer to consider building a strategic partnership pertaining to an automobile-related new energy business that includes the operation of a charging infrastructure for electric vehicles in China.

Toyota Tsusho set up an HEV Green Mobility Solution Group as a cross-divisional task force within the company in 2010, to focus efforts on next-generation, automobile-related businesses. Taking the conclusion of this agreement as an opportunity, Toyota Tsusho aims to partake

in a broad range of interests in the charging infrastructure business in China, as well as businesses for supplying, modifying, and developing components for electric cars.



● Animal waste treatment: New company established to manufacture and sell organic compound fertilizers in China

Toyota Tsusho Corporation and Asahi Industries Co., Ltd. are collaborating with Longda Foodstuffs Group Co., Ltd., a major food manufacturer in China, to establish a joint venture in Shandong for manufacturing and selling organic and organic compound fertilizers. Reduced soil fertility and food safety are problems in China due to the excessive use of yield-increasing chemical fertilizers and agricultural chemicals. The new company will build a recycling-type agricultural system that effectively utilizes

livestock manure, etc., that occurs on site for safe and secure food production.



Social contribution activities

We pursue activities along three key themes—education (people), the environment (Earth) and welfare (society)—in accordance with our Corporate Philosophy of “living and prospering together with people, society and the Earth.”

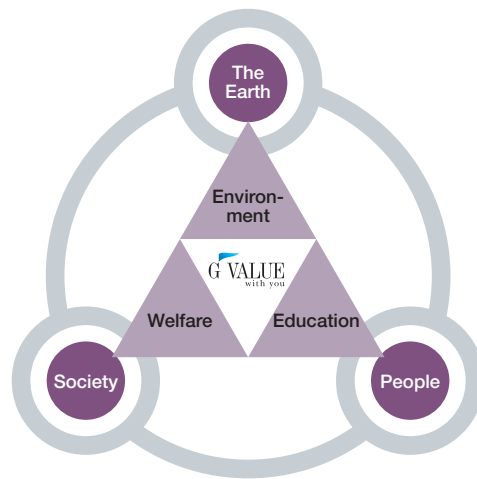
Basic Policy for Social Contribution Activities

As a good corporate citizen, Toyota Tsusho Corporation aims to live and prosper together with people, society, and the Earth, and to contribute to the creation of a prosperous society.

Promotion of Activities

Toyota Tsusho positions people (education), the Earth (environment) and society (welfare) as key themes in light of its Corporate Philosophy, and vigorously promotes social contribution activities around the world to help realize a more prosperous society.

In terms of specific activities, we select and implement substantive and effective programs that strike a balance among the following three approaches of “by company,” “by officer and employee” and “by business activity.” Toyota Tsusho also encourages officers and employees, supporting their participating in these activities, while the Company as a whole voluntarily participates in activities in an autonomous manner aimed at realizing the creation of a prosperous society and at fulfilling our social responsibilities.



Three key themes

Results of social contribution activities in fiscal 2011 (★- details on the following page)

Sector	Activity details
Environment	<ul style="list-style-type: none"> ● Participation in Toyota Group joint forest maintenance volunteer activities (Kise Forest, Toyota City) ★ ● Environmental preservation through Toyota Tsusho (Thailand) Co., Ltd.(TTTC), our local Thai subsidiary
Social welfare	<ul style="list-style-type: none"> ● Support for microfinance courses for university students through the PlaNet Finance NPO*1 ★ ● Continuous support for the TABLE FOR TWO (TFT) program*2 at both our Nagoya and Toyota headquarters ● Support for the Japan Service Dog Association ★ ● Donations by the Osaka Produce & Foodstuffs Dept. of the Kyushu Food Group and by the Foodstuffs Dept. of the Food Distribution Group of warehoused food slated for disposal due to poor packaging, etc. to various welfare facilities through the NPO Second Harvest Japan. ● Donations of clothing to Mongolia by the Textile Products Department through the JRCC (Japan Relief Clothing Center) NPO ● Continuous support by Toyota Tsusho (Africa) Pty. Ltd. (TTAF), our South Africa subsidiary, for agricultural development projects ★
Education	<ul style="list-style-type: none"> ● 14 scholarship students supported by the Toyota Tsusho Corporation International Student Scholarship ★ ● We also hold social exchanges where these scholarship students mingle with Toyota Tsusho employees ● Conducted seminar for teachers. Six teachers from Machida City primary schools participated in a seminar on general trading company business, our business activities, personnel, and other matters, and were given a tour of the port and customs facilities. ● Environmental education conducted by dealers in Brazil for city primary school children ★
Volunteer	<ul style="list-style-type: none"> ● Promotion of employee volunteer activities*3 ● All domestic offices, some overseas offices and our customers overseas worked jointly with Japanese labor union to gather donations for the victim of the Great East Japan Earthquake. Approximately ¥7.7 million donated to Japan Platform*4 by March 2012 ● Opening of an area for in-house sales at our Tokyo headquarters of food products from Fukushima ★ ● Offered a “disaster area support menu” at our Tokyo headquarters dining hall featuring ingredients from the disaster area
Great East Japan Earthquake recovery support	<ul style="list-style-type: none"> ● Affiliated companies in Japan and overseas donated approximately ¥37 million to the Central Community Chest of Japan ● Our Nagoya and Tokyo Headquarters sell Tohoku products ● Vegi Dream Kurihara Corporation event featuring summer curry containing bell peppers grown in the disaster-stricken area ● Participation in the Businessman Volunteer Program held by Keidanren in Iwate, Miyagi and Fukushima Prefectures 20 times during the period April through August ● Participation in volunteer activities at stricken areas held by the Toyota Group Disaster Volunteer Net ★ ● Toyota Tsusho Corporation donation of ¥100 million to the Central Community Chest of Japan ● Provision of material support (food, clothing, wheelchairs, lighting) from business departments, subsidiaries, affiliates, and others

*1 An NPO working to increase awareness of microfinance (small unsecured loans for the poor).

*2 A system whereby ¥20 is donated to school meal expenses in developing countries each time meals are ordered from a fixed healthy menu. Run by the TABLE FOR TWO International NPO.

*3 A total of approximately 390 members from the Toyota Tsusho Group participated in the following activities:

- Delivering picture books to Asia (including translation tools)
- Support for Wheelchair Twin Basketball events (volunteer staff) ★
- Support for Nagoya City Handicap Marathon (volunteer staff)
- Support for the Tajimi Wine Festival held by the Tajimi Convent Vocational Aid Center for the Disabled (volunteer staff)
- Clean-up activity, Clean Osaka
- Management support volunteers at the TOYOTA Commemorative Museum of Industry and Technology
- Support (sales volunteers) for the Service Dog Festival ★
- Support for opening of Toyota Big Holiday Volunteer Plaza (volunteer staff)
- Support for holding of the Nagoya Marathon Festival (volunteer staff)

*4 An international humanitarian aid system aimed at rapid execution of natural disaster response, recovery support, and international emergency aid.

Environment

Forest maintenance

Volunteers conducted thinning at the Kise Forest.

Toyota Tsusho Corporation participated in the Toyota Group forest maintenance activities in May 2011. Through this project the Toyota Group represents Toyota City, Aichi Prefecture, in cleaning up its Kise Forest so as to create a healthier woodland.

On the date of the activities, participants received lectures from experts about the state of Japan's forests and then conducted thinning. The volunteers got a real sense of the meaning and benefits of thinning, providing a deep experience for participating employees.



Pruning of the thinned trees

Environmental preservation in Thailand

Fifty-four employees participated in efforts to protect coral reef species.

Our local Thai subsidiary, Toyota Tsusho (Thailand) Co., Ltd. (TTTC), which is headquartered in Bangkok, is continuously involved in environmental preservation, and works to increase employee social consciousness.

In fiscal 2011, TTTC engaged in coral reef preservation around Kham Island in Rayong Province. On the day of the activity an employee team of 54 joined Thai Royal Navy sailors from Sattahip in removing coral that had been bleached by global warming or was diseased due to parasite-induced root damage, and replacing it with coral seedlings.



Employee coral reef preservation volunteers

Welfare

Support for service dog training

Our continuous support for service dog training has received high marks and earned us a thank-you letter.

Toyota Tsusho Corporation has been supporting the Japan Service Dog Association since 2008. Based on an employee improvement proposal, we created a pool system of incentivized donations we call "Donation-Kun," from which donations are continuously made. Also, once a year we co-sponsor the Service Dog Festival at the Aichi Expo 2005 site so as to increase awareness and improve understanding about service dogs, with our employees serving as volunteer staff.

Such efforts in fiscal 2011 were appreciated, earning us a thank-you letter from the Japan Service Dog Association.



Sales volunteers at the Service Dog Festival

Support for sports events for the physically challenged

We are a special co-sponsor of the Tokai Wheelchair Twin Basketball Kariya Tournament.

Sports are important to the severely physically challenged both as a way for them to maintain fitness and also to provide opportunities to get out of the home or facilities, in which they can tend to isolate themselves.

In order to develop sporting events for the seriously physically challenged and to support society's participation in them, together with Aioi Nissay Dowa Insurance Co., Ltd., we co-sponsor the Toyota Tsusho Aioi Nissay Dowa Insurance Cup Tokai Wheelchair Twin Basketball Kariya



Employee volunteers wiping down wheelchair tires upon entering the hall

Tournament. Our employees participate on the day of the tournament as volunteer staff members, and cheer for the contestants.

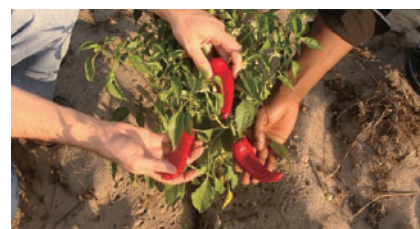
Agricultural development projects in South Africa

We offer technical support for agriculture and contribute to job creation.

As part of its social contribution activities, our South Africa subsidiary, Toyota Tsusho (Africa) Pty. Ltd. (TTAF), conducts continuous agricultural development projects in the poverty-stricken district of Uhlabuyalingana (population 190,000) in KwaZulu-Natal, South Africa.

The goal of these projects is to create jobs in the region and improve agriculture techniques. Local agricultural systems are improved, transforming existing subsistence farms for bell peppers, corn, etc., into commercial farms that can meet local consumption needs and support large-scale retail. At the same time, there are attempts to develop existing early-stage agricultural associations and establish them as second-stage agriculture co-operatives through strategic and concentrated business support.

Also, the projects supply the necessary facilities and tools so as to improve the working environment and agricultural productivity.



Harvested corn

Education

Microfinance training

We support training programs run by anti-poverty NPOs.

Toyota Tsusho Corporation supports the University Meets PlaNet Finance training program run by the NPO PlaNet Finance Japan. Targeting Japanese university students having an interest in microfinance, this program is offered at as many universities and graduate schools as possible, providing students opportunities for deep learning about microfinance and alleviating poverty, and achieving sustainable development through business, so as to cultivate human resources who can put their skills to use globally. In addition to lectures and group work, experts who are active overseas in microfinance are invited to offer firsthand insight.

Toyota Tsusho Exchange Student Scholarship Fund

We support exchange students in Japan.

Toyota Tsusho Corporation conducts continuous scholarship work to assist foreign exchange students at Japanese universities.

Through this scholarship work we seek to alleviate the financial concerns of exchange students in Japan, help to improve their results and promote international exchange, thereby contributing to the development of human resources. We also create opportunities for scholarship students to get together and learn about trading companies through exchange events with our employees, which deepen ties of friendship.



Friendly get-together at our Tokyo headquarters

Environmental education programs

We conduct environmental education programs for primary school students in Brazil.

Comercio de Veiculos Toyota Tsusho Ltda. (CVTT), the Toyota dealership company we started in Brazil, has established an Environmental Policy for its business efforts.

In fiscal 2011, the company invited Sao Paulo primary school students to CVTT headquarters for an environment education program designed to deepen understanding of environmental issues. The participants received an explanation from the ISO coordinator, were given a tour of the sheet-metal factory, and under the guidance of employees learned about the treatment of waste and effluent.



Students engrossed in the tour

Support for Great East Japan Earthquake recovery

We view recovery support as our most important social responsibility.

Toyota Tsusho Corporation up to now has emphasized the three themes of the environment, welfare and education in our social responsibility activities.

Nonetheless, since the Great East Japan Earthquake struck in 2011 we have made disaster recovery support our top priority. In addition to support for recovery in the stricken areas (calling on our employees to volunteer and holding events), we have been engaged in efforts such as gathering donations, sending relief funds and material support, and selling Tohoku products within the company.

● Volunteer activities in the stricken areas

We enlisted volunteers from within Toyota Tsusho to work with employees from 14 other Toyota Group companies in conducting recovery efforts in stricken areas. From our base in Sumitacho, Iwate Prefecture, from June through November we dispatched volunteers a total of 14 times to hard-hit Rikuzentakata City and Ofunato City.

Rather than dispatching large teams, in these support efforts the participants work to provide ongoing activities in the same places that meet local needs and closely consider the feelings of victims. To accomplish this we train the volunteers beforehand, instructing them about the latest circumstances in those areas.

In fiscal 2011, nine employees were engaged for five-day periods. In fiscal 2012, we will take into consideration the lessons learned in last year's activities, so as to offer even more proactive support.



Rikuzentakata City Disaster Volunteer Center



Cleaning up debris of houses swept away in the tsunami

● Supporting stricken areas by holding product trade fairs

In June 2011 we held a bazaar to benefit stricken areas in Tohoku at our Tokyo headquarters selling products from Kitakata City in northeastern Fukushima Prefecture, so as provide a venue where any of our employees could participate in relief efforts.

The goal of this event was to help to sell even a small amount of the products of Fukushima, which is famous for tourism and which suffered great economic damage after the disaster. The Fukushima Prefecture Representative Office in Tokyo helped to bring together a rich variety of products for sale, mainly from Kitakata, and a great many of the employees who visited made purchases, so the event was a roaring success, to the extent that some items sold out. It was a chance for our employees to say to the people in the stricken areas, "Even though we cannot make the trip to Fukushima ourselves, we would like to offer our help."



Participants from Fukushima, including from Kitakata City



Sales of Fukushima products, mainly food items

Governance

Toyota Tsusho Corporation is actively pursuing increased management efficiency, transparency, through compliance and a healthy financial position on a base composed of our corporate auditor system and the executive officer system.

Corporate governance

Basic stance

We pursue initiatives on the basis of our Corporate Philosophy.

Our initiatives are designed to fulfill the Toyota Tsusho Group's Fundamental Philosophy. In other words, by "living and prospering together with people, society and the Earth, we aim to be a value-generating corporation that contributes to the creation of a prosperous society." To realize this fundamental goal, the Company is actively pursuing increased management efficiency, transparency, thorough compliance and a sound financial position.

In addition, we consider ways to promote a broader understanding of the Toyota Tsusho Group by further enhancing public relations and investor relations.

Promotion structure

We employ a corporate auditor system and an executive officer system.

Toyota Tsusho Corporation has adopted a corporate auditor system, through which the general shareholders meeting elects five corporate auditors. Three outside auditors are employed to perform audits from a third-party perspective. The corporate auditors are responsible for monitoring the appropriateness of accounting methods and results of audits by an independent auditor, exchanging information and ideas regarding crucial accounting topics, improving quality and efficiency in auditing by promoting cooperation with an independent auditing firm, as well as enhancing corporate governance.

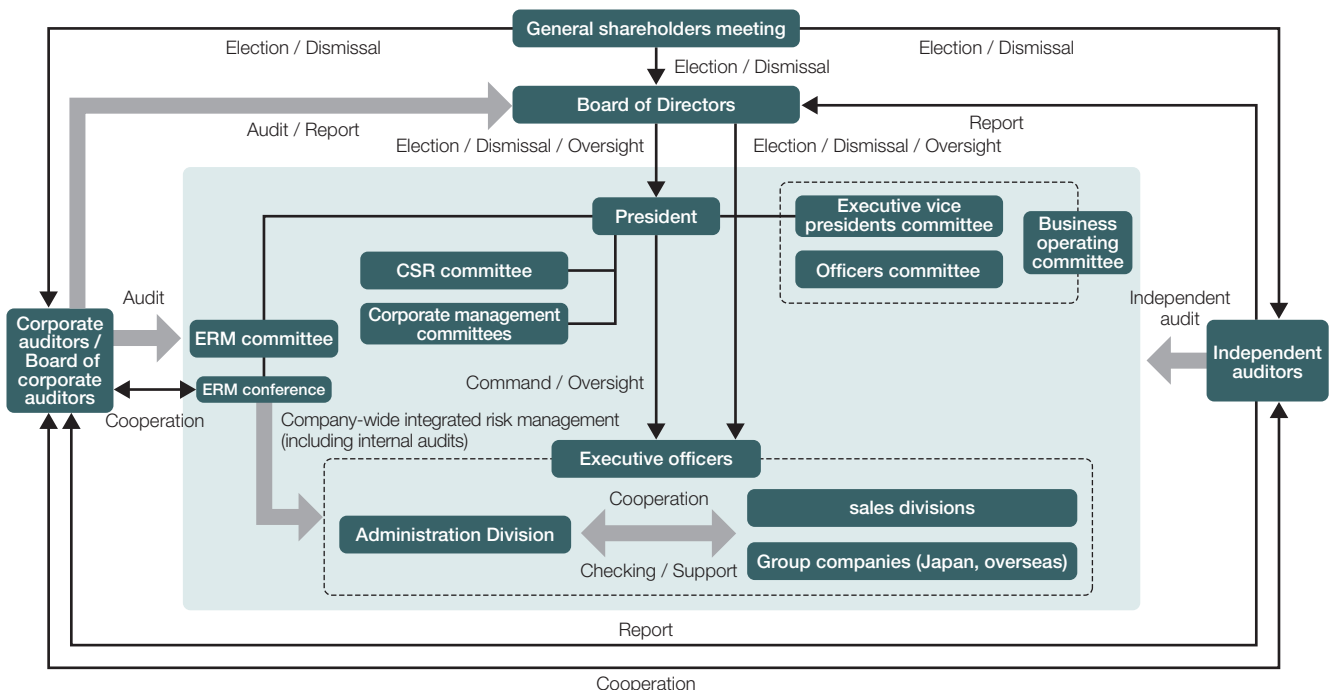
Toyota Tsusho conducts consolidated management through a divisional framework, with divisions responsible for related Group companies. At present, this structure comprises eight divisions, including seven sales divisions and the Administrative Division. In April 2006, Toyota Tsusho also introduced an

executive officer system to bolster management efficiency and strengthen its internal controls, and streamlined its board of directors. Dedicated executive officers are in place for each division to assist management efforts of chief division officers. In this way, the Board of Directors keeps abreast of both overall Company management and the execution of duties associated with the divisions under their charge, intermedating between the two functions.

Under the management committee restructuring implemented in April 2012, the business management committee and the business operating committee were integrated to form a single officers committee. As a result, the consolidated, more efficient officers committee provides for swift delivery and sharing of information.

Additionally, Toyota Tsusho has established corporate management committees to enable directors and executive officers to discuss measures to resolve management issues from a company-wide perspective, and consult the Board of Directors as necessary.

Corporate governance structure (As of April 2012)



Internal control

Compliance system

We have established a CSR committee that is chaired by the president.

Toyota Tsusho Corporation implements a variety of measures to ensure that executives and employees carry out their duties in accordance with laws and regulations and the Articles of Incorporation.

We have established the CSR committee, chaired by the president, which deliberates and formulates plans related to compliance, safety and the environment, labor and personnel, social contribution and other topics. Information sharing systems and checks and balances at the divisional level are conducted through the officers committee, which was newly established in April 2012. Additionally, the ERM Department, which is responsible for company-wide integrated risk management, carries out the evaluation, management, checking and monitoring of business execution in business processes. Other duties of the ERM Department include ensuring the reliability of financial reporting, operating internal reporting systems and taking charge of internal audits.

In fiscal 2011, there were 10 reports in Japan and 14 reports overseas of suspected compliance violations, but in each case the proper response was made through discussions between the respective department and the Administrative Division.

We are applying corporate governance to all Group companies.

We have the group-wide management committee in place to share Group policies and ensure that operations are conducted appropriately.

Additionally, while avoiding undue interference with the execution of operations of subsidiaries, Toyota Tsusho Corporation follows and maintains control

over important matters pertaining to the financial status and essential operational issues of its subsidiaries. As necessary, we dispatch directors and corporate auditors to conduct oversight and auditing of business operations. Toyota Tsusho also conducts internal audits through the ERM Department.

Internal audit subjects are selected on a risk basis, with an audit cycle of approximately three to five years. In fiscal 2011, 12 Toyota Tsusho (non-consolidated) departments were audited and 32 Japanese and overseas subsidiaries were audited.

Follow-up audits are made to confirm the improvement of issues discovered through audits.

We have established internal and external reporting lines.

All employees, including temporary staff members and contract employees, have access to internal (ERM Department) and external (law offices) reporting lines for reporting and consultation on items concerning business ethics. We use our intranet and compliance training sessions to make employees aware of these lines.

In accordance with the Whistleblower Protection Act, we take sufficient care to protect persons who file such reports. The names of filers and other details are kept strictly confidential, and we prohibit any disadvantage accruing to filers in terms of position, rank, compensation or others. Moreover, the ERM Department general manager provides feedback on progress after a filing has been made.

Three reports or consultations were filed in fiscal 2011.

We pursue initiatives to eliminate anti-social forces.

Our Nagoya and Tokyo headquarters and our Osaka branch are members of local countermeasures associations, through which we follow instructions from police authorities and share information about anti-social forces.

Furthermore, we respond to any unlawful demands via collaboration with the police, other relevant institutions and legal counsel.

Compliance training

We conduct training and hold seminars for group companies in Japan and overseas.

In an effort to ensure thorough compliance, Toyota Tsusho Corporation created its Code of Ethics Guidelines in fiscal 1998. As of fiscal 2011, the guide has been revised six times. Toyota Tsusho publishes a portable version of the guide, which it distributes to all executives and employees.

We also hold various types of training and seminars to ensure compliance and specific codes of conduct in employees' everyday operations. In addition to conducting new employee seminars in fiscal 2011 along specific themes such as "The Subcontract Law" and "basic intellectual property," we also conducted various training programs for Japanese Group companies.



Compliance training scene

Information security

We are working to enhance information security at Group companies.

Toyota Tsusho Corporation has drafted Document Regulations and Handling Protocols for Management and Storage of Documents and implements other measures

Principal compliance training conducted (Fiscal 2011)

	Target	Content	Activities in fiscal 2011
Legal seminars for officers	Toyota Tsusho Corporation officers	General compliance	37 people
Compliance seminar for new employees	New employees of Toyota Tsusho Corporation	General compliance	101 people
Training on specific themes	Toyota Tsusho Corporation employees	Subcontract Law, handling third-country monetary payments, the basics of intellectual property rights, etc.	1,022 people (total of 20 times)
e-learning	Toyota Tsusho Corporation employees	Subcontract Law	3,093 people
Seminar for people in charge of human resources at affiliated companies in Japan	People in charge of human resources at principal Group companies in Japan	<ul style="list-style-type: none"> Responding to personnel issues Response to the Labor Standards Act Application of Off-JT 	46 people in 39 companies
Seminar involving trips to affiliated companies in Japan	Employees of principal Group companies in Japan	<ol style="list-style-type: none"> Preventing misconduct Subcontract Law 	<ol style="list-style-type: none"> 2 companies 5 companies
New Japanese Class A new director training	New directors of principal Group companies in Japan	General compliance	42 people in 25 companies

such as designating departments in charge of storage and the storage period. We are also dedicated to proper management of confidential information and have formulated the “Regulations for Confidential Information and Personal Information.” We also conduct various training programs to improve employee awareness of information security.

In fiscal 2011 we distributed our new “Information Security Training DVDs” to a total of 1,400 people at five major Japanese offices. We also held several security enhancement conventions in Japan and overseas to strengthen information security throughout the group. A total of 162 group companies (57 in Japan, 105 overseas) participated in the conventions.

We also established information security consultation desks in Japan and overseas, and instituted concrete measures to enhance information security throughout the entire group.

We will continue to improve the level of our information security in accordance with the ongoing digitalization of society by revising our rules and education programs as well as making other improvements.

Risk management

We seek to accurately determine and manage risks according to their characteristics.

The ERM committee, which is chaired by the president, is at the core of our efforts for appropriate risk control. In December 2011, for the first time in approximately ten years it conducted a reexamination/reevaluation of risk, and revised the companywide risk map. First, risk was re-categorized into two fields, “risk requiring serious response” and “continuous flow risk,” with each category subsequently further refined. This improved the substance of the discussions, and created a structure for carefully examining and dealing with risk.

“Risk requiring serious response” includes items such as disaster risk and information security/systems risk, and in view of the current social situation we strengthened the management structure

Post-revision risk categories

Risk requiring serious response

- Affiliate management risk
- Disaster risk
- Information security/systems risk

Continuous flow risk

- Risk of improper behavior by employees
- Country risk
- Management resource allocation risk
- Credit, product, and FX risk
- Legal compliance/law and regulation response risk
- Contract risk

as rapidly as possible to allow us to pursue an urgent response to such risk. Preparations have been made to handle “continuous flow risk” by auditing and controlling it from a long-term perspective. Response to serious risk as described above has been woven into the administrative range of the ERM committee, which has been placed in charge of supervising risk throughout the entire company, with the aim of creating more substantive discussions and making risk management more efficient.

We revised the organization in April 2012 by placing “general risk management” under the direct administration of the chief division officer of the Administrative Division. In actual terms this is intended to improve risk management ability by placing credit control, which had been charged to the Credit & Trade Control Department, within the integrated administrative range of the ERM Department, which is in charge of companywide risk control.

Communication with stakeholders

Disclosure

A wide variety of information is disclosed on our website.

Toyota Tsusho Corporation’s website provides substantial information, including basic corporate information and information on business activities, finances and employment opportunities.

In addition to disclosing information about the Company, we work to make the website a point of bilateral communication, providing points of contact for stakeholders to request materials or submit inquiries.



Website

We are working for greater opportunities to communicate with investors.

Toyota Tsusho Corporation promotes disclosure and dialogue by holding financial results briefings as well as individual meetings with institutional shareholders, including those located overseas.

We aimed to increase opportunities for direct dialogue with investors in fiscal 2011,

and in addition to holding more than 150 separate conferences for all investors, we also held small meetings when necessary.

In addition, videos of the financial results briefings have been posted online in Japanese and in English, with two of the four annual briefings taking the form of teleconferences. We have been working to provide a broad array of investors with a deeper understanding of Toyota Tsusho.

The opinions that we gain from investors through dialogue are immediately provided to our executives as feedback, where they help us in forming management policies.

General shareholders meeting

We avoid holding our general meeting on days when there is a large concentration of other shareholder meetings.

To allow as many shareholders as possible to attend our general shareholders meeting, we avoid holding this meeting on days when there is a large concentration of other shareholder meetings. For shareholders and other stakeholders who are unable to attend the meeting, we provide live and on-demand viewing of the meetings through our website.

In fiscal 2010, we sent out our shareholder meeting convocation notice one week earlier than in the past—three weeks prior to the meeting—to give shareholders more time to exercise their voting rights. We also participated in new platforms for the exercise of voting rights.

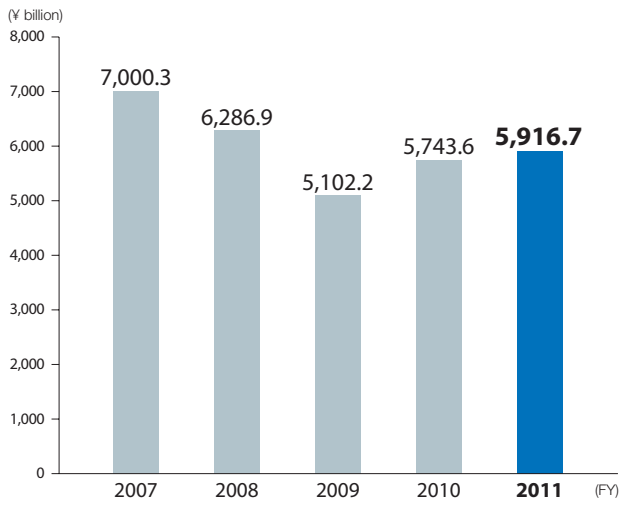
In fiscal 2011, we began posting notes appended to financial statements on our website to conserve paper.



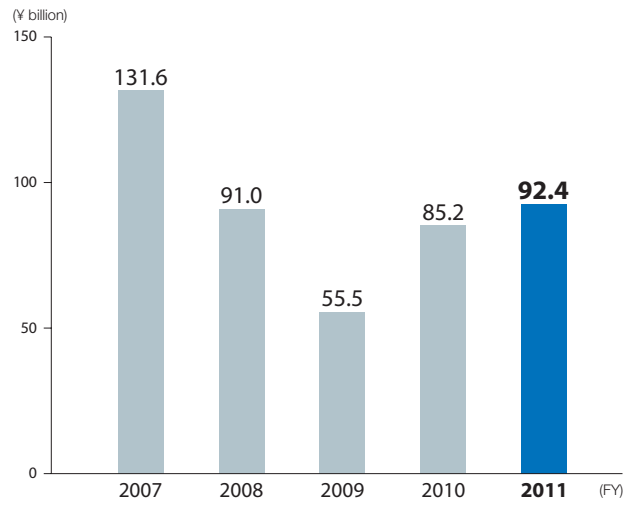
91st general shareholders meeting

Key management indicators

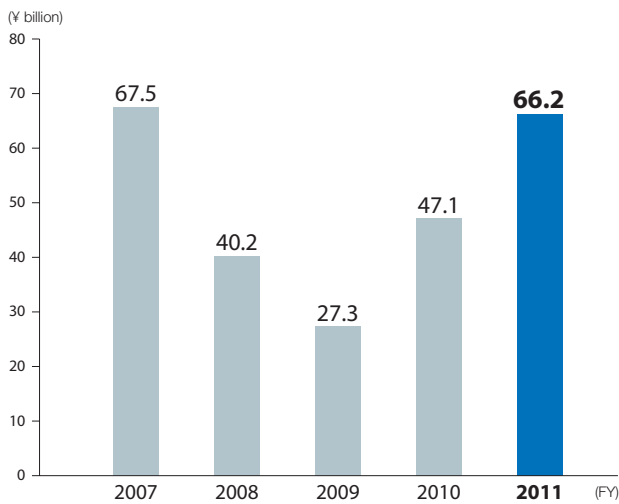
Net sales



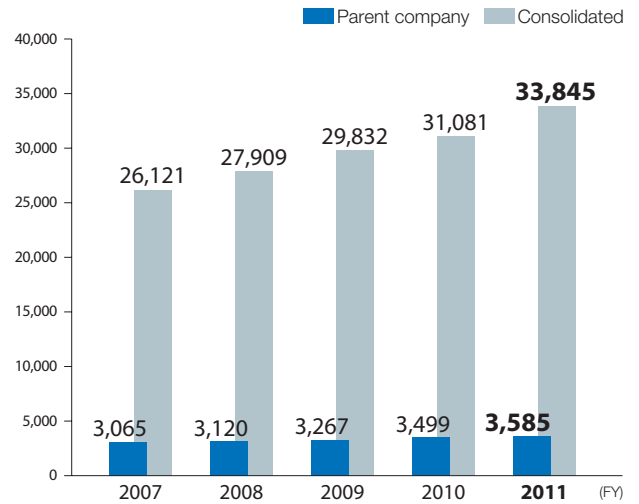
Operating income



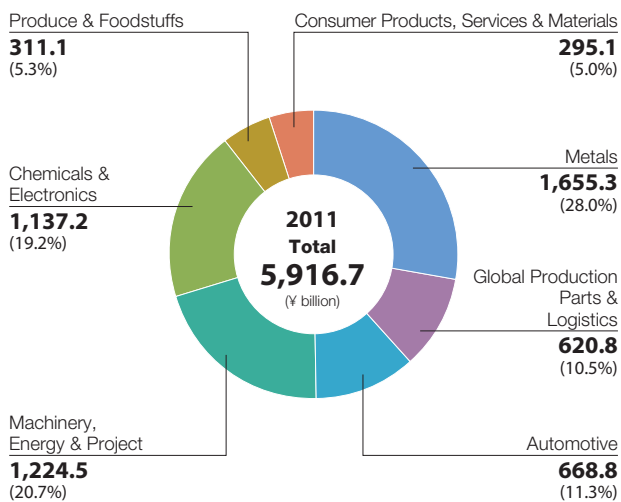
Net income



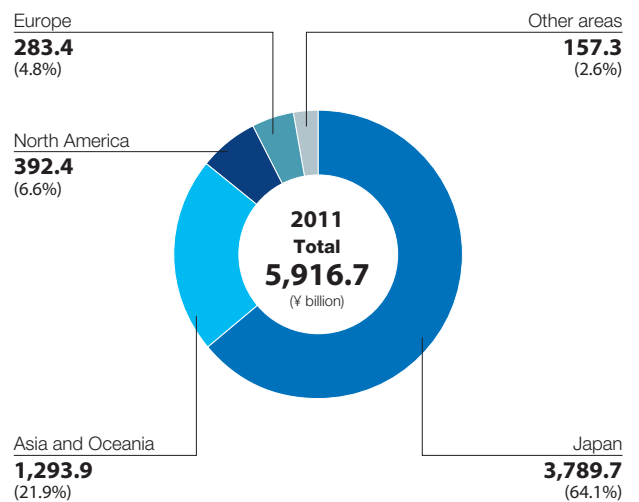
Number of employees



Segment sales



Regional sales



Third-party opinion of Toyota Tsusho Corporation's CSR Report 2012



Mr. Hiroji Tanaka

President, Tokyo College of Transport Studies

Profile

Worked at the Bank of Japan from 1954 to 1995, during which time he graduated from Chuo University Faculty of Law, Section 2, in 1959 and the Faculty of Economics, Section 2, in 1968. Following a period as professor at Waseda University graduate school, was professor at Rikkyo University Graduate School from 2002 to 2006. A distinguished member of the Japan Society for Business Ethics Study, Head and Top Researcher at the Business Ethics Research Center, and a member of the Ministry of Economy, Trade and Industry's ISO 26000 JIS committee. Has authored numerous books.

Toyota Tsusho Corporation has published environmental reports since 2002, and a CSR report since 2005. Based on these achievements, the Company discloses to stakeholders in an easy-to-understand manner the results of initiatives in its special feature and reports on operating performance.

Toyota Tsusho's Group philosophy system and "Group Way" are particularly easy to understand, and graphics are used to explain the CSR promotion structure and efforts to work closely with stakeholders to address CSR issues. Overall, I rate the CSR report highly. I believe that it relates integrated corporate activities and is nearly on a par with those of the leading general trading companies.

Areas that can be appraised and those in which improvement is acknowledged

First, one distinguishing characteristic of Toyota Tsusho's CSR activities, as clarified in the message from top management, are that the Company views CSR as being inseparable from the management of all corporate activities. In April 2011, Toyota Tsusho formulated its Global 2020 Vision, setting forth objectives for the next 10 years. This plan identifies business areas of particular focus and indicates the corporate ideal shared and put into practice among all Group employees. The document clearly indicates the Company's business activities and consistent strategies and processes for achieving its ambitious targets.

Second, the special features detail efforts made worldwide by the Company's seven operating divisions. These activities are outlined in an easy-to-understand manner, with photos and graphics on the left-hand page and simple explanations on the right. "stakeholder comment" and "message from the coordinator" columns provide an at-a-glance overview. Toyota Tsusho is uniquely equipped to conduct many of the initiatives described, addressing such societal issues as the stable supply of energy (coal-bed methane gas development) and the development and production of iodine materials for applications including contrast media for medical X-rays. Whereas the previous report included a "stakeholder comment" for three operating divisions, this coverage has been extended to all divisions in the current report. This addition points to the importance the Company places on promoting dialogue with stakeholders.

Third, the report introduces efforts made as part of the Company's business activities toward "developing a culture of safety," "creating value through personnel diversity," "implementing environmental initiatives" and "undertaking social contribution."

Specifically, the report (1) indicates Group Policies on Safety and Health, spanning occupational safety and health management practices to the confirmation of food safety; (2) describes principles concerning employees, from human resource cultivation and respect for human rights and diversity to health and safety management; (3) introduces the Group Environmental Policy, which covers creating and promoting an environmental management system, preventing global warming, halting pollution, and conducting environmental training and awareness activities; (4) and explains the Basic Policy for Social Contribution Activities and activity guidelines, introducing three priority themes—the environment, welfare and education—and supporting recovery from the Great East Japan Earthquake.

Fourth, the message from top management defines Toyota Tsusho's CSR activities as "contributing to the creation of a sustainable society." This approach forms the basis for the Company's creation of a corporate governance structure that encompasses compliance and risk management and creates the foundation for appropriate management. The report covers unique initiatives integrating the Group's philosophy based on a four-tier conceptual hierarchy, enhancing stakeholder satisfaction and incorporating new Supply Chain CSR Behavioral Guidelines.

Issues for the future

Even more than in the preceding year, Toyota Tsusho's CSR activities and reporting satisfy highly regarded societal standards for information transparency and a high degree of reliability.

Going forward, I would like to see Toyota Tsusho make more of a groupwide effort to address the issues that society faces on a global scale, comprising environmental and community developments, based on the ISO 26000 international standard and the JISZ26000 domestic standard.

To enhance the trust of its stakeholders even further, I would suggest the Company hold "roundtable meetings with experts" (stakeholder meetings). This format would allow participants comprising management and other CSR committee members and experts with close ties to individual business divisions to meet and frankly discuss the Company's CSR activities. I believe such an effort would enable stakeholders to confirm that Toyota Tsusho's CSR activities are indeed inseparable from its overall management and lead to new developments. Including the results of such meetings in this report would constitute superb disclosure, both within and outside the Company.



TOYOTA TSUSHO CORPORATION

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