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## To Our Cherished Shareholders

Toyota Tsusho is deeply indebted to all of its shareholders for their continued kindness and encouragement. Our company plans to convene its 103rd Ordinary General Meeting of Shareholders as described on the following page. Please accept this letter as a notice of convocation.

Looking at the external environment, social and economic activities are normalizing as we emerge from the COVID-19 pandemic and are supporting the economy. On the other hand, a high degree of uncertainty continues due to rising prices and persistently high interest rates in major countries, as well as fragmentation and conflict in the international community.

In the business environment surrounding our company, we are witnessing the further acceleration of initiatives to realize a decarbonized society and advances in digital transformation as represented by generative AI, which has the potential to bring about changes not only in industrial structures and corporate activities but also in the way we work.

In such an environment, the Toyota Tsusho Group, in addition to its core business areas, has positioned seven priority domains (Next Mobility, Renewable Energy & Energy Management, Africa, Circular Economy, Batteries, Hydrogen & Alternative Fuels, and Economy of Life) as its growth strategy, combining its business areas of strength with the themes of carbon neutrality and the circular economy. To accelerate this growth strategy, we have revised, effective April 1 of this year, the names of our divisions so that they express the value that they provide to society and our customers based on clear missions.

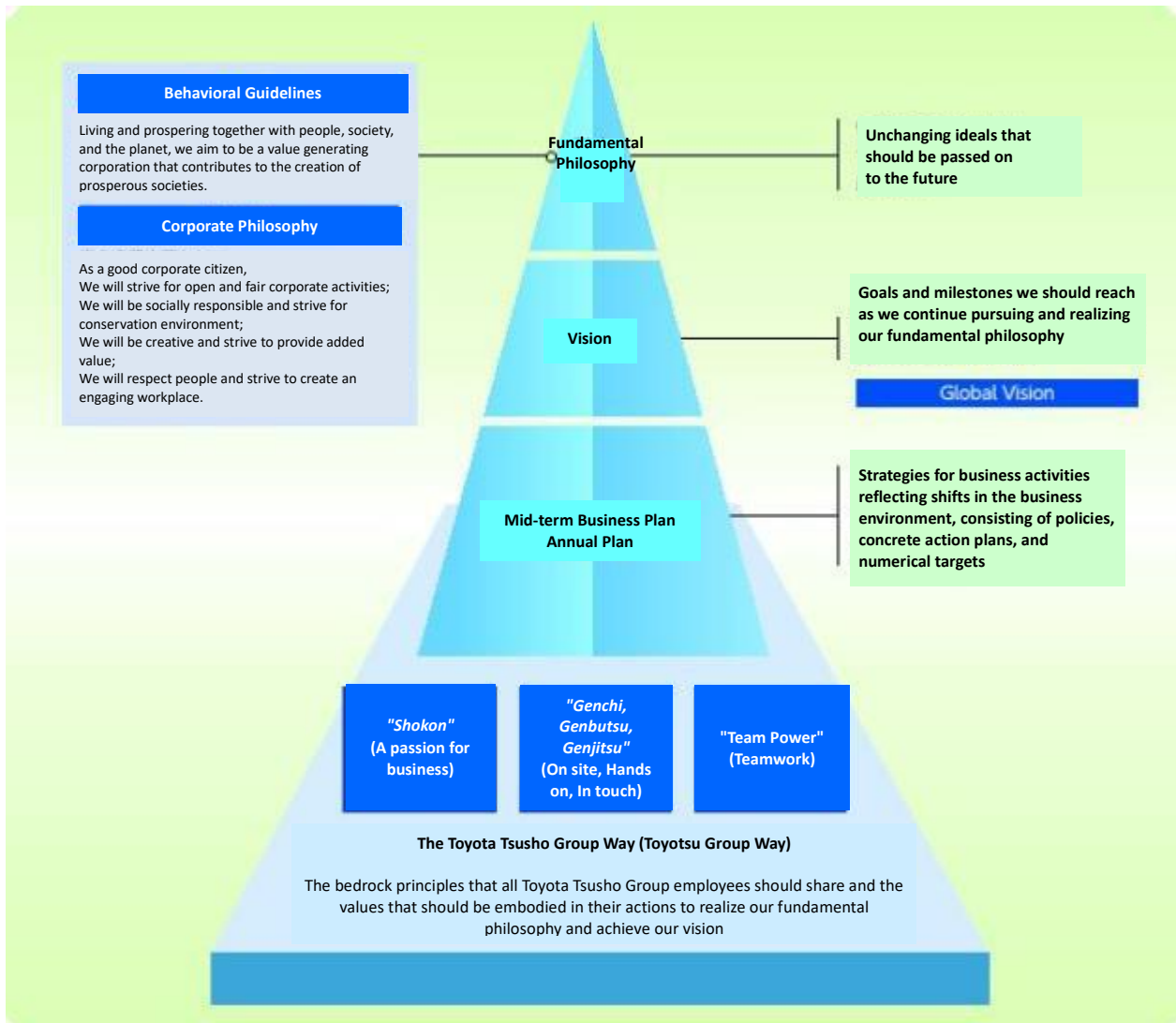
By advancing business under a new organizational structure, we will aim to be an irreplaceable presence for our customers, business partners, shareholders, local communities, and future society around the world. In other words, we will strive to achieve the Toyota Tsusho Global Vision of “Be the Right ONE”.

I would like to express our company’s sincere gratitude to all of our shareholders for their understanding and backing of the Toyota Tsusho Group, and I humbly request your continued support.

Sincerely yours,

Ichiro Kashitani  
President & CEO

**We in the Toyota Tsusho Group deliver to nations around the world a diverse range of products and services essential for building prosperous and comfortable societies. We are guided by a four-tier philosophy that enables us to successfully meet the challenges of each new age.**



Our Global Vision sets the direction of the Toyota Tsusho Group's continued evolution as a true global company. It sets forth guidelines to which our entire global workforce should aspire.

The Toyota Tsusho Group will evoke our ideal as



## Be the **Right ONE**

**The Right ONE for you**

**The best assurance of safety, service, 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**

## Key Sustainability Initiatives for the Toyota Tsusho Group

The Toyota Tsusho Group has identified six Key Sustainability Issues (Materiality) that it needs to be aware of as it pursues the realization of its corporate philosophy and Global Vision to clarify those social issues that it needs to focus on based on its management strategies.

Materiality is incorporated into the strategy of the divisions, and each division reports on their progress to the Sustainability Management Committee, and conducts a review as appropriate, taking into account changing trends in international society, environmental changes for the Toyota Tsusho Group, and so on.

To facilitate visualization of the impact of the Company's business activities on sustainable development themes, we have formulated medium-term KPIs for each materiality issue, and will apply the plan-do-check-act (PDCA) cycle.

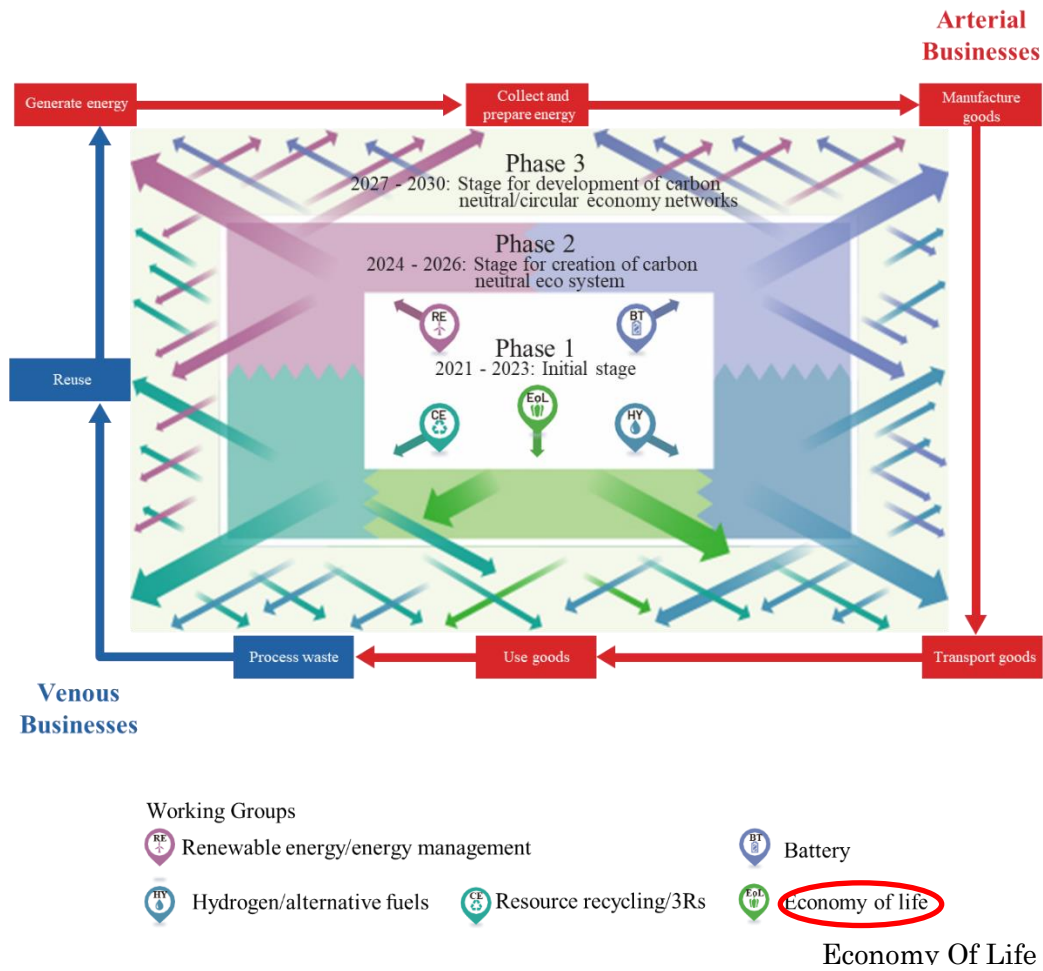
Both the company and employees are achieving sustainable growth and contributing to solutions to social issues and the realization of the Sustainable Development Goals (SDGs) by each employee engaging in business activities with an awareness of these Materialities.



# Setting Our Sights on Carbon Neutrality

## Carbon neutrality strategy map

The Toyota Tsusho Group has established five working groups for the purpose of using a substantial volume of resources in business areas where the Group has many strengths to help achieve carbon neutrality. We have earmarked ¥1.6 trillion for investment through 2030.



## Carbon neutral declaration

For many years, the Toyota Tsusho Group has operated businesses that have played roles in achieving carbon neutrality and a circular economy. All Group employees have a firm commitment to helping solve social problems for achieving carbon neutrality and a circular economy and providing benefits to customers and business partners.

Scope 1 and 2

### Reduction target

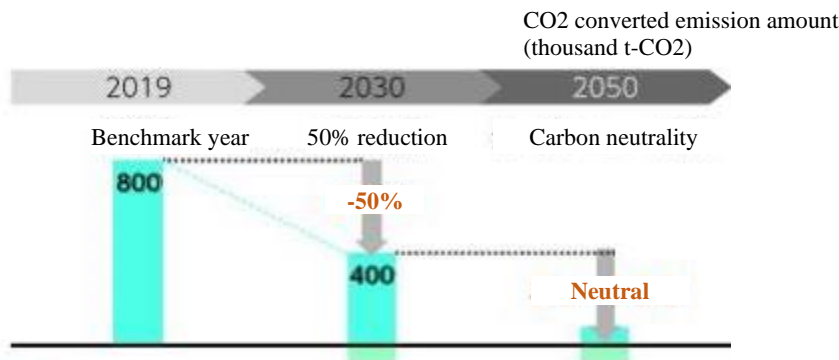
- **We aim to be carbon neutral by 2050**
- **We aim for a 50% reduction in Greenhouse Gas (GHG) by 2030 compared to 2019**  
Included: Parent company, domestic and overseas consolidated subsidiaries (Scopes 1 and 2)

\*Scope 3 promotes specific initiatives with suppliers and customers to reduce GHG emissions throughout the value chain.

\*Scope 1: Greenhouse gases emitted directly through the Group's own fuel consumption (coal, gas, etc.).

\*Scope 2: Greenhouse gases emitted indirectly through the use of purchased electricity and heat.

\*Scope 3: Greenhouse gases emitted indirectly other than Scope 1 and 2 (other companies' emission through their business activities).



■ CCUS (Carbon dioxide, Capture, Utilization and Storage), etc.




- Figures are for Scope 1 and 2 emissions of the Toyota Tsusho Group and are calculated by using the GHG protocol.

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

### Scope 3

The Toyota Tsusho Group uses initiatives backed by its unique strengths to work with customers and suppliers for the reduction and commercialization of supply chain GHG emissions that would be difficult to accomplish by companies on their own. Group companies have many years of experience involving improvements of manufacturing and logistics efficiency and the processing and reuse of end-of-life automobiles and production process waste materials. In recent years, the Group has started new operations that help lower emissions by developing sources of lithium for electric car batteries and supplying parts and materials used to manufacture electric cars. Operations of the Group also include the generation and supply of renewable energy and low-carbon energy that lower the GHG emissions of customers and suppliers. Through these activities, the Toyota Tsusho Group aims to achieve Scope 3 carbon neutrality too.

### Major initiatives to lower GHG emissions

<p><b>(1) Efficient manufacturing and logistics</b></p> <ul style="list-style-type: none"> <li>• Highly efficient logistics</li> <li>• Centralized processing and transport of steel and aluminum</li> <li>• Factory energy conservation assessments; sale of energy conservation equipment</li> </ul> 	<p><b>(2) Reuse of resources</b></p> <ul style="list-style-type: none"> <li>• Recovery and processing of metal scrap</li> <li>• Automotive airbag scrap recycling</li> <li>• Collection of used catalysts</li> <li>• Business for reuse of rare metals</li> <li>• Recycling of used plastics</li> <li>• End-of-life vehicle collection and disassembly</li> <li>• Distribution, sale and export of used vehicles</li> </ul> 	<p><b>(3) Automotive batteries</b></p> <ul style="list-style-type: none"> <li>• Rare earth production</li> <li>• Lithium carbonate production, lithium hydroxide production</li> <li>• Investment in U.S. EV battery production company</li> </ul> <p><b>(4) Low-carbon energy</b></p> <ul style="list-style-type: none"> <li>• Generation and supply of electricity using renewable energy sources</li> <li>• Sale of biodiesel fuel</li> </ul> 
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### Businesses that reduce GHG emissions

The Toyota Tsusho Group has activities for lowering GHG emissions across the supply chain as well as for the use of a much broader perspective for reducing these emissions. A diverse array of activities are under way, such as increasing the supply of renewable energy and replacing products with versions that use plant-based and recycled materials. These activities are creating many new business opportunities.

Category	Direct contributions		Indirect contributions	
	Finished products	Improved processes	Some processes	Trading activities
Examples of business activities	<ul style="list-style-type: none"> <li>• Renewable energy power generation</li> <li>• PET bottle recycling</li> <li>• Recycled logistics materials, others</li> </ul> 	<ul style="list-style-type: none"> <li>• Molten aluminum</li> <li>• Highly efficient logistics, others</li> </ul> 	<ul style="list-style-type: none"> <li>• Production of lithium hydroxide</li> <li>• Scrap collection and processing business</li> <li>• Production of recycled cloth, others</li> </ul> 	<ul style="list-style-type: none"> <li>• Bioplastics/Recycled resins</li> <li>• Biodiesel fuel</li> <li>• Electric vehicles/Forklifts, others</li> </ul> 

Example of contribution to lowering emissions  
Electricity from renewable energy sources: 2.69 million tons of CO2\*

\* Capacity of generating facilities (MW/year) x 24 hours x 365 days x Utilization rate of facilities x  
Emission coefficient (tons of CO2/MWh) x Toyota Tsusho ownership





# **Business Report (from April 1, 2023 to March 31, 2024)**

## **I. Outlook of Associated Companies**

### **1. Progress and Achievement in Operation**

#### **(1) Overview of Operations**

During the fiscal year ended March 31, 2024, the global economy was supported by the resumption of economic activities after the pandemic and a recovery in the manufacturing sector, including automobile output as restrictions on the supply of semiconductors ended. However, inflation and high interest rates held down economic growth in major countries. In addition, geopolitical uncertainty increased, mainly due to the prolonged Russia/Ukraine conflict and instability in the Middle East as Israel's war with Hamas continues.

In the United States, firm consumer spending fueled consistent economic growth even as monetary tightening continued. There is uncertainty about the outlook because of rising U.S.-China tension, sharp political divide as the presidential election in November approaches and other reasons. In Europe, the negative effects of chronic inflation on consumer spending impacted the economy. Another issue is differences in the views of EU member countries about support for Ukraine. Nevertheless, there were positive signs about the economy, including an improvement in business sentiment. In China, economic growth slowed as the continuing downturn of the real estate sector and U.S.-China tension had negative effects on consumer spending, exports and foreign direct investments. In emerging economies, economic growth remained restrained against the backdrop of a slowdown in the Chinese economy and persistently high interest rates in the U.S. and Europe.

In Japan, consumer spending was limited by the decline in real wages because of inflation, although wages increased somewhat. The economy was firm throughout the fiscal year as the Nikkei Average rose to an all-time high. Growth was backed by recoveries in automobile production and exports, foreign tourists and other sectors of the economy. In March, the Bank of Japan made a significant change in its monetary policy by ending negative interest rates. As a result, Japan's financial markets began to show signs of returning to normal.

The Toyota Tsusho Group's consolidated revenue for the fiscal year ended March 31, 2024 increased 340.4 billion yen (3.5%) year on year to 10,188.9 billion yen, largely due to growth in automotive sales volume and an increase in trading volume of automobile production-related products, despite a decline in metal market prices and falling electricity prices in Europe.

Consolidated operating profit increased 52.8 billion yen (13.6%) year on year to 441.5 billion yen due to an increase in gross profit, which offset higher selling, general and administrative expenses. Profit for the year (attributable to owners of the parent) increased 47.3 billion yen (16.6%) year on year to 331.4 billion yen, largely due to an increase in operating profit, despite a decrease in the share of profit (loss) of investments accounted for using the equity method due to falling electricity prices in Europe and a decline in metal market prices.

#### **Metals**

Toyota Chemical Engineering Co., Ltd. is conducting a joint project with Toyota Motor Corporation for the purpose of further upgrading technologies for recycling used lithium-ion electric car batteries. In the autumn of 2023, this project started operating a pilot processing line for recycling batteries by using a method that does not require incineration. We will make contributions to achieving a circular economy as well as carbon neutrality.

Profit for the year (attributable to owners of the parent) decreased 15.9 billion yen (20.8%) year on year to 60.7 billion yen, largely due to lower market prices despite an increase in trading volume of automobile production-related products.

#### **Global Parts & Logistics**

In India, Toyota Tsusho, Musashi Seimitsu Industry Co., Ltd. and Delta Electronics, Inc. reached an agreement in September 2023 to jointly establish a company for the production and sale of axles for two-wheeled vehicles. Preparations are under way for starting production during the fiscal year ending in March 2025. The new company is expected to be a global leader in this market as the number of electric two-wheeled vehicles increases in order to play a role in achieving carbon neutrality.

Profit for the year (attributable to owners of the parent) increased 11.2 billion yen (32.6%) year on year to 45.5 billion yen, largely due to an increase in trading volume of automotive parts mainly in Japan and North America.

#### **Mobility**

In June 2023, demonstration trials in emerging countries that lasted about one year were completed to

determine the viability of a last-mile delivery system for the vaccine cold chain. The trials were conducted with Gavi, the Vaccine Alliance. The ability of this delivery system to reduce damage and other problems involving vaccines was confirmed by this alliance. The objective is to use improvements in this last-mile delivery in order to contribute to the advancement of health care worldwide.

Profit for the year (attributable to owners of the parent) increased 10.2 billion yen (22.3%) year on year to 55.9 billion yen, largely due to an increase in sales volume handled by overseas automotive dealerships mainly in Europe.

### **Machinery, Energy & Projects**

In April 2023, North Hokkaido Wind Energy Transmission Corporation started commercial operation of a power transmission and substation system. Located in northern Hokkaido, the system consists of about 78 kilometers of transmission lines and the largest lithium-ion storage battery in Japan. This wind energy company was established and is owned by Eurus Energy Holdings Corporation and other companies. In nearby areas, three companies including Dohoku Wind Farm LLC affiliated with Eurus Energy are constructing a wind power facility scheduled for completion in the fiscal year ending in March 2026 that will have an output of about 540MW, making it one of the largest in Japan. These wind power facilities will further increase the use of renewable energy in Japan and contribute to achieving carbon neutrality.

Profit for the year (attributable to owners of the parent) decreased 4.7 billion yen (14.3%) year on year to 27.9 billion yen, largely due to lower electricity prices in Europe.

### **Chemicals & Electronics**

In November 2023, Toyota Tsusho and Toyota Motor North America, Inc. announced an additional investment of USD370 million in Toyota Battery Manufacturing, North Carolina, where a factory is now under construction. This raises the total investment in this company to approximately USD750 million. The additional investment will further increase the output of electric car batteries. Toyota Battery Manufacturing, North Carolina will manufacture lithium-ion batteries for electric vehicles, meeting the surging demand for these batteries and contributing to the pursuit of carbon neutrality.

Profit for the year (attributable to owners of the parent) increased 7.1 billion yen (14.8%) year on year to 55.0 billion yen, largely due to an increase in trading volume of automobile production-related products in the electronics business and the automotive materials business.

### **Food & Consumer Services**

Toyota Tsusho and Secom Medical System Co., Ltd. have decided to build a second hospital in the Bengaluru region of India. The first hospital, Sakra World Hospital, began operating in 2014. The second hospital will increase the number of beds and further upgrade advanced medical care capabilities and technologies. Completion is scheduled for early 2027. Operating a Japanese-style general hospital will result in an even greater contribution to regional health care in India.

Profit for the year (attributable to owners of the parent) increased 2.3 billion yen (23.8%) year on year to 11.8 billion yen, largely due to a decrease in transportation costs in the South American food business, despite a one-time gain in the previous fiscal year in the domestic consumer products & services business.

### **Africa**

In February 2024, Toyota Tsusho signed a Memorandum of Understanding with the Government of Kenya for the purposes of supporting progress involving carbon neutrality, industrial development and education programs. Major goals of this cooperation are the development of renewable energy projects, the use of high-efficiency transformers to reduce energy losses in Kenya's power transmission system, and use of the multi-pathway approach to increase the use of electric vehicles. The overall objective is the establishment of a value chain in Kenya to facilitate the production, distribution and use of green energy.

Profit for the year (attributable to owners of the parent) increased 32.8 billion yen (90.0%) year on year to 69.1 billion yen, largely due to an increase in sales volume handled by automotive dealerships, especially in the West African region.

## **(2) Financing**

The Company raises debt financing from various sources including loans from financial institutions and issuance of both commercial paper and bonds in accordance with a basic policy of tailoring financing to assets' attributes. In doing so, the Company takes into account interest rate risk and refinancing risk while endeavoring to maintain adequate liquidity and financial stability.

To ensure access to funding even in the event of financial market turmoil or other unforeseen circumstances, the Company has arranged multiple credit facilities with major domestic and foreign banks, such as a 50 billion yen equivalent multicurrency revolving credit facility, and has concluded commitment line as 1,200 million USD as of March 31, 2024. None of these facilities were drawn as of March 31, 2024.

Multicurrency credit facilities and committed facility:	50 billion yen equivalent and 1,200 million USD
<u>Drawn balances:</u>	<u>nil</u>
Undrawn balances:	50 billion yen equivalent and 1,200 million USD

Some consolidated subsidiaries have arranged committed lines of credit with financial institutions to ensure immediate availability and stability of funding. The subsidiaries' undrawn credit lines on March 31, 2024 were as follows.

Total committed credit lines:	250 million EUR
<u>Drawn balances:</u>	<u>nil</u>
Undrawn balances:	250 million EUR

## **(3) Capital investment**

The Company and its consolidated subsidiaries invested a total of 230,330 million yen in property, plant and equipment, mainly in wind power generation facilities in the fiscal year ended in March 2024.

## **2. Management Priorities**

The outlook for the business climate for the Toyota Tsusho Group is expected to remain uncertain for many reasons. Sources of geopolitical uncertainty include increasing tension in the Middle East, political divisions as presidential elections in many countries, including the U.S. presidential election, take place, and other events. The outlook for the economy remains highly unclear due to many sources of uncertainty, such as the negative impact on consumer spending of monetary tightening to control inflation. Furthermore, the speed of changes in markets worldwide is increasing. One reason is technological advances such as electric and self-driving cars and generative AI. Growing awareness of the need to combat climate change and other environmental problems is also raising the pace of these changes.

The Toyota Tsusho Group is focusing on using business activities to help create solutions for social issues and on progress with strategies for growth. Based on our belief that an organization must reflect strategies, operations have been reorganized based on the new growth strategy centered on seven priority sectors. Along with this reorganization, we renamed business units and redefined our missions. By moving quickly to allocate resources strategically to businesses for accomplishing these missions, we are determined to become a provider of value for society and customers that no other company can match.

The distinctive characteristics that define Toyota Tsusho and have supported our growth over many years will remain the basis of the shared values that guide everyone at our group. We also recognize that safety and compliance are the first steps for every job we do. Safety and quality will be key elements of all business operations as we make steady progress with strategies for growth backed by a sound framework for our activities.

With a new growth strategy and a new organizational structure, the Toyota Tsusho Group will continue to take actions based on the spirit of “passing on a better environment to the children of the future” in order to accomplish our “Be the Right ONE” global vision of becoming an irreplaceable and indispensable partner for customers and society. Our objective is the maximization of two types of value: the value we provide for society and the environment and the value created jointly by customers and the companies of the Toyota Tsusho Group. We look forward to the continued support and encouragement of all our shareholders.

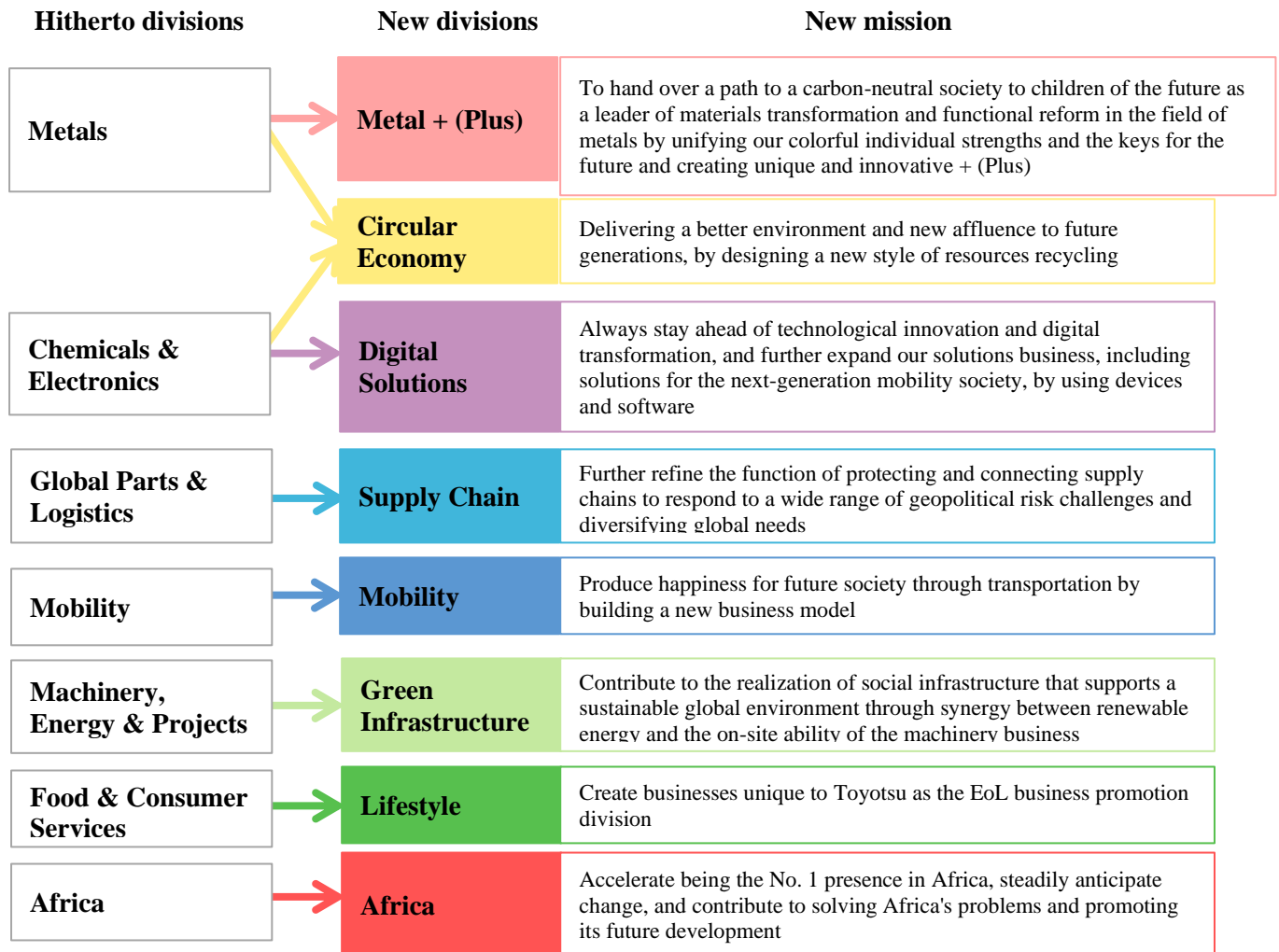
Growth strategy “Seven priority domains”

The core businesses of the Toyota Tsusho Group are closely linked with key sustainability issues (Materiality). Business activities are used to help solve social issues and sustainability is positioned as part of growth strategies for accomplishing the goals of the medium-term business plan. The Group has established growth strategies for seven priority domains through the fusion of the group’s powerful business operations and measures to achieve carbon neutrality and a circular economy for solving social issues. Group companies will take concrete actions in accordance with the growth strategies and use business activities to help solve social issues and maximize its corporate value.



<p><b>Next Mobility</b></p> <ul style="list-style-type: none"> <li>• Rapidly respond to changes in the external environment</li> <li>• Contribute to safe and comfortable mobility in communities</li> <li>• Bolster MaaS (mobility as a service) and CASE (connected, autonomous, shared &amp; services, electric) initiatives</li> </ul>	<p><b>Renewable Energy &amp; Energy Management</b></p> <ul style="list-style-type: none"> <li>• Be the number one renewable energy provider in Japan</li> <li>• Expand into more countries and into more business fields as a clean electric power business operator</li> <li>• Contribute to carbon neutrality</li> </ul>	<p><b>Africa</b></p> <ul style="list-style-type: none"> <li>• Further expand the mobility business and grow business ventures in other areas such as healthcare and consumer goods</li> <li>• Help resolve societal issues in Africa and contribute to regional development</li> </ul>	<p><b>Circular Economy</b></p> <ul style="list-style-type: none"> <li>• Contribute to the establishment of circular economies through reducing the volume of wasted resources</li> <li>• Reuse and recycle natural resources and establish frameworks for resource recycling</li> </ul>
<p><b>Batteries</b></p> <ul style="list-style-type: none"> <li>• Batteries for the electrified society of the future</li> <li>• Establishment of a supply chain for sustainable batteries that reduce GHG emissions</li> <li>• Contributions to achieving a carbon-free society</li> </ul>	<p><b>Hydrogen/Alternative Fuels</b></p> <ul style="list-style-type: none"> <li>• Create a hydrogen society centered on fuel cells</li> <li>• Contributions to achieving a carbon-free society</li> </ul>	<p><b>Economy of Life</b></p> <ul style="list-style-type: none"> <li>• Business activities centered on health care for improving the quality of life in countries and regions where the Company has a strong presence</li> <li>• Contributions to achieving a society where people enjoy pleasant and healthy lives</li> </ul>	

To increase the speed of growth strategy progress, the Toyota Tsusho Group has revised its organizational structure. In addition, the names of business divisions have been changed to more clearly express how they provide value to society and customers based on the missions of these divisions. By using this new organization and a commitment to accomplishing the mission of each division, everyone at the Toyota Tsusho Group will continue to aim for accomplishing the Global Vision of “Be the Right ONE.”



### **3. Consolidated Financial Summary**

IFRS basis

(Yen in billions unless otherwise stated)

	FY2020	FY2021	FY2022	FY2023
Total revenue	6,309.3	8,028.0	9,848.5	10,188.9
Profit before income taxes	221.4	330.1	427.1	469.6
Profit for the year attributable to owners of the parent	134.6	222.2	284.1	331.4
Earnings per share attributable to owners of the parent (Yen)	382.56	631.63	807.58	941.94
Total assets	5,228.0	6,143.1	6,377.0	7,059.9
Total equity attributable to owners of the parent	1,469.6	1,735.0	1,914.3	2,467.1

#### **4. Major Subsidiaries and Affiliated Companies**

Company name	Capital stock	Voting rights (%)	Main business
Toyota Steel Center Co., Ltd.	1,500 million yen	100.0	Processing and warehousing of steel sheets
Toyota Tsusho Material Incorporated	980 million yen	100.0	Sales of nonferrous metal products, nonferrous scrap and iron scrap
Toyotsu Tekkou Hanbai Corporation	310 million yen	100.0	Sales of steel products
Eurus Energy Holdings Corporation	18,199 million yen	100.0	Operation and management of wind/solar power generation projects worldwide
Terrace Energy Corporation	4,770 million yen	85.0	Electricity generation using natural energy
Toyotsu Machinery Corporation	325 million yen	100.0	Manufacture, sales, and maintenance of mechanical equipment
Toyota Tsusho Marine Fuels Corporation	728 thousand USD	100.0	Sales of bunker oil in Japan and overseas, and business development of carbon neutral marine fuel
NEXTY Electronics Corporation	5,284 million yen	100.0	Import/export and sales of semiconductors
Elematec Corporation	2,142 million yen	58.6	Sales of electrical materials and electronic components
Tomen Devices Corporation	2,054 million yen	*50.1	Sales of Samsung semiconductors
Toyotsu Chemiplas Corporation	670 million yen	100.0	Domestic sales and import/export involving chemicals, compound resins, and other items
TT Automotive Steel (Thailand) Co.,Ltd.	700,000 thousand THB	*100.0	Steel sheet blanking process
Toyota Tsusho South Pacific Holdings Pty. Ltd.	74,865 thousand AUD	100.0	Holding company for auto dealerships
NovaAgri Infra-Estrutura de Armazenagem e Escoamento Agricola S.A.	231,030 thousand BRL	*100.0	Grain collection and infrastructure services
CFAO SAS	12,199 thousand EUR	100.0	Automobile sales and wholesale of pharmaceuticals
Toyota Tsusho America, Inc.	90,000 thousand USD	100.0	Trade business and wholesale trade
Toyota Tsusho Europe S.A.	19,657 thousand EUR	100.0	Trade business and wholesale trade
Toyota Tsusho (Thailand) Co., Ltd.	2,564,039 thousand THB	100.0	Trade business and wholesale trade
Toyota Tsusho Asia Pacific Pte. Ltd.	2,000 thousand SGD	100.0	Trade business and wholesale trade
PT Toyota Tsusho Indonesia	3,350 thousand USD	100.0	Trade business and wholesale trade
Toyota Tsusho (Shanghai) Co., Ltd.	33,178 thousand RMB	*100.0	Trade business and wholesale trade
Toyota Tsusho (Guangzhou) Co., Ltd.	9,934 thousand RMB	*100.0	Trade business and wholesale trade
Toyota Tsusho (Tianjin) Co., Ltd.	16,557 thousand RMB	*100.0	Trade business and wholesale trade

Note: An asterisk indicates that the ownership interest includes such ratio of the subsidiaries.



## **5. Major Businesses**

The Toyota Tsusho Group comprises 1,022 subsidiaries and affiliates in addition to the Company, a trading company. With the Company as its nucleus, the Group engages in a wide range of domestic and overseas trading businesses, including Metals; Global Parts & Logistics; Mobility; Machinery, Energy & Projects; Chemicals & Electronics; and Food & Consumer Services. Additionally, the Group also operates a broad range of businesses that manufacture, assemble and/or sell products, business investments and/or provide services.

The Group's main products and businesses are stated in "1. Progress and Achievement in Operation (1) Overview of Operations."

## **6. Office Network of the Toyota Tsusho Group**

### (1) Toyota Tsusho Corporation

#### Domestic

Head Office: 9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan

Tokyo Head Office: 3-13, Konan 2-chome, Minato-ku, Tokyo 108-8208, Japan

Branches: Osaka, Hamamatsu, Toyota, Hokkaido, Tohoku, Niigata, Hokuriku, Hiroshima, Kyushu

Note: In addition to above, there are two sub-branches, one sales office and three sub-rooms.

#### Overseas

Branches: Manila (Philippines), Baghdad (Iraq)

Representative Offices: 21 offices, including Yangon (Myanmar) and Cairo (Egypt)

### (2) Consolidated Subsidiaries

Domestic: 135 companies, including Toyota Steel Center Co., Ltd. (Aichi), Eurus Energy Holdings Corporation (Tokyo), NEXTY Electronics Corporation (Tokyo), Elematec Corporation (Tokyo)

Overseas: 645 companies, including Toyota Tsusho America, Inc. (U.S.A.), Toyota Tsusho (Thailand) Co., Ltd. (Thailand), CFAO SAS (France), Toyota Tsusho South Pacific Holdings Pty. Ltd. (Australia)

## **7. Number of Employees**

69,517 (Increased from the end of the previous fiscal year by 2,573)

Note: Number of employees is the number of persons in employment (excludes individuals seconded from the Toyota Tsusho Group to outside the Group, but includes individuals seconded to the Toyota Tsusho Group from outside the Group.)

## **8. Major Lenders**

Name of lender	Outstanding loans (Billion yen)
MUFG Bank, Ltd.	447.7
Sumitomo Mitsui Banking Corporation	243.8
Mizuho Bank, Ltd.	161.8

## II. Status of the Company

### 1. Status of Shares (As of March 31, 2024)

- (1) Number of shares authorized for issuance: 1,000,000,000 shares  
(2) Shares of common stock issued: 352,089,401 shares  
(excluding 1,967,115 shares of treasury stock)  
(3) Numbers of shareholders: 43,792  
(4) Principal shareholders (top 10)

Name of shareholder	Number of shares (Thousands shares)	Percentage of shareholding (%)
TOYOTA MOTOR CORPORATION	76,368	21.69
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,122	13.95
TOYOTA INDUSTRIES CORPORATION	39,365	11.18
Custody Bank of Japan, Ltd. (Trust Account)	19,800	5.62
MUFG Bank, Ltd.	8,098	2.30
Sumitomo Mitsui Banking Corporation	4,249	1.21
State Street Bank West Client Treaty 505234	4,193	1.19
Nippon Life Insurance Company	3,522	1.00
Kochi Shinkin Bank	3,265	0.93
TOYOTA FUDOSAN CO., LTD	3,205	0.91

Note: The percentage of shareholding is computed excluding 1,967,115 shares of treasury stock.

- (5) Status on common stock issued as compensation in the current fiscal year to officers of the Company for duties executed

	Type and number of common stock	Number of officers who have been issued common stock
Directors (excluding outside directors)	Common shares of the Company: 10,325 shares	4

## **2. Matters Relating to Company Officers (As of March 31, 2024)**

### (1) Status of directors and Audit & Supervisory Board members

Name	Position in the company	Responsibilities and major positions at other companies
Nobuhiko Murakami	Chairman of the Board	Outside director, Nagoya Railroad Co., Ltd.
Ichiro Kashitani	*Member of the Board, President & CEO	
Hiroshi Tominaga	*Member of the Board, CSO, Regional CEO	Chief Officer responsible for Emerging Regions
Hideyuki Iwamoto	*Member of the Board, CFO	
Kunihito Koumoto	Member of the Board	
Didier Leroy	Member of the Board	Chairman, Toyota Motor Europe NV/SA
Yukari Inoue	Member of the Board	President & CEO, Kellogg Japan G.K.
Chieko Matsuda	Member of the Board	Professor, Faculty of Economics and Business Administration, Tokyo Metropolitan University, Professor, Graduate School of Management, Tokyo Metropolitan University, Outside director, IHI Corporation, Outside director, Asahi Kasei Corporation
Kazumasa Miyazaki	Audit & Supervisory Board member (Full-Time)	
Kentaro Hayashi	Audit & Supervisory Board member (Full-Time)	
Yuichiro Kuwano	Audit & Supervisory Board member	Representative Lawyer, Takagicho Law Office, Outside director (Audit and Supervisory Committee member), Shobunsha Holdings, Inc.
Tsutomu Takahashi	Audit & Supervisory Board member	Outside corporate auditor, SKY Perfect JSAT Holdings Inc., Outside director (Audit and Supervisory Committee member), Mizuho Trust & Banking Co., Ltd.
Seishi Tanoue	Audit & Supervisory Board member	

Notes:

1. An asterisk designates a representative director.
2. CEO: Chief Executive Officer; CSO: Chief Strategy Officer; CFO: Chief Financial Officer
3. Members of the Board, Messrs. Kunihito Koumoto, Didier Leroy, Yukari Inoue and Chieko Matsuda are outside directors as stipulated in Article 2, Paragraph 15 of the Companies Act. Further, the Company has designated Kunihito Koumoto, Yukari Inoue and Chieko Matsuda as independent officers in accordance with the rules of the Tokyo Stock Exchange and Nagoya Stock Exchange.
4. Audit & Supervisory Board members, Messrs. Yuichiro Kuwano, Tsutomu Takahashi and Seishi Tanoue are outside Audit & Supervisory Board members as stipulated in Article 2, Item 16 of the Companies Act. Further, the Company has designated Yuichiro Kuwano, Tsutomu Takahashi and Seishi Tanoue as independent officers in accordance with the rules of the Tokyo Stock Exchange and Nagoya Stock Exchange.
5. Audit & Supervisory Board member Yuichiro Kuwano has qualification as a lawyer, and has considerable knowledge of corporate law and compliance.
6. Audit & Supervisory Board member Mr. Tsutomu Takahashi has qualification as a certified public accountant and has considerable knowledge of corporate accounting, corporate audit and compliance.
7. Chairman of the Board Mr. Nobuhiko Murakami was elected an outside director of Nagoya Railroad Co., Ltd. on June 28, 2023.
8. Member of the Board Ms. Yukari Inoue resigned as an outside director of Suntory Beverage & Food Limited on March 27, 2024.
9. Member of the Board Ms. Chieko Matsuda was elected an outside director of Asahi Kasei Corporation on June 27, 2023. On March 28, 2024, Ms. Matsuda resigned as an outside director of Kirin Holdings Company, Limited.

10. As of April 1, 2024, the responsibilities of directors in the Company have been changed as follows.

Name	Position in the company	Field in charge
Hiroshi Tominaga	*Member of the Board, CSO, Regional CEO	Emerging Regions (Central and South America)

Note: An asterisk designates a representative director.

(2) Outline of contracts for limitation of liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company and the outside directors and outside Audit & Supervisory Board members have entered into contracts to limit the liability for damages under Article 423, Paragraph 1 of said Act. The maximum amount of liability under said contracts is the amount set forth in Article 425, Paragraph 1 of said Act.

(3) Outline of liability insurance contracts for officers

1) Scope of insured persons

Employees of the Company, its subsidiaries and affiliated companies who hold the position of director, Audit & Supervisory Board member, executive officer, manager, or supervisor.

2) Outline of insurance contracts

The insurance contracts cover legal damages and litigation expenses that the insured persons may incur when a claim for damages is made as a result of actions (including omissions) taken while in holding a role described in 1) above. However, the Company has measures in place to ensure the appropriateness of the execution of duties is not impaired by excluding compensation for damages, etc. resulting from criminal acts or willfully unlawful acts such as bribery by the officer, etc. him/herself. The full amount of the insurance premiums shall be borne by the Company.

(4) Total amount of compensation, etc. for directors and Audit & Supervisory Board members

1) Details on deciding the compensation, etc. for the directors and the calculation method thereof, and the decision method

(a) Decision policy and decision process

Compensation for directors of the Company shall consist of (i) fixed remuneration as basic compensation, (ii) bonuses (short-term incentives) as performance-linked compensation, and (iii) restricted stock compensation (medium- to long-term incentives). The ratio of fixed remuneration to performance-linked compensation is determined with a target ratio of 50:50. For performance-linked compensation, the ratio of “bonuses” to “restricted stock compensation” shall be determined at a ratio of 70:30. As directors are responsible for the final profit (including temporary and incidental gains/losses) of all Group companies, the amount of performance-linked compensation paid in each fiscal year shall be determined for each position with the consolidated profit (attributable to owners of the parent) for the previous fiscal year as an indicator.

However, outside directors are independent from the operational management, therefore, they are paid fixed remuneration only, and not paid bonuses and restricted stock compensation. Audit & Supervisory Board members are also paid fixed remuneration only because they are independent so that they carry out audits appropriately.

The Company has established an Executive Compensation Committee as an advisory body to the Board of Directors, with the majority of the committee members being independent outside directors. The committee is chaired by the Chairman of the Board, who has no representative authority and is not involved in operational management. The Executive Compensation Committee shall deliberate on the policy for determining the details of compensation for each director (hereinafter, the “Policy”), the director compensation system, director compensation proposals to be submitted to the General Meeting of Shareholders, and other important matters concerning director compensation.

The Board of Directors shall determine the Policy, the proposal on director compensation (bonuses for directors) to be presented to the General Meeting of Shareholders, and the compensation for each director in relation to restricted stock compensation, taking into account the result of such deliberations. The Board of Directors shall delegate the decision to the President & CEO from the standpoint of flexibly and agilely deciding the amount of compensation for each director in relation to fixed remuneration and bonuses. The President & CEO shall determine the amount of compensation for each director in accordance with the Policy, taking into account opinions gathered during interviews with each member of the Executive Compensation Committee. The Board of Directors deems the compensation, etc. of each

director for the current fiscal year is in line with said decision policy, having confirmed that it is consistent with the Policy determined at the Board of Directors' meeting, and that the findings of the Executive Compensation Committee have been given due regard.

(b) Method of deciding on compensation

The following is an outline of the components of compensation for directors (excluding outside directors; hereinafter, "Eligible Directors") of the Company.

i) Fixed remuneration

Fixed remuneration shall be monthly compensation and shall be set at an appropriate level with reference to the remuneration data of other companies in the industry and taking into consideration the position and responsibilities of each director.

ii) Bonuses

For each fiscal year, the Company shall determine the amount of bonuses to be paid to each individual by adjusting, as appropriate, 70% of the total amount of the specified performance-linked compensation for each position based on the responsibilities of the position and the performance of the duties for which the individual is responsible.

iii) Restricted stock compensation

For each fiscal year, the amount of restricted stock compensation to be paid to each individual shall be determined by adjusting, as appropriate, 30% of the total amount of performance-linked compensation specified for each position based on the responsibilities of the position and the performance of the duties for which the individual is responsible.

However, in cases where it is not appropriate to grant restricted stock compensation to Eligible Directors, the full amount of the performance-linked compensation for Eligible Directors shall be paid as a bonus.

Stock compensation is determined at the Board of Directors meeting within the scope of the stock compensation (limited to 200 million yen per year) stipulated by a resolution at the 99th Ordinary General Meeting of Shareholders held on June 23, 2020. The main details are as follows.

Eligible persons	Directors of the Company (excluding outside directors)
Stock compensation limit	The total amount for Eligible Directors limited to 200 million yen per year
Stock compensation per individual director	Set each year taking into account company performance, etc.
Class of shares to be allocated and allocation method	Common stock (with transfer restriction under the allocation contract) are issued or disposed of
Total number of shares to be allocated	Total number for Eligible Directors limited to 200,000 shares per year
Amount paid in	The Board of Directors decides on an amount as a benchmark for the closing price of common stock of the Company at the Tokyo Stock Exchange on the business day preceding each decision date of the Board of Directors, ensuring the amount is not advantageous to the Eligible Directors
Transfer restriction period	From the allocation date to the retirement date
Conditions for lifting transfer restrictions	Lifting of restriction upon expiry of the transfer restriction period
Acquisition of allocated stock by the Company without consideration	In the event of a violation of laws and ordinances or other reason stipulated by the Board of Directors of the Company during the transfer restriction period, the Company may acquire all or part of the allocated stock without consideration
Process for determining payment to each director	Decided at the Board of Directors meeting taking into account the deliberations at the Executive Compensation Committee
Adjustments associated with reorganization	In the event of a reorganization, etc. such as a merger whereby the Company becomes the absorbed company, or the Company becomes a wholly owned subsidiary, the transfer restriction may be lifted for a reasonably adjusted number of common stock
Treatment of fractional shares	Amounts of less than one share are rounded down

2) Total amount of compensation, etc. for directors and Audit & Supervisory Board members

Category	Total amount of compensation, etc.	Total amount of compensation, etc. by type			Number of eligible directors
		Fixed remuneration	Performance-linked compensation		
			Bonuses	Restricted stock compensation	
Directors (outside directors)	530 million yen (57)	260 million yen (57)	190 million yen (-)	79 million yen (-)	9 (5)
Audit & Supervisory Board members (outside Audit & Supervisory Board members)	126 (43)	126 (43)	- (-)	- (-)	5 (3)
Total (outside officers)	657 (100)	387 (100)	190 (-)	79 (-)	14 (8)

Notes:

- There are no employees serving concurrently as directors.
- The above includes 1 outside director who retired at the conclusion of the 102nd Ordinary General Meeting of Shareholders held on June 23, 2023.
- The maximum amount of compensation for directors, as stipulated by a resolution at the 99th Ordinary General Meeting of Shareholders held on June 23, 2020, is (1) 600 million yen per year (including 90 million yen per year for outside directors) in fixed remuneration, and (2) 200 million yen per year (limited to a total allocation of 200,000 shares) in stock compensation. There are 8 directors (including 4 outside directors) at the end of the General Meeting of Shareholders related to the resolution (1) above, and 4 directors (excluding outside directors) at the end of the General Meeting of Shareholders related to the resolution (2) above.
- The compensation limit for a member of Audit & Supervisory Board was resolved at the 93rd Ordinary General Meeting of Shareholders held on June 20, 2014 to be 16 million yen a month. There are 5 Audit & Supervisory Board members (including 3 outside Audit & Supervisory Board members) at the end of the General Meeting of Shareholders pertaining to the resolution.
- Total compensation, etc. includes director bonuses in the following amount, subject to shareholder approval at the 103rd Ordinary General Meeting of Shareholders on June 21, 2024.  
190 million yen to be paid to 4 directors
- Of the above compensation, etc., consolidated profit (attributable to owners of the parent) for the previous fiscal year, which is a performance indicator related to “bonuses” (please refer to (4) 1) (b) ii) and “stock compensation” (please refer to (4) 1) (b) iii) was 331.4 billion yen.
- The above “stock compensation” is, as a reference value, the amount that is assumed (provisional) to be granted as a monetary claim to be used for payment in exchange for the restricted stock, which is the stock compensation for the current fiscal year.
- Ichiro Kashitani, President and CEO of the Company, will determine the fixed remuneration and bonuses for the current fiscal year for each individual director based on a resolution of the Board of Directors of the Company. Please refer to (4) 1) (a) above for the details and reasons for the delegation.

(5) Matters relating to outside officers

- Relationship between important entities that outside officers concurrently serve at and the Company
  - Mr. Didier Leroy, a director, is Chairman of Toyota Motor Europe NV/SA. There are transactions such as purchase and sale of products and raw materials between the Company and Toyota Motor Europe NV/SA.
  - Ms. Yukari Inoue, a director, is President and CEO of Kellogg Japan G.K. There is no special relationship between the Company and Kellogg Japan G.K.
  - Ms. Chieko Matsuda, a director, is a professor at the Faculty of Economics and Business Administration, Tokyo Metropolitan University, a professor at Graduate School of Management, Tokyo Metropolitan University, an outside director of IHI Corporation, and an outside director of Asahi Kasei Corporation. There is no special relationship between the Company and Tokyo Metropolitan University, Graduate School of Tokyo Metropolitan University, or IHI Corporation. The Company has a business relationship with Asahi Kasei Corporation such as sale of raw materials.
  - Mr. Yuichiro Kuwano, an Audit & Supervisory Board member, is Representative Lawyer of Takagicho Law office, and outside director (Audit and Supervisory Committee member) of Shobunsha Holdings, Inc. There is no special relationship between the Company and Takagicho Law Office or Shobunsha Holdings, Inc.
  - Mr. Tsutomu Takahashi, an Audit & Supervisory Board member, is a corporate auditor of SKY Perfect JSAT Holdings Inc. and an outside director (Audit & Supervisory Committee member) of Mizuho Trust & Banking Co., Ltd. There is no particular relationship between the Company and SKY Perfect JSAT Holdings Inc. Apart from the relationship of entrusting management of part of the pension assets between

Mizuho Trust & Banking Co., Ltd. and Toyota Tsusho Corporate Pension Fund, there is no special relationship between the Company and Mizuho Trust & Banking Co., Ltd.

2) Status of major activities during the fiscal year under review

Classification	Name	Main activities
Member of the Board	Kunihito Koumoto	He attended 13 out of 13 meetings of the Board of Directors held during the fiscal year under review. He gave positive remarks and advice mainly on new business and carbon neutral promoted by the Company using his highly advanced academic knowledge as a researcher, and supervised operational management. Also, as a member of the Executive Appointment Committee and Executive Compensation Committee, he attended all meetings held during the fiscal year under review, and deliberated from an objective standpoint in relation to officer appointment and compensation proposals.
Member of the Board	Didier Leroy	He attended 13 out of 13 meetings of the Board of Directors held during the fiscal year under review. He gave positive remarks and advice mainly on the mobility business and globalization of the Company using his wealth of experience in corporate management and advanced expertise in the global business operations, particularly in the automobile industry, and supervised operational management.
Member of the Board	Yukari Inoue	She attended 13 out of 13 meetings of the Board of Directors held during the fiscal year under review. She gave positive remarks and advice mainly on the diversity management and globalization of the Company based on her extensive international management experience in consumer-oriented businesses and her professional knowledge in the area of diversity, and supervised operational management. Also, as a member of the Executive Appointment Committee and Executive Compensation Committee, she attended all meetings held during the fiscal year under review, and deliberated from an objective standpoint in relation to officer appointment and compensation proposals.
Member of the Board	Chieko Matsuda	She attended 9 out of 10 meetings of the Board of Directors held during the fiscal year under review. She gave positive remarks and advice mainly on the overall management and corporate governance of the Company based on a wealth of experience and extensive professional knowledge about corporate management, finance and corporate governance, and supervised operational management. Also, as a member of the Executive Appointment Committee and Executive Compensation Committee, she attended all meetings held during the fiscal year under review, and deliberated from an objective standpoint in relation to officer appointment and compensation proposals.
Audit & Supervisory Board member	Yuichiro Kuwano	He attended 13 out of 13 meetings of the Board of Directors and 14 out of 14 Audit & Supervisory Board meetings held during the fiscal year under review, and made positive remarks using his expertise and experience as a lawyer.
Audit & Supervisory Board member	Tsutomu Takahashi	He attended 12 out of 13 meetings of the Board of Directors and 13 out of 14 Audit & Supervisory Board meetings held during the fiscal year under review, and made positive remarks using his expertise and experience as a certified public accountant.
Audit & Supervisory Board member	Seishi Tanoue	He attended 13 out of 13 meetings of the Board of Directors and 14 out of 14 Audit & Supervisory Board meetings held during the fiscal year under review, and made positive remarks using his wealth of experience and broad-based knowledge cultivated through his auditing work at companies.

Note: Ms. Chieko Matsuda was elected at the 22nd Ordinary General Meeting of Shareholders held on June 23, 2023, resulting in a smaller number of meetings of the Board of Directors held and attended during the fiscal year after the start of her term of office.

### 3. Policy for Investments in Stock (As of March 31, 2024)

#### (1) Policy for stock ownership for business relationships

Maintaining and strengthening business relationships and cooperation with a large number of companies are essential for the consistent growth of the corporate value of the Company. We own on a limited and strategic basis the stock of important suppliers and other partners where we believe that the ownership of this stock is beneficial and important from a medium to long-term perspective. Once every year, the Board of Directors receives a report about the results of a reexamination of stock holdings and if stock should be retained or sold. We are reducing holdings of stocks where ownership is not beneficial.

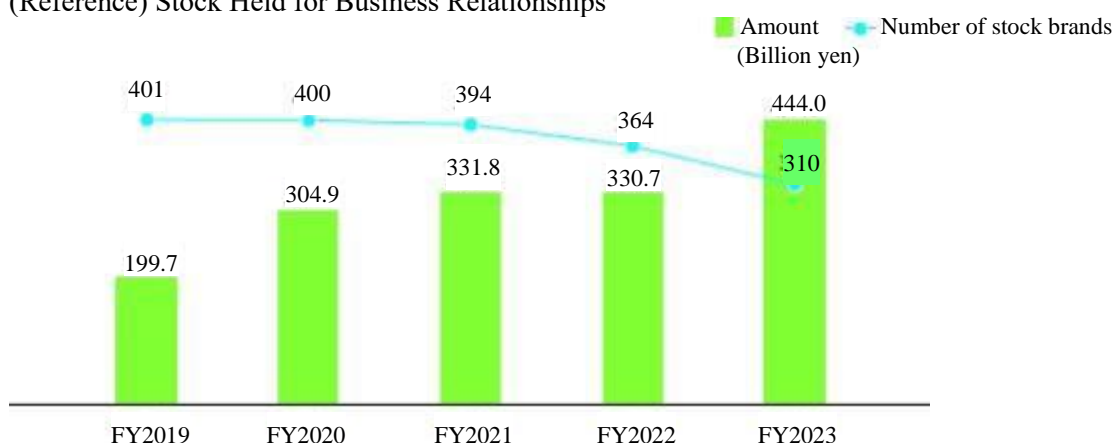
In the fiscal year ended March 31, 2024, we reduced 59 stock brands (book value as of March 31, 2023: 39.3 billion yen in total), excluding 9 brands that we sold partially.

#### (2) Examination of justification of stock holdings

We use an indicator of our own, which is based on the cost of capital, to determine comprehensive assessments of stock holdings. Assessments incorporate profitability, building, preserving and reinforcing business relationships, contributions and cooperation for regional and social progress, and other considerations. This process is used to decide if we should continue to hold a stock and to reexamine the number of shares held.

As needed, constructive dialogues take place with companies in which stock is held from the standpoint of preserving and increasing corporate value and achieving sustained growth. These dialogues facilitate sharing information about management issues and making improvements.

#### (Reference) Stock Held for Business Relationships



	FY2019	FY2020	FY2021	FY2022	FY2023
Number of stock brands	401	400	394	364	310
Book value (Billion yen) (a)	199.7	304.9	331.8	330.7	444.0
Consolidated capital (Billion yen) (b)	1,372.4	1,658.0	1,942.8	2,068.5	2,620.1
Ratio (a/b)	14.6%	18.4%	17.1%	16.0%	16.9%



## Consolidated Statements of Financial Position (IFRS) (As of March 31, 2024)

[Rounded down to the nearest million yen]

	As of March 31, 2024	(Reference) As of March 31, 2023
Assets		
Current assets		
Cash and cash equivalents	878,705	771,613
Trade and other receivables	1,797,818	1,730,426
Other financial assets	108,391	125,913
Inventories	1,203,659	1,227,393
Other current assets	207,998	213,408
Total current assets	4,196,573	4,068,756
Non-current assets		
Investments accounted for using the equity method	353,080	299,378
Other investments	835,601	623,951
Trade and other receivables	51,554	42,598
Other financial assets	68,398	49,625
Property, plant and equipment	1,139,178	1,004,064
Intangible assets	275,042	184,001
Investment property	17,007	17,303
Deferred tax assets	49,823	36,835
Other non-current assets	73,733	50,549
Total non-current assets	2,863,420	2,308,308
Total assets	7,059,994	6,377,064

[Rounded down to the nearest million yen]

	As of March 31, 2024	(Reference) As of March 31, 2023
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade and other payables	1,643,777	1,636,877
Bonds and borrowings	626,510	746,668
Other financial liabilities	26,928	24,146
Income taxes payable	57,108	49,129
Provisions	8,271	8,080
Other current liabilities	233,012	211,873
Total current liabilities	2,595,607	2,676,775
Non-current liabilities		
Bonds and borrowings	1,361,558	1,275,032
Trade and other payables	111,982	97,642
Other financial liabilities	9,255	8,214
Retirement benefits liabilities	42,052	46,152
Provisions	75,804	57,586
Deferred tax liabilities	202,353	121,068
Other non-current liabilities	41,270	26,061
Total non-current liabilities	1,844,276	1,631,759
Total liabilities	4,439,884	4,308,535
Equity		
Share capital	64,936	64,936
Capital surplus	43,119	43,812
Treasury shares	(3,774)	(3,750)
Other components of equity	542,830	282,714
Retained earnings	1,820,019	1,526,615
Total equity attributable to owners of the parent	2,467,130	1,914,327
Non-controlling interests	152,979	154,201
Total equity	2,620,110	2,068,529
Total liabilities and equity	7,059,994	6,377,064

**Consolidated Statements of Profit or Loss (IFRS) (April 1, 2023 – March 31, 2024)**

[Rounded down to the nearest million yen]

	Year ended March 31, 2024	(Reference) Year ended March 31, 2023
Revenue		
Sale of goods	9,976,194	9,658,202
Sales of services and others	212,785	190,358
Total revenue	10,188,980	9,848,560
Cost of sales	(9,136,605)	(8,879,714)
Gross profit	1,052,374	968,846
Selling, general and administrative expenses	(583,702)	(532,724)
Other income (expenses)		
Gain (loss) on sale and disposals of non-current assets, net	3,311	674
Impairment losses on non-current assets	(9,651)	(15,932)
Other, net	(20,743)	(32,111)
Total other income (expenses)	(27,082)	(47,368)
Operating profit	441,589	388,753
Finance income (costs)		
Interest income	32,233	22,866
Interest expenses	(60,890)	(46,930)
Dividend income	24,484	25,365
Other, net	6,372	(134)
Total finance income (costs)	2,200	1,166
Share of profit (loss) of investments accounted for using the equity method	25,849	37,205
Profit before income taxes	469,639	427,126
Income tax expense	(129,389)	(112,385)
Profit for the year	340,249	314,741
Profit for the year attributable to:		
Owners of the parent	331,444	284,155
Non-controlling interests	8,805	30,585

## Non-consolidated Balance Sheet (As of March 31, 2024)

[Rounded down to the nearest million yen]

	As of March 31, 2024	(Reference) As of March 31, 2023
<b>Assets</b>		
Current assets	1,586,416	1,572,222
Cash and deposits	434,693	403,534
Notes receivable-trade	68,289	55,862
Accounts receivable-trade	610,962	656,530
Merchandise and finished goods	161,553	160,511
Goods in transit	39,516	36,395
Prepaid expenses	6,952	5,674
Account receivable-other	31,167	44,440
Short-term loans receivable	212,565	173,336
Other	35,570	48,107
Allowance for doubtful accounts	(14,855)	(12,170)
Non-current assets	1,662,677	1,327,655
Property, plant and equipment	35,329	32,834
Buildings	16,359	15,177
Structures	524	231
Machinery and equipment	146	80
Vehicles	208	203
Tools, furniture and fixtures	3,774	2,484
Land	13,708	13,708
Leased assets	21	19
Construction in progress	585	928
Intangible assets	37,980	33,232
Software	21,198	16,868
Software in progress	16,592	16,219
Other	189	144
Investments and other assets	1,589,366	1,261,588
Investment securities	444,078	330,795
Shares of subsidiaries and associates	1,002,929	807,496
Other investments	23,932	22,279
Investments in capital of subsidiaries and associates	40,105	39,875
Long-term loans receivable	14,235	16,298
Prepaid pension cost	15,630	14,235
Other	59,938	36,273
Allowance for doubtful accounts	(11,483)	(5,666)
<b>Total assets</b>	<b>3,249,093</b>	<b>2,899,877</b>

[Rounded down to the nearest million yen]

	As of March 31, 2024	(Reference) As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>	<b>971,902</b>	<b>1,069,110</b>
Notes payable-trade	112,231	101,209
Accounts payable-trade	364,612	384,007
Short-term loans payable	110,433	152,063
Commercial papers	45,000	85,000
Current portion of bonds	75,705	81,740
Lease obligations	6	16
Accounts payable-other	93,797	104,816
Accrued expenses	15,618	14,257
Advances received	14,596	15,636
Deposits received	119,103	120,288
Unearned revenue	209	120
Reserve for directors' bonuses	260	241
Product warranty liabilities	733	514
Provision for loss on guarantees	302	31
Business withdrawal loss reserves	71	63
Other	19,219	9,101
<b>Non-current liabilities</b>	<b>1,065,125</b>	<b>909,755</b>
Bonds payable	200,000	226,765
Long-term loans payable	723,912	609,365
Lease obligations	16	4
Deferred tax liabilities	119,356	54,141
Provision of retirement benefits	12,695	13,055
Provision for loss on guarantees	517	37
Provision for contract loss	19	62
Provision for loss on litigation	204	204
Other	8,402	6,119
<b>Total liabilities</b>	<b>2,037,028</b>	<b>1,978,866</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>	<b>883,928</b>	<b>741,413</b>
Capital stock	64,936	64,936
Capital surplus	155,265	155,169
Legal capital surplus	154,367	154,367
Other capital surplus	898	801
Retained earnings	667,268	524,826
Legal retained earnings	6,699	6,699
Other retained earnings	660,568	518,126
General reserve	100,000	100,000
Retained earnings brought forward	560,568	418,126
Treasury shares	(3,542)	(3,518)
<b>Valuation and translation adjustments</b>	<b>328,136</b>	<b>179,597</b>
Valuation difference on available-for-sale securities	315,216	173,282
Deferred gains or losses on hedges	12,919	6,314
<b>Total net assets</b>	<b>1,212,065</b>	<b>921,011</b>
<b>Total liabilities and net assets</b>	<b>3,249,093</b>	<b>2,899,877</b>

## Non-consolidated Statement of Income (April 1, 2023 - March 31, 2024)

[Rounded down to the nearest million yen]

	Year ended March 31, 2024	(Reference) Year ended March 31, 2023
Net sales	2,062,087	1,858,767
Cost of sales	1,933,734	1,749,430
Gross profit	128,353	109,336
Selling, general and administrative expenses	101,679	90,374
Operating profit	26,674	18,961
Other income	226,212	145,558
Interest income	12,412	7,857
Dividend income	209,337	135,240
Other income	4,461	2,459
Other expenses	25,716	23,136
Interest expense	14,188	11,387
Foreign exchange loss	8,970	9,657
Other expenses	2,557	2,092
Ordinary income	227,170	141,383
Extraordinary income	45,107	7,558
Gain on sales of non-current assets	58	37
Gain on sales of investment securities and investments in capital	44,636	2,940
Gain on sales of shares of subsidiaries and associates and investments in capital of subsidiaries and associates	296	4,119
Gain on liquidation of subsidiaries and associates	53	373
Gain on reversal of provision for loss on loan guarantees	29	29
Gain on reversal of provision for loss on business withdrawal	-	58
Gain on reversal of provision for contract loss	33	-
Extraordinary losses	23,941	29,978
Loss on disposal of non-current assets	139	509
Loss on sales of investment securities and investments in capital	170	136
Loss on valuation of investment securities and investments in capital	7,271	1,710
Loss on sales of shares of subsidiaries and associates and investments in capital of subsidiaries and associates	8	-
Loss on valuation of shares of subsidiaries and associates and investments in capital of subsidiaries and associates	9,925	27,305
Loss on valuation of membership	0	-
Loss on liquidation of subsidiaries and affiliates	29	43
Provision of allowance for doubtful accounts	5,619	-
Provision for loss on loan guarantees	775	273
Profit before income taxes	248,336	118,963
Income taxes-current	27,422	11,576
Income taxes-deferred	(2,860)	(1,315)
Profit for the year	223,774	108,701

Independent Auditor's Report  
(English Translation\*)

May 15, 2024

To the Board of Directors of Toyota Tsusho Corporation.

PricewaterhouseCoopers Japan LLC  
Hitoshi Kiuchi, CPA  
Designated and Engagement Partner

Shubun Ogasawara, CPA  
Designated and Engagement Partner

Koji Sugimoto, CPA  
Designated and Engagement Partner

**Auditor's Opinion**

We have audited, pursuant to Article 444 (4) of the Companies Act of Japan, the consolidated financial statements, which consist of the consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity and notes on the consolidated financial statements of Toyota Tsusho Corporation (hereinafter referred to as the "Company") for the consolidated fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the consolidated financial statements referred to above, prepared with partial omission of the disclosures required under International Financial Reporting Standards pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared.

**Basis for Auditor's Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility as an auditor is set out under "Auditor's Responsibility in Auditing Consolidated Financial Statements." In accordance with Japanese regulations on professional ethics, we are independent of the company and its consolidated subsidiaries, and fulfill our obligations as independent auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other contents**

The other contents included are the business report and supplementary statements. Management is responsible for the preparation and presentation of the other contents. In addition, Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for establishing a process for the reporting of the other contents, and monitoring the directors' execution of duties in the operations.

We have not included the other contents in the auditor's opinion in respect to the consolidated financial statements, nor will express our opinion in respect to the other contents.

Our responsibility in auditing the consolidated financial statements is to read through the other contents, and examine whether there are any significant discrepancies between the other contents read and the consolidated financial statements or knowledge obtained in the course of carrying out the audit, as well as pay attention to whether there are any signs of significant errors in the other contents other than such significant discrepancies.

If we deem, based on the work carried out, that the other contents contain significant errors, we are required to report such facts.

In relation to the other contents, it is not an item that we must report on.

## **Responsibility of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board in Relation to the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with partial omission of the disclosures required under International Financial Reporting Standards. This includes the provision and implementation of such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is responsible for deciding whether it is appropriate to prepare consolidated financial statements with the premise of a going concern and to disclose matters relating to the ability to continue as a going concern, if required, pursuant to the second sentence of the first paragraph of Article 120 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items under International Financial Reporting Standards.

The responsibility of Audit & Supervisory Board members and the Audit and Supervisory Board is to oversee directors' execution of duties in preparing and operating financial reporting processes.

## **Auditor's Responsibility in Auditing Consolidated Financial Statements**

The Auditor's responsibility is to express an opinion from an independent perspective on the consolidated financial statements based on our audit. As Auditor we are required to perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may occur due to fraud or error. Misstatements are determined to be material if, singly or collectively, they are reasonably expected to affect the decision-making of users of the consolidated financial statements.

In Japan, audits are performed in accordance with auditing standards generally accepted in Japan. In the process of performing such audits, the Auditor makes professional judgments and performs the following while maintaining an attitude of professional skepticism.

- Identify and assess risks of material misstatement. Also, design and implement audit procedures in response to risks of material misstatement. The selection and application of audit procedures will be at the Auditor's discretion. The Auditor must also obtain sufficient and appropriate audit evidence as a basis for expressing an opinion.
- While the objective of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Company's internal control, when performing risk assessment, the Auditor must consider audit-related internal control to design audit procedures that are appropriate to the circumstances.
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the validity of the notes on the consolidated financial statements.
- Arrive at a conclusion regarding the appropriateness of management preparing consolidated financial statements with a going concern premise, and whether, based on obtained audit evidence, there are any matters or circumstances that may cast substantial doubt on the going concern premise or indicate that material uncertainty exists. If material uncertainty regarding the going concern premise is found to exist, the Auditor is required to draw attention to it in the notes on the consolidated financial statements. If a footnote entry on material uncertainty regarding the going concern premise in the consolidated financial statements is not appropriate, the Auditor is required to express a qualified opinion on the consolidated financial statements. The Auditor's conclusions are based on audit evidence obtained on or before the Audit Report date, but the risk remains that the company is unable to survive as a going concern due to matters or circumstances in the future.
- The Auditor must evaluate whether the representations and notes on the consolidated financial statements are in accordance with the second sentence of the first paragraph of Article 120 of the Ordinance of Company Accounting that prescribes some omissions of disclosure items required under International Financial Reporting Standards, and whether the representations, composition, and content of the consolidated financial statements (including related notes) and the consolidated financial statements themselves present fairly the transactions and accounting matters on which they are based.
- The Auditor must obtain sufficient and appropriate audit evidence relating to the financial information of the Company and its consolidated subsidiaries necessary to express an opinion on the consolidated financial statements. The Auditor is responsible for instructions for, and supervision and implementation of, the auditing of consolidated financial statements. The Auditor is solely responsible for its audit opinion.



The Auditor must report to Audit & Supervisory Board members and the Audit and Supervisory Board the scope and schedule of the planned audit, material findings of the audit (including material internal control irregularities detected during the audit), and any other matters required in accordance with auditing standards.

The Auditor must report to Audit & Supervisory Board members and the Audit and Supervisory Board its compliance with Japanese regulations on professional ethics regarding independence, any matters that may reasonably be considered to affect the independence of the Auditor, and information about activities (if any) for eliminating obstacles to independence and safeguards (if any) for reducing obstacles to independence to a permissible level.

**Conflicts of Interest**

Neither the Auditor nor its engagement partners have any interest in the Company or its consolidated subsidiaries that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

\* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

**Independent Auditor's Report**  
(English Translation\*)

May 15, 2024

To the Board of Directors of Toyota Tsusho Corporation.

PricewaterhouseCoopers Japan LLC  
Hitoshi Kiuchi, CPA  
Designated and Engagement Partner

Shubun Ogasawara, CPA  
Designated and Engagement Partner

Koji Sugimoto, CPA  
Designated and Engagement Partner

**Auditor's Opinion**

We have audited, pursuant to Article 436 (2) (i) of the Companies Act of Japan, the accompanying financial statements, which consist of the non-consolidated balance sheet, non-consolidated statement of income, statement of changes in net assets and notes on the non-consolidated financial statements, and supplementary statements to the financial statements (hereinafter collectively referred to as "the Financial Statements") for the 103rd fiscal year (April 1, 2023 through March 31, 2024).

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period for which the Financial Statements were prepared, in accordance with accounting standards generally accepted in Japan.

**Basis for Auditor's Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility as an auditor is set out under "Auditor's Responsibility in Auditing the Financial Statements." In accordance with Japanese regulations on professional ethics, we are independent of the Company, and fulfill our obligations as independent auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other contents**

The other contents included are the Business Report and supplementary statements. Management is responsible for the preparation and presentation of the other contents. In addition, Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for establishing a process for the reporting of the other contents, and monitoring the directors' execution of duties in the operations.

We have not included the other contents in the auditor's opinion in respect to the Financial Statements, nor will express our opinion in respect to the other contents.

Our responsibility in auditing the Financial Statements is to read through the other contents, and examine whether there are any significant discrepancies between the other contents read and the Financial Statements or knowledge obtained in the course of carrying out the audit, as well as pay attention to whether there are any signs of significant errors in the other contents other than such significant discrepancies.

If we deem, based on the work carried out, that the other contents contain significant errors, we are required to report such facts.

In relation to the other contents, it is not an item that we must report on.

## **Responsibility of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board in Relation to the Financial Statements**

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with accounting principles generally accepted in Japan. This includes the provision and implementation of such internal control as management determines is necessary to enable the preparation and fair presentation of the Financial Statements and ensure they are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters relating to the ability to continue as a going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing directors' execution of duties in preparing and operating financial reporting process.

## **Auditor's Responsibility in Auditing the Financial Statements**

The Auditor's responsibility is to express an opinion from an independent perspective on the Financial Statements based on our audit. As Auditor we are required to perform the audit to obtain reasonable assurance that the Financial Statements are free from material misstatement. Misstatements may occur due to fraud or error. Misstatements are determined to be material if, singly or collectively, they are reasonably expected to affect the decision-making of users of the Financial Statements.

In Japan, audits are performed in accordance with auditing standards generally accepted in Japan. In the process of performing such audits, the Auditor makes professional judgments and performs the following while maintaining an attitude of professional skepticism.

- Identify and assess risks of material misstatement whether due to fraud or error. Also, design and implement audit procedures in response to risks of material misstatement. The selection and application of audit procedures will be at the Auditor's discretion. The Auditor must also obtain sufficient and appropriate audit evidence as a basis for expressing an opinion.
- While the objective of auditing the Financial Statements is not to express an opinion on the effectiveness of the Company's internal control, when performing risk assessment, the Auditor must consider audit-related internal control to design audit procedures that are appropriate to the circumstances.
- Assess the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the validity of the notes on the Financial Statements.
- Arrive at a conclusion regarding the appropriateness of management preparing the Financial Statements with a going concern premise, and whether, based on obtained audit evidence, there are any matters or circumstances that may cast substantial doubt on the going concern premise or indicate that material uncertainty exists. If material uncertainty regarding the going concern premise is found to exist, the Auditor is required to draw attention to it in the notes on the Financial Statements. If a footnote entry on material uncertainty regarding the going concern premise in the Financial Statements is not appropriate, the Auditor is required to express a qualified opinion on the Financial Statements. The Auditor's conclusions are based on audit evidence obtained on or before the Audit Report date, but the risk remains that the Company may be unable to survive as a going concern due to matters or circumstances in the future.
- The Auditor must evaluate whether the representations and notes in the Financial Statements are in accordance with accounting principles generally accepted in Japan, and whether the representations, composition, and content of the Financial Statements (including related notes) and the Financial Statements themselves present fairly the transactions and accounting matters on which they are based.

The Auditor must report to Audit & Supervisory Board members and the Audit and Supervisory Board the scope and schedule of the planned audit, material findings of the audit (including material internal control irregularities detected during the audit), and any other matters required in accordance with auditing standards.

The Auditor must report to Audit & Supervisory Board members and the Audit and Supervisory Board its compliance with Japanese regulations on professional ethics regarding independence, any matters that may reasonably be considered to affect the independence of the Auditor, and information about activities (if any) for eliminating obstacles to independence and safeguards (if any) for reducing obstacles to independence to a permissible level.

**Conflicts of Interest**

Neither the Auditor nor its engagement partners have any interest in the Company that should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

\* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

## Auditing Report of Audit & Supervisory Board

### Auditing Report

The Audit & Supervisory Board have prepared this audit report after deliberations, and report as follows regarding the performance of duties of the directors of Toyota Tsusho Corporation in the 103rd fiscal year, from April 1, 2023 to March 31, 2024, based on the auditing report created by each Audit & Supervisory Board member.

#### 1. Method and contents of the audit by the Audit & Supervisory Board members and Audit & Supervisory Board

(1) The Audit & Supervisory Board has stipulated this period's audit policy and audit plan and received reports from each member of the Audit & Supervisory Board on the status and results of the audit. In addition, the Audit & Supervisory Board has received reports from the directors and Independent Auditor on the performance of their duties and sought explanations as necessary.

(2) Each Audit & Supervisory Board member has acted in accordance with the standards of the audit stipulated by the Audit & Supervisory Board, and in accordance with the policies and audit plan for the audit of this period has communicated with the directors, the internal audit division and other employees, etc. and made efforts to collect information and improve the audit environment.

i) At the same time, the Audit & Supervisory Board members have attended the Board of Directors meetings and other important meetings, received reports from the directors and employees, etc. on the performance of their duties, sought explanations as necessary, inspected important decision documents, etc. and examined the status of operations and assets at the Head Office and principal places of business. In addition, for the subsidiaries, each Audit & Supervisory Board member has communicated and exchanged information with the subsidiaries' directors and Audit & Supervisory Board members, etc. and received business reports from subsidiaries as necessary.

ii) The Audit & Supervisory Board has monitored and verified the situation regarding a system to ensure that directors comply with laws and regulations and the Articles of Incorporation during the performance of their duties, and examined things that are needed in order to ensure the appropriateness of business of a corporate group consisting of corporations and subsidiaries, as stipulated in Items 1 and 3 of Article 100 of the Order for Enforcement of the Companies Act, while examining the contents of the resolution of the Board of Directors concerning the development of the system and maintenance of the system (internal control system) on the basis of the resolution.

iii) In addition, the Audit & Supervisory Board has carried out monitoring and verification to examine whether the Independent Auditor maintained its independent position and implemented appropriate audits, and received reports on the performance of its duties from the Independent Auditor, and sought explanations as necessary. Furthermore, the Audit & Supervisory Board has received a notice from the Independent Auditor saying that systems for ensuring the appropriate performance of duties by the Independent Auditor (listed in each item of Article 131 of the Corporate Accounting Rules) have been developed in accordance with the quality control standards concerning audit, and the Audit & Supervisory Board sought explanations as necessary.

Based on the above methods, the Audit & Supervisory Board examined the business report, supplementary statements, and financial statements (non-consolidated balance sheet, non-consolidated statement of income, statement of changes in net assets, and notes on the non-consolidated financial statements) and their supplementary statements, along with consolidated financial statements (consolidated statements of financial position, consolidated statements of profit or loss, consolidated statements of changes in equity, and notes on the consolidated financial statements) for the fiscal year under review.

## 2. Result of audit

### (1) Result of audit on the business report, etc.

- i) The business report and its supplementary statements present fairly the status of the Company in conformity with the relevant laws and regulations or the Articles of Incorporation.
- ii) The Audit & Supervisory Board has found no serious violation of any applicable laws and regulations or the Articles of Incorporation regarding the performance of duties by the directors.
- iii) The resolution of the Board of Directors regarding the internal control system is fair and reasonable. In addition, there are no matters to be pointed out with respect to the performance of duties by the directors regarding the internal control system.

### (2) Result of audit on the financial statements and the supplementary statements

The methods and results of Independent Auditor PricewaterhouseCoopers Japan LLC are fair and reasonable.

### (3) Results of audit on the consolidated financial statements

The methods and results of Independent Auditor PricewaterhouseCoopers Japan LLC are fair and reasonable.

May 16, 2024

Toyota Tsusho Corporation Audit & Supervisory Board

Full-time Audit & Supervisory Board member

Kazumasa Miyazaki (seal)

Full-time Audit & Supervisory Board member

Kentaro Hayashi (seal)

Outside Audit & Supervisory Board member

Yuichiro Kuwano (seal)

Outside Audit & Supervisory Board member

Tsutomu Takahashi (seal)

Outside Audit & Supervisory Board member

Seishi Tanoue (seal)