New Global Vision and Long-Term Business Plan

May 6, 2016
Contents

1. Review of the Past Five Years  P. 2
2. New Global Vision  P. 8
3. Long-Term Business Plan for FY2020  P. 13
Review of the Past Five Years
VISION 2015 — Lead the Next —
Complement the automotive business with second and third core earnings drivers
Achieve a 50:50 balance between automotive and non-automotive businesses

GLOBAL 2020 VISION
Establish businesses in three domains and generate synergies among them to achieve a business portfolio with a balanced 1:1:1 ratio among the three domains

Ratio of Automotive and Non-Automotive
March 31, 2006: Approx. 80:20
March 31, 2016: Approx. 60:40 (excluding non-recurring factors)

Move forward to our new Global Vision

TRY 1
Mobility

Life & Community
Earth & Resources
GLOBAL 2020 VISION and Ideal Image

**Mobility**
A business domain contributing to the evolution of next-generation automobiles

- Expand and deepen our automotive value chain
- Develop sales networks and production bases in emerging countries

**Life & Community**
A business domain contributing to better lifestyles

- Establish a presence as a general electronics trading company
- Develop retail businesses in Africa

**Earth & Resources**
A business domain contributing solutions to global issues

- Expand the wind and solar power generation businesses in Japan and overseas
- Develop infrastructure to popularize next-generation automobiles

Invested in trading company CFAO, which is strong in Africa
Major Investments to Achieve TRY1

- **Made Eurus Energy a Subsidiary**
  - Contribute to a green society with renewable energy

- **Tomen Electronics Tender Offer**
  - Maximize Group synergy

- **Investment in Elematec**
  - Move upstream in the electronics business

- **Investment in CFAO**
  - Central to our strategy in Africa

- **Investment in NovaAgri**
  - Enhance our grain value chain

Timeline:
- Aug. 2011
- Jan. 2012
- Aug. 2012
- Aug. 2014
- May 2015
Operating Income

Non-automotive

Automotive

Up 65% 140.2

20% 40%

80% 60%

FY2010 FY2015

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY2010</th>
<th>FY2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metals</td>
<td>37.9</td>
<td>37.4</td>
<td>-0.5</td>
</tr>
<tr>
<td>Global Parts &amp; Logistics</td>
<td>10.3</td>
<td>21.6</td>
<td>11.3</td>
</tr>
<tr>
<td>Automotive</td>
<td>23.4</td>
<td>37.9</td>
<td>14.5</td>
</tr>
<tr>
<td>Subtotal</td>
<td>71.6</td>
<td>96.9</td>
<td>25.3</td>
</tr>
<tr>
<td>Machinery, Energy &amp; Project</td>
<td>3.2</td>
<td>21.3</td>
<td>18.1</td>
</tr>
<tr>
<td>Chemicals &amp; Electronics</td>
<td>12.0</td>
<td>24.9</td>
<td>12.9</td>
</tr>
<tr>
<td>Food &amp; Agribusiness</td>
<td>0.8</td>
<td>3.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Consumer Products &amp; Services</td>
<td>1.7</td>
<td>5.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Subtotal</td>
<td>17.7</td>
<td>54.8</td>
<td>37.1</td>
</tr>
<tr>
<td>Corporate</td>
<td>-4.1</td>
<td>-11.5</td>
<td>-7.4</td>
</tr>
<tr>
<td>Total</td>
<td>85.2</td>
<td>140.2</td>
<td>55.0</td>
</tr>
</tbody>
</table>

(Billion yen)

Our task: Improve capital efficiency and financial strength.

Total assets 62% increase
Shareholders’ equity 21% increase

Net DER (times) 1.0 1.2 0.2
Policies to Improve Investment

Approx. JPY 1 trillion in investment over 5 years

<table>
<thead>
<tr>
<th>Major Investments</th>
<th>Approx. Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFAO</td>
<td>240</td>
</tr>
<tr>
<td>Automotive</td>
<td>250</td>
</tr>
<tr>
<td>Metals</td>
<td>30</td>
</tr>
<tr>
<td>Machinery, Energy &amp; Project</td>
<td>210</td>
</tr>
<tr>
<td>Chemicals &amp; Electronics</td>
<td>70</td>
</tr>
<tr>
<td>Food &amp; Consumer Services</td>
<td>50</td>
</tr>
<tr>
<td>Other</td>
<td>150</td>
</tr>
</tbody>
</table>

Issues Identified

- Environment analysis & business evaluation
- Select partners & allocate responsibilities
- Expertise, experience & management capabilities
- Respond to changes in customer needs & the market environment

Countermeasures

- We will build a new future and focus on businesses that only we could make
- Make the most of our characteristic strengths and insight
- Each employee must think like a manager in executing initiatives

TOYOTA TSUSHO CORPORATION
New Global Vision
Global Vision — Ideal Image

For the next 10 years, the Toyota Tsusho Group will evoke our ideal as

Be the Right ONE

The Right ONE for you

The best assurance of safety, quality, and reliability — based on your needs (Genba)

The Right ONE for us

Maximization of individual capabilities, global networks and diversity to create synergistic strengths

The Right ONE for future

Unique insights and capabilities to explore new possibilities for future and sustainable society
Global Vision — Toyotsu Core Values

To realize the vision, we will materialize Toyotsu Group Way as Toyotsu Core Values for basic approaches in the next 10 years.

Toyotsu Core Values

- Genba-focus
  Ability to deliver added value where it is needed
- Collective force
  Empowered people, comprehensive strength
- Innovator spirit
  Ability to actualize our unique capabilities

Toyotsu Group Way

- On site, hands on, in touch
- Teamwork
- Passion for business

We will focus on Toyotsu Core Values and further enhance these elements while displaying and utilizing them.
Global Vision — Toyotsu Core Values to Realize Growth

Organic growth
- Expansion of our current business with our own internally generated resources.

Challenge Areas
- Business expansion in new areas where we can utilize our expertise in region and/or business domain from our Toyotsu Core Values such as Genba-focus
- New business development with a focus on innovative technologies, services and products utilizing Collective force and Innovator spirit
New Global Vision: Core Concepts

The Toyota Tsusho Group’s 50,000 employees worldwide will share the ideal image through Global Diversity & Inclusion.

The Vision of growth in three domains will not change.

We will compete and succeed by evolving the way we exhibit and employ the Toyotsu Core Values.

Our long-term plan has specific strategies and quantitative benchmarks for each domain.
Long-Term Business Plan for FY2020
Achieving Our Long-Term Business Plan

**Management Strategy**

- Strengthen our earnings foundation and take on challenges in our three domains
  - Get back to fundamentals and rely on the Toyotsu Core Values to achieve growth
  - Reallocate limited managerial resources

**Investment Policy**

- Increase returns on investment by rigorously employing quantitative benchmarks
  - Selective investment within operating cash flow
  - Focus on project proposals that allow us to assert our characteristic strengths

**Financial Policy**

- Strengthen cash flow management
  - Reduce interest-bearing debt
  - Increase shareholder returns (dividends) in stages
## Long-Term Business Plan: Quantitative Targets

(Billion yen)

<table>
<thead>
<tr>
<th>FY2014 Results</th>
<th>FY2015 Results</th>
<th>FY2016 Plan</th>
<th>FY2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net sales</td>
<td>8,663.4</td>
<td>8,170.2</td>
<td>7,300.0</td>
</tr>
<tr>
<td>Operating income</td>
<td>169.4</td>
<td>140.2</td>
<td>144.0</td>
</tr>
<tr>
<td>Net income</td>
<td>67.5</td>
<td>-43.7</td>
<td>70.0</td>
</tr>
<tr>
<td><strong>BS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>4,533.6</td>
<td>3,952.1</td>
<td>4,375.0</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>844.4</td>
<td>777.4</td>
<td>825.6</td>
</tr>
<tr>
<td>Net assets</td>
<td>1,304.4</td>
<td>1,055.7</td>
<td>1,199.0</td>
</tr>
<tr>
<td>Net interest-bearing debt</td>
<td>1,233.5</td>
<td>1,102.7</td>
<td>1,050.0</td>
</tr>
<tr>
<td>RA:RB</td>
<td>1:1</td>
<td>1.1:1</td>
<td>—</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>6.4</td>
<td>—</td>
<td>6.9</td>
</tr>
<tr>
<td>Net DER (times)</td>
<td>1.1</td>
<td>1.2</td>
<td>1.1</td>
</tr>
</tbody>
</table>

- **RA/RB** less than 1.0 times
- **ROE** 10%-13%
- **Net DER** 1.5 times or below

- Review existing assets and business with poor capital efficiency to maintain sound, stable finances
- Use investment benchmarks based on capital costs as a means to increase ROE
- Ensure positive free cash flow and restrain growth in interest-bearing debt
FY2020: Multistage Net Income Targets

FY2016 Plan: 70.0

- Amortization of goodwill completed (Eurus, Elematec, etc.): +5.0
- Amortization of goodwill suspended (CFAO, NovaAgri, etc.): +15.0

FY2020 Target: 120.0

- Returns on new investments: +10.0
- Existing business growth Monetize prior investments: +20.0

Earnings by Business Domain:
- Mobility: +14.0
  *Refer to page 18
- Resource & Environment: +9.0
  *Refer to page 19
- Life & Community: +7.0
  *Refer to page 20

(Net income before amortization of goodwill)
Our Capabilities in the Mobility Domain

Existing Strengths

Development
- Business proposals and development of new materials and cutting-edge technologies

Procurement
- Optimal procurement

Manufacturing
- Logistics
- Automobile assembly
- Toyota manufacturing methods

Sales
- Wholesale
- Retail
- Sales finance
- After-market parts

Services
- Used vehicles
- After-sales service
- Filling stations

Recycling
- Scrap metal, waste and ELV business

Taking on New Capabilities

Changes in Materials
- Comprehensively employ new automotive materials

Changes in Manufacturing
- Electrification, modularization and telematics

Changes in Sales
- Additional B to C initiatives in emerging countries

Changes in the Environment
- Help develop and popularize next-generation automobiles

Earn customer trust by continuing to propose highly valuable business, deepening value chains, and ensuring stable supply
Ideal Image – Mobility

Toyotsu Core Values

Metals
- Establish more efficient, lower-cost models for emerging countries
- Use new materials and new technologies

Automotive
- Distributor and dealer businesses that are less affected by oil price movements
- Strengthen sales in emerging countries by adding B to C to B to B
- Make automotive-related businesses profitable and more sophisticated

Global Parts & Logistics
- Establish logistics strategy and construct systems in each region
- Use modularization and assembly

FY2020
+14.0 billion yen
Toyotsu Core Values

Ideal Image – Resources & Environment

- Stable electric power business with limited risk
- Expand renewable energy in Japan and abroad
- Develop differentiated businesses with diverse energy resources
- Metal recycling business (End Life Vehicle)
- Automotive recycling business
- Operate a stable silo business in Japan
- Include NovaAgri in structuring a grain value chain among three countries

FY2020
+9.0 billion yen

Operate a stable silo business in Japan
Toyotsu Core Values

Ideal Image – Life & Community

- Hospital business
  Nursing care business

- Generate synergy with CFAO

- Medical business

- Use assembly parts, electronic components and IoT/ITS to popularize next-generation automobiles

- Expand electronics group synergy
  Vehicle sales
  New smartphone technology

- Pharmaceutical, beverage and retail businesses

FY2020
+7.0 billion yen
Growth Strategy for High-Potential Africa

Generate synergy with CFAO from a long-term perspective
Goal: JPY 10.0 billion growth in earnings
*Refer to pages 18-20

Reference: Africa’s Population (Billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Middle Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>1.03</td>
<td>.33</td>
</tr>
<tr>
<td>2020</td>
<td>1.23</td>
<td>.41</td>
</tr>
<tr>
<td>2030</td>
<td>1.46</td>
<td>.52</td>
</tr>
<tr>
<td>2040</td>
<td>1.70</td>
<td>.64</td>
</tr>
<tr>
<td>2050</td>
<td>1.92</td>
<td>.77</td>
</tr>
<tr>
<td>2060</td>
<td>2.59</td>
<td>1.09</td>
</tr>
</tbody>
</table>

Source: ADB

Increase automobile distributors and sales volume

Expand in all regions of Africa

Deploy Toyota Tsusho’s strengths in CFAO businesses and French-speaking Africa

Improve and raise efficiency of logistics

Share Kenya model horizontally

Earth & Resources domain

Alliances with outstanding French companies

Enter retail businesses

Strengthen FMCG production

Target the middle class in rapidly growing Africa and complement B to B with B to C

*Refer to pages 18-20
We will generate stable, sustained shareholder returns with a target consolidated payout ratio of 25% calculated using net income before amortization of goodwill.
Aiming to be a Value-Generating Corporation

Toyota Tsusho Group’s Fundamental Philosophy

We aim to be a value-generating corporation that contributes to the creation of a prosperous society. As a good corporate citizen, we will respect people, and create an active workplace worth working in.

Promote Global Diversity & Inclusion

Create an environment of respect for and acceptance of respective differences in which all employees can work energetically

- Participation of overseas staff in new Global Vision
- Initiate Work Style Review PJ to balance work and life

Strengthen Corporate Governance

Even more rigorous management, transparency, and thorough compliance

- Review and verify the investment process
  - Strengthen support and constraints
- Review past projects and share in-house
  - Help the next generation learn
- Newly establish the Executive Appointment Meeting and Executive Compensation Meeting
The presentation material includes “forward-looking statements” such as those pertaining to the strategy and management plan of Toyota Tsusho Corporation and its group companies, which are not historical facts. The forward-looking statements are based on expectations, estimates, and forecasts available at the current moment, and necessarily include risks and uncertainties. Accordingly, the information on the business environment, future performances, business results, and financial standings of the Company explicitly or implicitly expressed in the forward-looking statements could differ materially from the actual results. The Company undertakes no obligation to revise or update publicly any forward-looking statement for any reason.

The presentation material is not intended to be the basis for an offer or solicitation to buy or sell any security. In making a decision on investment, etc., prospective investors may not rely on the information in this presentation.