Toyota Tsusho Corporation

<Toyota Tsusho Circular Economy Business Briefing>

Date and Time: October 14, 2025 (Tuesday), 9:30 – 10:30
Participants: Akihiro Sago, Chief Executive Officer for Circular Economy Division
Masaharu Katayama, COO for Circular Economy Division
Yasushi Aida, Deputy CFO
Toshihiko Muroi, General Manager, Reverse Supply Chain Business Department

【Slide1】

(Division CEO Sago) Good morning. Thank you for attending this briefing on the circular economy business. I am Akihiro Sago, CEO for the Circular Economy Division.
Today, we will be explaining the overall image and long-term strategies of the circular economy business, one of Toyota Tsusho's highest priority strategies under its Mid-Term Business Plan.

【Slide2: The "Uniquely Competitive" and "Higher Dimension" to be Achieved by the Circular Economy Division】

(Division CEO Sago) First of all, what I would like to explain to all of you through today's briefing are the highlights of the circular economy business.
The first strength of this business is its unprecedented arterial and venous integrated business model, which we referred to as "uniquely competitive"
For more than 50 years, Toyota Tsusho has been conducting business globally in both the "arterial business" of product manufacturing and the "venous" business of collecting and recycling end-of-life products. It is this arterial and venous integrated business model that is the very source of our competitive edge.
What creates this uniqueness is my second point, that is, inevitable and difficult-to-imitate growth opportunities.
Amidst megatrends such as decarbonization, resource recycling, and economic security, the transition to a recycling-based economy is irreversible.
Toyota Tsusho's business, which is deeply embedded in the massive "artery" of the Toyota Group's manufacturing and supports its entire supply chain, has extremely high barriers to new entry, and sustainable growth can be expected. We will expand these capabilities to areas other than mobility and pursue opportunities for further growth.
One means of taking advantage of these growth opportunities and achieving elevation to a higher dimension is the third point, the acquisition of Radius Recycling. We completed the acquisition of all Radius shares in July of this year, and by securing its collection infrastructure, we will greatly bolster our arterial and venous integrated business model.
The circular economy business will advance resource recycling on a continental scale and

achieve elevation to a higher dimension by becoming the world's leading global CE provider.
Last, we will seek ROIC of 10% based on these strategies. The target of social value ROIC of at least 10% presented in the Mid-Term Business Plan will be steadily achieved through these clear strategies, contributing to the enhancement of Toyota Tsusho's corporate value.

【Slide3: Overall Image of the CE Division's Business: An Unprecedented Arterial and Venous Integrated Business Model】

(Division CEO Sago) I will now explain about our core arterial and venous integrated business model with somewhat more specificity.
This diagram shows the overall image of the resource recycling that the Circular Economy Division seeks. The integration of arterial and circular economy business that we have built up for more than 50 years is the source of our uniqueness that enables us to transform social issues into growth opportunities.
We have positioned the artery and vein business within the mobility field, which is our core business.
We engage in deep collaboration with the Toyota Group in the arterial portion, which includes the procurement and manufacturing of materials and components as well as automobile production processes, and consistently handle operations through to the venous functions of collection, dismantling, sorting, and recycling process waste materials and end-of-life vehicles (ELVs). Through these processes, we recover various materials, such as steel, nonferrous metals, and plastics, from scrap metals and return them to arteries as recycled materials.
EV batteries are a new area of focus within the mobility field. We extract rare metal materials from collected batteries and supply them for re-use in EV batteries, providing strong support for the creation of new arterial and venous circulation.
Please look at the area outside the circle. We also conduct business in other industrial fields, such as the supply of various chemical products and materials and PET bottle recycling, contributing to the promotion of a circular economy throughout society.
Please understand that in this way the CE Division is developing a wide range of circular economy businesses with mobility at the core while also expanding that expertise to peripheral areas.

【Slide4: Circular Economy Business: Diverse Functions that Support "Uniquely Competitive"】

(Division CEO Sago) Next, I will explain about the resources recycling business in the mobility field, which supports the foundations of our uniqueness.
This slide shows how Toyota Tsusho is deeply involved in the manufacturing of the Toyota Group and supports its circulation, indicating our venous functions, which is our

uniqueness.
Our circular economy businesses are not limited to simply ELV scrap processing. We look to the entire lifecycle of the vehicles produced by the Toyota Group and participate in all stages to ensure that resources are utilized to the maximum extent.
For example, we sort, process, and perform quality management of metal scrap generated during new vehicle production processes for use in cast and specialty steel products, which are then circulated for reuse in Toyota group automotive parts. This type of initiative provides concrete support for the Toyota philosophy of pursuing zero plant waste.
The recovery and recycling of parts and materials from ELVs is a crucial pillar of this business. We recover a diverse range of materials, from iron and non-ferrous metals to plastics, from ELVs and recycle them using optimal technologies.
The recycled materials obtained are recirculated into the Toyota Group supply chain as new automotive parts and materials, providing strong support for resource recycling.
In anticipation of the widespread adoption of electric vehicles, building EV battery recycling mechanisms has become an urgent issue. We are accelerating the development of technologies and creation of business for efficiently recovering rare metals from used batteries and reusing those metals as high-quality battery materials. We are proud that this too is essential venous infrastructure that provides behind-the-scenes support for Toyota's electric vehicle strategy.
In this way, the CE Division's circular economy business has become deeply involved in the Toyota Group's manufacturing through many years of strong collaboration with the Toyota Group and contributes to the Group's overall achievement of carbon neutrality in the realization of a sustainable society through resource recycling.

【Slide5: Becoming the World's No. 1: "Higher Dimension" through Integration of Radius's Business】

(Division CEO Sago) This slide shows integration of Radius's business so that we can elevate venous and arterial business, the source of our uniqueness, to a higher level.
By integrating our circular economy businesses, which have wide-ranging functions, with Radius's collection infrastructure, we will build a resource recycling loop covering products from iron and aluminum to batteries, thereby contributing greatly to the automobile industry and the achievement of carbon neutrality by the Toyota Group.
Radius has one of the largest networks in North America, handling all processes from collection to dismantling of ELVs. In contrast to this, Toyota Tsusho has technologies for recycling diverse materials and strong relationships with users of recycled materials around the world.
Combining these strengths of the two companies will enable the creation of an integrated value chain where, in battery recycling for example, Radius collects used batteries from across the vast North American region and supplies them to our recycling facilities. This is

the essence of building a circular circular economy business and will be a major first step toward Toyota Tsusho becoming the number one CE provider in the world.
At this time, Toshihiko Muroi, General Manager of the Reverse Supply Chain Business Department, will explain in greater detail about the diverse functions of the resources recycling business, which is our uniqueness. Also, Masaharu Katayama, a Toyota Tsusho executive officer and Deputy CEO and Deputy Executive Chairman of Radius, which holds the key to elevation to a higher dimension, will discuss specific strategies.
This concludes my presentation. Thank you.

【Slide6: Resource Recycling Business】

(General Manager Muroi) Thank you for that introduction, CEO Sago. I am Toshihiko Muroi, General Manager of the Reverse Supply Chain Business Department.
I will discuss the ideal image that Toyota Tsusho seeks for its resources recycling business and the strategies and specific functions for achieving that image.

【Slide7: Ideal Image of the Resources Recycling Business】

(General Manager Muroi) We seek to contribute to solutions to social problems through our resources recycling business and to pass on a better earth to the children of the future. To do this, we will leverage the experience that we have developed over many years in circular economy business areas and build a global circular ecosystem.

We will employ three strategies to achieve this.
The first is “selection and concentration” in business development, taking into consideration markets and regulatory systems.
When entering a new business, we emphasize two factors. The first is that the market enables us to acquire sufficient recyclable resources as base materials for recycling. The second is the existence of a regulatory system, such as the obligation to use recycled materials in Europe and the expanded responsibility of producers in India. These are truly challenges, or in other words, problems, that we face in arterial industries. To solve these problems, we will further refine and contribute to Toyota Tsusho’s functions.
The second strategy is bridging the industrial gap between arteries and veins.
In the past, arterial industries avoided recycled materials based on the belief that they are cheap and of poor quality, and in venous industries too, efforts to enhance quality were insufficient. We leverage our position as the deeply-rooted arteries of the Toyota Group, clarify the quality required by arteries, and develop technologies and build logistics to raise the quality of recycled materials to those levels.
By doing this, we build new supply chains premised on the use of recycled materials, specifically, we have functions for sorting iron, aluminum, and copper from ELVs as well as functions for recovering plastics from shredder dust after shredding while simultaneously

reducing the volume of final waste. We also have functions for recovering precious metals from used catalysts and returning them to the supply chain and are developing technologies to enhance the quality of recycled materials even further based on existing functions, such as our business for managing waste generated from plants.
The third strategy is to tackle the challenges of recycling automotive batteries and resins, which will be a social issue in the future.
As Division CEO Sago explained, when implementing an electric vehicle strategy, recovering used batteries and materials from used batteries and returning them to the supply chain will be a major issue. Also, regarding resins, stable supplies of high-quality recycled resins will be essential for responding to stricter regulations in Europe. We will address these issues head on.

【Slide8:Overall Image of the Resources Recycling Business】

(General Manager Muroi) This slide shows the overall image of the closed loop that we are developing within the automobile industry.
The keywords are “collection” and “recycling.”
In venous supply chains, the first step is collecting waste materials generated in production processes and end-of-life products. The process of recycling to return usable resources to the artery side is crucial.
As you can see in this figure, Toyota Tsusho carries out these functions as business in each stage of the automobile lifecycle. Please understand that we undertake integrated business from collection, the entry point to the veins, to recycling, the exit point.

【Slide9:Global Expansion of Metal & ELV Recycling Business】

(General Manager Muroi)　Next, I will explain about the global deployment of our metal recycling and ELV recycling and the scale of those businesses.
Our existing business, excluding Radius, has 31 sites in 13 countries around the world and handles approximately 6.3 million tons of recycled materials derived from iron annually.
In the table, “metal recycling” refers mainly to recycling of process waste material from automotive plants. We handle 6.2 million tons annually at 26 sites. The “ELV recycling” business handles about 100,000 tons annually at three sites in Japan and overseas.
By combining this existing business with the 4.8 million tons handled by Radius, which I will explain shortly, the total volume of recycled material handled will reach approximately 11 million tons per year, accounting for approximately 2% of the global circulation volume.
In this way, we have global collection and recycling functions, and we are building structures to deploy new business models and technologies developed in Japan to business in various regions around the world.
One other noteworthy point is that our ability to conduct business as a recycling industry

insider in various countries and regions and our ability to build relationships with local partners that will lead to future collaboration are major strengths of Toyota Tsusho.

【Slide10:Examples of CE Issues in the Automotive Industry】

(General Manager Muroi)　At this time, I would like to touch on developments concerning the mandatory use of recycled materials that are originating in Europe.
As you are aware, discussions on making the use of recycled plastic at the time of automobile production and the use of recycled materials in batteries mandatory are in the final stages in Europe.
Meanwhile, looking to developments in Japan, there is a major issue. Many of the 9 million vehicles produced annually in Japan flow outside the country as new vehicles, used vehicles, and used parts, and the resources that remain in Japan are limited to materials equivalent to just 1 million to 2 million vehicles.
As automobile OEMs around the world set targets for recycled material use rates, it is inevitable that competition to acquire recycled resources will intensify.

【Slide11:Progress of the Resources Recycling Business】

(General Manager Muroi)　This slide shows how, for more than 50 years, Toyota Tsusho has conducted and expanded the resources recycling business and expanded it. This is our history.
I would like you to understand, as I mentioned earlier, that we are committed to resources recycling, from the past to the present and into the future.

【Slide12:【TOYOTA METAL】ELV Recycling Business】

(General Manager Muroi)　I would now like to provide a brief explanation of Toyota Metal and Toyota Chemical Engineering, which have long histories in the resources recycling business.
Automobile recycling consists primarily of the dismantling process and the shredding and recycling process. Toyota Metal handles the latter, that is, the shredding and recycling process. Toyota Metal uses a domestic network of automobile dismantlers, purchases ELV scrap that has been dismantled, shreds and sorts the scrap, and produces recycled materials such as scrap metal of various types and recycled resins.

【Slide13:【TOYOTA CHEMICAL ENGINEERING】Waste Disposal and Battery Recycling Business】

(General Manager Muroi)　Next is Toyota Chemical Engineering. Its main business is detoxifying and reducing the volume of industrial waste material including waste liquids through incineration.

Today, the company leverages its expertise cultivated over many years of business operations to also recycle materials from used batteries. The process of recycling used batteries is discussed in more detail on the following slide.

【Slide14:【Used Battery Recycling】Our Vision】

(General Manager Muroi)　I will explain about our initiatives concerning battery recycling in a little more detail.

The objective of this business is of course regulatory compliance, but the objective of achieving economic security by securing battery raw materials is also extremely important. Battery supply chains extend globally, and the regions where waste materials are generated differ from the regions where raw materials are needed. As a result, it is necessary to build supply chains that “intelligently” circulate resources across borders.

We will start by establishing a waste material collection network for battery factories and launch a pre-processing business that produces black mass, a raw material used in battery production, by 2030. We will also create a system for cross-border supply of black mass to regions with legal restrictions.

One example of this is shown on the right side of the slide. We launched a joint venture company with the LG group in South Korea. We established Green Metals Battery Innovations, which produces black mass, near a Toyota battery plant in North America, and will commence operations targeting process waste material generated at the battery plants of both Toyota Motor and LG Energy Solution.

In the future, we will expand the scope of business to also cover end-of-life batteries generated in the market. To do this, market scrap collection infrastructure and networks will be essential. To obtain this crucial element, we acquired Radius Recycling. COO Katayama will explain details of Radius as well as the synergy effects that will be created from its integration with Toyota Tsusho.

This concludes my presentation. Thank you

【Slide15: Radius Recycling, Inc. ~Building a Resource Recycling Platform in the U.S~】

(Division COO Katayama) I will continue with an explanation of the acquisition of Radius Recycling.

The primary objective of the Radius acquisition was to have its large collection platform in North America in our hands, as it is an important region for the automobile industry as well as for Toyota Motor.

Starting on the next slide, I will provide an overview of Radius’s business and explain about its creation of a resources recycling platform.

【Slide16:　Building a Resource Recycling Platform in the U.S.【Radius

Businesses】】

(Division COO Katayama)　I will provide an overview of Radius and explain the details of its business.

Radius was established in 1906, and thus, next year it will mark 120 years of business. The company's original name was Schnitzer Steel, and it is a well-established and well-known company within the industry.

There are three main pillars to Radius's business: first is the metal scrap recycling business, second is the ELV collection and parts sales business, and third is the electric furnace business. It has about 3,000 employees.

Some significant events in the company's history include the 1984 acquisition of Cascade Steel, an electric furnace manufacturer located in Oregon. Currently, the electric furnaces are used for building materials, but one advantage is that the area has a lot of hydroelectric power and the business is powered mainly by clean energy. Later, in 2003, the company acquired Pick-n-Pull, an ELV collection business with 50 sites today. The company name was changed to Radius Recycling in 2023.

Please take a look at the map on the right side of the materials. The map shows a plot of Radius sites, including small sites. The red stars indicate mega shredders; Radius currently has three sites on the West Coast and one on the East Coast. As was explained earlier, these mega shredders are large-scale shredding facilities that have five to six times the capacity of Toyota Metal facilities. The company has its own ports for exporting at the sites. The small yellow marks indicate ELV collection sites. As shown in the materials, the volumes handled at these sites account for just under 10% of each market.

Our vision for this business is to secure a volume of collected resources through the acquisition of this platform and to then use Toyota Tsusho's functions to promote recycling and broadly contribute to carbon neutrality. The objectives of the acquisition were explained earlier.

【Slide17:Building a Resource Recycling Platform in the U.S.【Radius Business】】

(Division COO Katayama)　Next, I will explain about the synergies to be generated in detail.

The content at the top of the slide was discussed earlier by Division CEO Sago, and therefore, I will omit any further explanation.

The areas of synergy are the platforms that Radius possesses in five major areas, that is, iron scrap, non-ferrous metal scrap, batteries, waste catalysts, and ELV vehicles and used parts, and Toyota Tsusho's recycling technologies and networks, including its links with end users.

I have been assigned to Portland since last month, and even during the acquisition process, Toyota Tsusho has been viewed not so much as a trading company making an investment, but more as a business operator with a long history in the resources recycling

business, and discussions regarding integration and synergies have proceeded extremely smoothly.
I will explain about what we seek to achieve in each of the five synergy areas.
First, regarding iron scrap, there will be an increase in new electric furnace installations globally over the next several years. Green steel manufactured in electric furnaces has the potential to be a new material that contributes to carbon neutrality, particularly in the automobile industry. In anticipation of this opportunity, we plan to make a contribution by securing a raw material collection platform at an early stage.
Concerning non-ferrous metal scrap, Toyota Tsusho engages in the aluminum melting business in North America, and by securing handled volume, we hope to contribute to meeting the growing need for recycled aluminum materials in conjunction with the rise of giga die casting.
Regarding batteries, as General Manager Muroi explained earlier, we expect to supply materials recovered in the market to Green Metals Battery Innovations in North Carolina.
In the area of waste catalysts, we supply waste catalysts to Toyota's domestic supply chains, primarily through Toyotsu Recycling, a Toyota Tsusho Group company, but by directing processing volumes to North America, we hope to secure new materials and introduce them to Toyota Tsusho's networks. We expect that this result in synergy effects emerging in a relatively short period.
Last, as for ELVs and used parts, from a Japanese perspective, the business model in North America can be considered an old business model. As I will explain on the following slide, we are considering a trial to transform the business model through our network of dismantling business operators in Japan.

【Slide18: Building a Resource Recycling Platform in the U.S.【Radius Business】】

(Division COO Katayama) Lastly, please take a look at these photos of business sites.
The top row shows shredder businesses. On the left side is a mega shredder. The center photo shows the supply of untreated scrap, and the photo on the right shows a port for export.
The bottom row is the Pick-n-Pull automobile dismantling business. This is a business model, referred to in the industry is "self-service," that was brought to a close in Japan several decades ago. Land prices are low in America, and as a result, there is a business model where scrap vehicles are lined up at a site like this for about a month, customers pay an admission fee, and they bring their own tools to remove parts themselves. In the industry, we are discussing a different business model, referred to as "full-service," to increase profitability per business unit by adopting a business model similar to that of Japanese dismantlers, where parts to be removed are listed as soon as a scrap vehicle arrives, and once the parts are removed, the vehicle is immediately crushed and sent to an electric furnace.

This concludes today’s briefing. Thank you for your attention.