Corporate Governance Report

<TRANSLATION>

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Toyota Tsusho Corporation

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Securities Code: 8015

https://www.toyota-tsusho.com/english

Corporate governance at Toyota Tsusho Corporation (the "Company") is as follows:

I. Basic Policies for Corporate Governance, Capital Structure, Corporate Attributes and other Basic Information

1. Basic Policy

In the Toyota Tsusho Group's Fundamental Philosophy, the Toyota Tsusho Group (the "Group") has set forth the corporate philosophy "Living and prospering together with people, society, and the Earth, we aim to be a value-generating corporation that contributes to creation of a prosperous society." The Group has instituted the Behavioral Guidelines as a fundamental code of conduct for legally and appropriately realizing this philosophy as a good corporate citizen.

In keeping with this Fundamental Philosophy, the Company has instituted the Basic Policies on Establishing Internal Control Systems for the purpose of carrying on and deepening penetration of the Toyota Tsusho Group Way, which articulates the Group's unique values, beliefs, and daily principles of conduct, of promoting value creation from the customer's perspective, and of fulfilling the Group's social mission by establishing a "system for ensuring the appropriateness of the Company's operations."

On the basis of this fundamental philosophy, the Company will actively promote further management efficiency, transparency, rigorous compliance, and financial soundness. In addition, the Company will further enhance its public relations and investor relations activities to promote wider understanding of the Group.

[Reasons for not implementing each principle of the Corporate Governance Code] (Updated)

The Company implements each principle of the Corporate Governance Code.

[Disclosure based on each principle of the Corporate Governance Code] (Updated)

[Principle 1.3]

The Company's dividend policy is to endeavor to maintain a stable dividend and increase dividend per share, with a dividend payout ratio of 25% or more as a basic policy. The Company intends to use internally retained earnings to further enhance and strengthen its operational foundation and invest in business expansion to ensure future shareholder returns.

[Principle 1.4]

・Policies on strategic shareholdings

Maintaining and strengthening business relationships and cooperative relationships with a wide variety of companies is necessary for sustained enhancement of the Company's corporate value. The Company strategically holds limited shares of listed companies that are considered －from a medium- to long-term perspective－ to be beneficial and important as significant business/collaborative partners. When conducting reviews into whether the Company ought to continue holding its cross shares and the number of the cross shares it holds, the Company will comprehensively take into consideration profitability using self-devised cost-of-capital-based indicators as well as matters such as business relations with the partners concerned, and the results of these reviews shall be reported to the Board of Directors meeting once a year. The Company will reduce its holdings of cross shares where it is found that there are no grounds to continue holding them.

・Policy on the exercise of voting rights

Striving to maintain and strengthen partnership with investee companies, the Company engages in communications with these companies that contribute to enhancement of their shareholder interests and corporate value over the medium and long term. The Company's departments that manage investments take that perspective and appropriately exercise voting rights on the basis of multifaceted and comprehensive consideration of the situation of each investee company.

・Policy for when cross-shareholders (i.e. shareholders who hold a Company's share for the purpose of cross-shareholding) indicate that they want to sell the shares

If cross-shareholders seek to sell the shares, the Company will not hinder the sale of the cross-held shares. In such a case, if the Company has their shares for the purpose of cross-sharing, the Company will take appropriate measures to reduce those shares in accordance with the Company's policies on cross-shareholdings.

[Principle 1.5] [Supplementary Principle 1-5-1]

The Company presently has no plans to adopt takeover defense measures. If it were

to do so in the future, it would adopt only measures it deems reasonable and necessary and fully explain them to shareholders.

[Principle 1-6]
The Company presently has no plans to adopt any capital policies that would result in a change in control of the Company or substantially dilute existing shareholders. If it were to do so in the future, it would adopt only policies it deems reasonable and necessary and fully explain them to shareholders.

[Principle 1-7]
The Company complies with the procedures set forth in the Companies Act concerning transactions involving conflict-of interest of directors and transactions by directors, and all transactions with non-director executive officers require reporting to and approval of the Board of Directors based on our Regulations of Board of Directors as well. Through such requirement, the Company believes such transactions are adequately supervised by the Board of Directors. In transactions between the Company and the Company's major shareholders or other related parties, the Company decides price and other terms and conditions on the basis of individual negotiations, as in the case of ordinary transactions, approves transactions in accordance with internal rules, and endeavors to ensure that related-party transactions do not harm the interests of the Company or the common interests of all shareholders.

[Principle 2.6]
To enable corporate pension funds to perform the functions expected of them as asset owners, the Company allocates to the fund secretariat human resources suitable for carrying out asset management, etc. and has out in place an Asset Management Committee in which the heads of the Finance Department, Accounting Department, and Global Human Resources Department participate as members. The Asset Management Committee deliberates on matters concerning fund management status, asset distribution, and future fund management policy. The Asset Management Committee, through its deliberations, confirms whether fund management is being implemented in accordance with the Basic Fund Management Policy and whether it is based on diversified investment conducted from a medium- to long-term perspective. The Company has also appointed an external consulting firm to complement internal professional expertise and knowhow while also – by providing an independent perspective – helping to prevent conflicts of interest between the Company and

beneficiaries of the pension funds.

[Principle 3-1 (i)]
The Company discloses the corporate philosophy, vision, mid-term business plan, and other information on the corporate website.
https://www.toyota-tsusho.com/english/company/vision.html

[Principle 3-1 (ii)]
Please see “I. 1. Basic Policy” of this report.

[Principle 3-1(iii)]
・Remuneration paid to all directors of the Company (excluding outside directors) consists of fixed remuneration and performance-linked bonus, and each of them as a percentage of total remuneration to the directors is approximately 50 to 50. The fixed remuneration is determined based on the base amount set by its position, and bonus is determined by the Board of Directors by reference to the report of Executive Compensation Committee, which is made up a majority of the independent outside directors and conducts deliberation on validity of calculation method and amount of remuneration, comprehensively taking into account the consolidated business performance of each fiscal year based on the management indicator the Company considers the most important, including consolidated profit for the year (attributable to owners of the parent), initiatives with the aim of realizing its mid-term business plan based on its long-term vision, and business environment surrounding the Company.
・Bonus is not paid to outside directors because of an independent position from business execution; only fixed remuneration is paid.
・Regarding fixed remuneration for all directors, the 2017 Ordinary General Meeting of Shareholders approved a payment limit of 70 million yen per month, and amounts for individual directors are determined by the Board of Directors within this remuneration limit. Bonuses for all directors excluding outside directors are subject to approval by the Ordinary General Meeting of Shareholders for each business year.
・Only fixed remuneration is paid to Audit & Supervisory Board members in light of their role of appropriate auditing from an independent position. With respect to fixed remuneration for Audit & Supervisory Board members, the 2014 Ordinary General Meeting of Shareholders approved a payment limit of 16 million yen per month, and amounts for individual Audit & Supervisory Board members are decided by conference with the Audit & Supervisory Board within this remuneration limit.

Executive retirement benefits are not paid to all directors and Audit & Supervisory Board members.

[Principle 3-1 (iv)]

・Policies

The Company defines its top management as being inside directors, Division CEOs, and Regional CEOs. When appointing senior executives, the Company comprehensively considers and appoints the right person for the right position that will enable appropriate and prompt decision-making at each role.

The Company considers appointments of outside officers in accordance with the requirements set forth in the Companies Act and the independence standards established by financial instruments exchanges. Further, the Company has stipulated criteria for the dismissal of top managements in its internal regulations and such considerations are made in accordance with these regulations.

・Procedures

In its consideration of director nominations, the Company has established the Executive Appointment Committee, at which independent outside officers make up the majority, to consider the appointment or dismissal of top managements and make recommendations to the Board of Directors as reference for resolution.

Audit & Supervisory Board members are appointed by resolution of the Board of Directors after consultation of Audit & Supervisory Board.

[Principle 3-1 (v)]

The reasons for the election of individual directors and Audit & Supervisory Board members are described in the election proposals in the Reference Materials for the General Meeting of Shareholders.

For details, please refer to the Notice of Ordinary General Meeting of Shareholders posted on the corporate website.

[Supplementary Principle 4-1-1]

The following matters require judgement and resolution by the Board of Directors.

・Matters stipulated in laws and ordinances and the Articles of Incorporation;

・Matters delegated to the Board of Directors by resolution of the General Meeting of Shareholders; and

・Other important business matters.

Other matters are delegated to each director and the progress is reported to the Board

of Directors as appropriate according to their degree of importance to the business. To allow its Board of Directors to devote more time to discussion, the Company raised some monetary thresholds for investments/expenditures requiring Board approval and delegated additional authority to executive personnel.

[Principle 4-9]
The Company's independent officers are selected from individuals who are able to reflect a wealth of experience, advanced professional knowledge, and wide-ranging insights in the Company's management and are able to actively and constructively offer their suggestions and views about enhancing the Company's corporate value over the medium and long term from a fair and neutral position and who satisfy the requirements for outside directors and outside auditors set forth in the Companies Act and the independence standards established by financial instrument exchanges.

[Supplementary Principle 4-11-1]
The Company selects its directors from inside and outside the Company who have a wealth of experience, advanced professional knowledge, and wide-ranging insights so as to develop a system in which decision-making and oversight of management and execution are appropriately performed.
The Company comprehensively deliberates the members of the Board of Directors from the perspective of enabling appropriate and prompt decision-making and appointing the right person for the right position according to individual roles. The Board of Directors currently consists of a total of eleven directors, including three independent outside directors.
The Company has appointed two persons who have appropriate knowledge of finance and accounting as Audit & Supervisory Board members. The Audit & Supervisory Board currently consists of five members, including three outside auditors, who supervise and check officers' business execution from an objective and professional perspective.
Please see "Principle 3-1 (iv)" of this report regarding policies and procedures for the selection and appointment of directors.

[Supplementary Principle 4-11-2]
Concurrent service of directors and Audit & Supervisory Board members as officers of other listed companies is noted in the Notice of Ordinary General Meeting of Shareholders.

[Supplementary Principle 4-11-3]

In order to improve the effectiveness of the Board of Directors, the Company conducts an analysis and evaluation of the Board of Directors, and reports the findings to the Board of Directors every year. The outline of analysis and evaluation of the Board of Directors for FY2018 is below.

<<Outline of Evaluation>>

<Individuals Surveyed>

All 12 Members of the Board and all 5 Audit & Supervisory Board members

<Survey Method>

Questionnaire survey

<Matters Evaluated>

・Board composition, operation, proposal/deliberation processes, etc.

<Evaluation Results>

・The collected survey responses were generally positive across all of the matters evaluated, confirming that the Board of Directors is functioning effectively.

・The survey confirmed that progress has been made over the past year in addressing issues identified in the previous fiscal year's evaluation, namely "electing directors with an emphasis on diversity and due consideration for appropriate board composition" and "designating discussion topics/themes regarding matters reported at Board of Directors meetings to facilitate constructive discussion and exchange of opinions among directors." The Company intends to make continued progress on these issues.

・In response to issues identified by the latest evaluation, the Company will endeavor to further increase the Board of Directors' effectiveness by (1) ensuring that time is set aside for preliminary consideration in order to facilitate more fruitful discussions, (2) reconsidering the narrowing down of agenda items that need to be discussed at meetings to facilitate more efficient and fruitful deliberations at Board of Directors Meetings and (3) providing opportunities for outside directors to deepen their understanding of the Company group's business.

[Supplementary Principle 4-14-2]

・The Company appropriately provides the elected members of the Board of Directors and Audit & Supervisory Board with information necessary for them to fully perform their functions. The Company also provides opportunities for directors and Audit & Supervisory board members to participate, at Company expense, in seminars, training, etc. conducted by third-party organizations necessary for the performance of their duties.

・In addition to providing orientation for newly appointed outside officers, the Company continuously arranges opportunities for them to understand the business activities of the Company and the Group, such as inspecting the actual situation on-site (Genchi Genbutsu) by visiting the Company's principal business entities and holding dialogues with employees.

・At least once a year, the Company holds Executive Review Meetings in which inside and outside officers participate. At the meetings, an intensive review of recent management issues is conducted, and information necessary for the performance of duties is provided.

[Principle 5-1]
The Board of Directors has approved the following policy.
Policy for development of systems and measures to promote constructive dialogue with shareholders
(i) The Company has appointed an executive officer of public affairs and an executive officer of investor relations.
(ii) The Company has formed a task team for the purpose of organic collaboration that supports dialogue.
(iii) General Meeting of Shareholders: The Company provides easy-to-understand explanations of the Company's business, organization, etc. and conscientiously answers questions from shareholders.
Individual investors: The Company regularly makes presentations at IR events and provides explanations of the Company.
Institutional investors: The Company holds quarterly results briefings.
Overseas investors: The Company provides explanations of the Company at forums held in Japan and meets regularly with major shareholders.
(iv) Feedback on shareholder opinions and concerns is provided to top managements as necessary.
(v) Insider information is appropriately managed in accordance with the Insider Trading Control Regulations instituted by the Company.

[Principle 5-2]
The Company discloses the mid-term business plan and other information on the corporate website.
https://www.toyota-tsusho.com/english/ir/management/plan.html

2. Capital Structure

Percentage of shares held by overseas investors	20 % or more, less than 30 %

[Principal Shareholders] **(Updated)**

Name	Number of Shares Held	Percentage(%)
Toyota Motor Corporation	76,368,939	21.69
Toyota Industries Corporation	39,365,134	11.18
The Master Trust Bank of Japan, Ltd. (trust account)	32,955,900	9.36
Japan Trustee Services Bank, Ltd. (trust account)	15,156,100	4.30
MUFG Bank, Ltd.	8,098,635	2.30
Japan Trustee Services Bank, Ltd. (trust account 5)	4,311,500	1.22
Sumitomo Mitsui Banking Corporation	4,249,589	1.21
Mitsui Sumitomo Insurance Company Limited	4,200,900	1.19
Nippon Life Insurance Company	3,522,468	1.00
JP Morgan Chase Bank, N.A.	3,476,462	0.99

Controlling shareholders (except parent company)	None

Parent company	None
Stock exchange listings of parent company	None

Supplemental Remarks

None

3. Corporate Attributes

Stock exchange listings	Tokyo Stock Exchange (first section), Nagoya Stock Exchange (first section)
Fiscal year end	March
Industry	Wholesale trade
(Consolidated) Number of Employees	Over 1,000
(Consolidated) Net Sales	Over JPY 1 trillion
Number of consolidated subsidiaries	Over 300

4. Policies rerating to measures for protecting minority shareholders when conducting transactions etc. with controlling shareholders

None

5. Other Special Items Exerting a Significant Impact on Corporate Governance

None

II. Organizational Structure for Managerial Decision-Making, Execution, Supervision and other Corporate Governance Structure

1. Organizational Structure and Operational Management

Type of Organization	Company with Audit & Supervisory Board

[Board of Directors]

Number of directors stipulated in Articles of Incorporation	No maximum limitation
Directors' term of office stipulated in Articles of Incorporation	1 year
Chairperson of the Board of Directors	Chairman of the Board (unless double as the President)
Number of directors **(Updated)**	11
Appointment of Outside Directors	Yes
Number of Outside Directors	4
Number of Outside Directors designated as Independent Director	3

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoriko Kawaguchi	From another company											
Kumi Fujisawa	From another company											
Kunihito Koumoto	Academic											
Didier Leroy	From another company					○		○				

* Categories for relationship with the Company

"○" when the said individual presently falls or has recently fallen under each of the following categories; "△"when the said individual fell under each of the following categories in the past.

"●"when a close relative of the said individual presently falls or has recently fallen under each of the following categories; "▲"when a close relative of the said individual fell under each of the following categories in the past.

a. Executive of a listed company or its subsidiary

b. Executive of non-executive director of the parent company of a listed company

c. Executive of a fellow subsidiary company of a listed company

d. The party whose principal client or supplier is a listed company or executive thereof

e. Principal client or supplier of a listed company or executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from a listed company besides compensation as an executive

g. Principal shareholder of a listed company (executive of the said corporate shareholder if the principal shareholder is a legal entity)

h. Executive of a client or supplier company of a listed company (which does not correspond to any of d, e, or f, above) (the said individual only)

i. Executive of a company, between which and the Company outside directors are mutually appointed (the said individual only)

j. Executive of a company or organization that receives a donation from a listed company (the said individual only)

k. Other

Relationship with the Company (2) (Updated)

Name	Independent director	Supplemental information on corresponding items	Reason for selecting as outside director (and reason for appointing as independent director)
Yoriko Kawaguchi	○	-	Ms. Yoriko Kawaguchi has held important

			offices, including Minister of the Environment, and Minister of Foreign Affairs, and also has experience as a managing director of Suntory Ltd. The Company has elected her as an outside director because she provides advice on the Company's management and performs oversight of business execution from an objective perspective based on expert knowledge concerning environmental problems and international politics and economics. As there is no special relationship between Ms. Kawaguchi and the Company, the Company has designated her as an independent officer.
Kumi Fujisawa	○	-	Ms. Kumi Fujisawa founded an investment trust rating company, where she served as representative director,

			and also participated in the establishment of SophiaBank Limited, where she currently serves as representative director. She has held numerous public offices, including at the Ministry of Economy, Trade and Industry and Financial Services Agency. The Company has elected her as an outside director because she provides advice on the Company's management and performs oversight of business execution from an objective perspective based on a wealth of experience and expert knowledge concerning investment, international finance, diversity, and other matters. As there is no special relationship between Ms. Fujisawa and the Company, the Company has designated her as an independent officer.

Kunihito Koumoto	○	-	Mr. Kunihito Koumoto is a prominent researcher who, after serving as Professor in the Graduate School of Engineering, Nagoya University, has held various posts, including fellow in the Toyota Physical and Chemical Research Institute. The Company has elected him as an outside director because it believes that he is capable of providing advice on the Company's management from a sophisticated academic perspective as the Company responds to advanced technological innovation in the future. As there is no special relationship between Mr. Koumoto and the Company, the Company has designated him as an independent officer.
Didier Leroy	-	Mr. Didier Leroy serves as Executive Vice President and	Mr. Didier Leroy held various posts at Toyota Motor Corporation,

		Director of Toyota Motor Corporation, a major shareholder and business partner of the Company. Although there are various business transactions between the Company and Toyota Motor Corporation, the Company decides price and other terms and conditions on the basis of individual negotiations, as in the case of ordinary transactions.	including CEO of the Europe Region and President of Business Unit Toyota No.1, and has served as an executive vice president and operating officer (president of Business Planning & Operation) since April 2017. The Company has elected him as an outside director because it believes that he is capable of providing advice on the Company's management and performing oversight of business execution from an objective perspective based on a wealth of experience in and global and expert knowledge of the automotive industry, which is currently in a period of major upheaval.

[Optional Committee]

Any optional committee equivalent to the Nomination Committee or Remuneration Committee	Yes

Establishment of optional advisory committees, committee composition, and attributes of the chairperson (Updated)

Optional committee equivalent to Nomination Committee

Committee			Executive Appointment Committee			
Committee Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Others	Chairperson
5	-	2	3	-	-	Internal Director

Optional committee equivalent to Remuneration Committee

Committee			Executive Compensation Committee			
Committee Members	Full-time Members	Internal Directors	Outside Directors	Outside Experts	Others	Chairperson
5	-	2	3	-	-	Internal Director

Supplemental Remarks (Updated)

The Company has established the Executive Appointment Committee and Executive Compensation Committee as discretionary advisory committees to the Board of Directors. President & CEO serves as chairperson for both of committees. Each committee consists of five members, three independent outside directors and two directors. With the view of improving the objectivity and increasing the transparency of the decision-making process of the Board of Directors, both of the committees are comprised of a majority of independent outside directors.

Executive Appointment Committee deliberates appointment or dismissal policy of directors, auditors and top management and executive personnel plan, establishes and operates CEO succession development plan, deliberates any other important matters related to executive personnel, and reports to the board of directors.

Executive Compensation Committee discusses executive compensation system, decision policy and important matters about executive compensation, deliberates executive compensation plan, and report to the board of directors.

<Composition of Executive Appointment Committee and Executive Compensation Committee> As of April 1, 2019

*Ichiro Kashitani (President & CEO, Chairperson of the committees)

*Jun Karube (Chairman of the Board)

* Yoriko Kawaguchi (Independent outside director)

* Kumi Fujisawa (Independent outside director) * Kunihito Koumoto (Independent outside director)

[Audit & Supervisory Board Members]

Audit & Supervisory Board	Yes
Number of Audit & Supervisory Board Members stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members	5

Status of Cooperation between Audit & Supervisory Board members, the Accounting Auditor, and the Corporate Internal Auditing Department (Updated)

The Audit Department conducts internal audits of the Company and Group companies in accordance with the audit policy and plan approved by the executive vice president in charge of the Audit Department in conformance with the Company's Internal Audit Regulations. The Audit Department holds monthly meetings with the Audit & Supervisory Board members, reports on audit results and exchanges views, and endeavors to improve audit quality and efficiency. In addition, Audit Department performs duties related to the evaluation of internal controls over financial reporting and holds meetings with the Audit & Supervisory Board members every month to exchange opinions. Statutory audits involving auditing of the performance of duties by directors focused on the status of internal controls, mainly compliance and the risk management system, are conducted in accordance with the audit policy and plan approved by the Audit & Supervisory Board, which consists of five Audit & Supervisory Board members elected at the General Meeting of Shareholders (two full-time and three part-time outside Audit & Supervisory Board members). Audits are also conducted of the appropriateness of the results of audits conducted by the independent auditors.

Appointment of Audit & Supervisory Board Members (Independent)	Yes
Number of Audit & Supervisory Board (Independent)	3
Number of Audit & Supervisory Board Members (Independent) designated as	2

independent officers	

Relationship with the Company (1) (Updated)

Name	Attribute	Relationship with the Company *											
		a	b	c	d	e	f	g	h	i	j	k	l	m
Shuhei Toyoda	From another company						○							
Yuichiro Kuwano	Attorney at Law													
Tsutomu Takahashi	Certified Public Accountant													

* Categories for relationship with the Company

"○" when the said individual presently falls or has recently fallen under each of the following categories; "△" when the said individual fell under each of the following categories in the past.

"●" when a close relative of the said individual presently falls or has recently fallen under each of the following categories; "▲" when a close relative of the said individual fell under each of the following categories in the past.

a. Executive of a listed company or its subsidiary

b. Non-executive directors or accounting advisors of the listed company or its subsidiaries

c. Executive or non-executive director of the parent company of a listed company

d. Parent company of Audit & Supervisory Board Members of listed company

e. Executive of a fellow subsidiary company of a listed company

f. The party whose principal client or supplier is a listed company or executive thereof

g. Principal client or supplier of a listed company or executive thereof

h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from a listed company besides compensation as an executive

i. Principal shareholder of a listed company (executive of the said corporate shareholder if the principal shareholder is a legal entity)

j. Executive of a client or supplier company of a listed company (which does not correspond to any of f, g, or h, above) (the said individual only)

k. Executive of a company, between which and the Company outside directors are mutually appointed (the said individual only)

l. Executive of a company or organization that receives a donation from a listed company (the said individual only)

m. Other

Relationship with the Company (2) (Updated)

Name	Independent	Supplemental	Reason for selecting

	Audit & Supervisory Board Member	information on corresponding items	as Audit & Supervisory Board Member
Shuhei Toyoda	-	Mr. Shuhei Toyoda serves as Chairman of Toyota Boshoku Corporation, a business partner of the Company. Although there are various business transactions between the Company and Toyota Boshoku Corporation, the Company decides price and other terms and conditions on the basis of individual negotiations, as in the case of ordinary transactions.	After holding positions including Director of Toyota Motor Corporation and President of Toyota Boshoku Corporation, Mr. Shuhei Toyoda has served as Chairman of Toyota Boshoku Corporation since June 2015. The Company has elected him as an outside Audit & Supervisory Board member because it believes that he is capable of appropriately auditing the execution of duties by the Company's directors from an objective perspective, since he has been involved in corporate management for many years as an executive and has a wealth of experience and considerable

			knowledge of all aspects of management.
Yuichiro Kuwano	○		Mr.Yuichiro Kuwano has been active as an attorney-at-law for many years. The Company has elected him as outside Audit & Supervisory Board member because it believes that he is capable of appropriately auditing the execution of duties by the Company's directors from a neutral and objective perspective based on a wealth of experience and expert knowledge of the legal field. As there is no special relationship between Mr. Kuwano and the Company, the Company has designated him as an independent officer.
Tsutomu Takahashi	○	-	Mr. Tsutomu Takahashi has worked as a certified public accountant for many years, holds

			important positions at KPMG Azusa LLC, and has a wealth of experience and considerable specialized knowledge concerning corporate accounting, corporate auditing, and compliance. The Company has elected him as an outside Audit & Supervisory Board member because it believes that he is capable of appropriately auditing the execution of duties of the Company's directors from a neutral and objective perspective. As there is no special relationship between Mr. Takahashi and the Company, the Company has designated him as an independent officer.

[Independent Directors and Audit & Supervisory Board Members]

Number of independent directors and Audit & Supervisory Board Members	5

Matters relating to independent directors and Audit & Supervisory Board Members (Updated)

Principal Concurrent Posts <Outside Director> ・Ms. Kumi Fujisawa: SophiaBank Limited (Representative Director), The Shizuoka Bank (Outside Director), CREEK & RIVER Co., Ltd. (Outside Director) <Outside Audit & Supervisory Board Members> ・Mr. Yuichiro Kuwano: Takagicho Law Office (Representative Lawyer), Shobunsha Publications, Inc. (Outside Director) ・Mr. Tsutomu Takahashi: SKY Perfect JSAT Holdings Inc. (Corporate Auditor)

[Incentives]

Incentives Policies for Directors	Introduced performance-linked compensation system

Supplemental Remarks on This Item

For details, please see “I.-1. Basic Policy [Disclosure based on each principle of the Corporate Governance Code] Principle 3-1 (iii)” of this report.

Recipients of Stock Options	None

Supplemental Remarks on This Item

[Remuneration of Directors]

Disclosure of remuneration of individual directors	The remuneration of some individual directors is disclosed

Supplemental Remarks on This Item (Updated)

Details of directors’ remuneration are disclosed in annual securities reports and made available for public inspection on the corporate website (https://www.toyota-tsusho.com/ir/). (Japanese version only) Details of directors’ remuneration for fiscal 2018 are as follows. Total amount of remuneration: JPY 753 million for 15 directors (of which, JPY 54 million for 5 outside directors)

Policy on Determining Remuneration Amounts and Calculation Methods	Yes

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

Please see I-1. Basic Policy [Disclosure based on each principle of the Corporate Governance Code] Principle 3.1(iii) of this report.

[Support System for Outside Directors and/or Outside Audit & Supervisory Board Members]

The Company distributes to the outside directors in advance materials on agenda items to be proposed to the Board of Directors and, in principle; the secretariat of the Board of Directors (Corporate Planning Department) explains the agenda items in advance. In addition, the Company has assigned a full-time staff to assist with the duties of the Audit & Supervisory Board members, including the outside Audit & Supervisory Board members.

[Status of Persons Who Have Retired as President and Representative Director, Chief Executive Officer, etc.]

Name of Consultants, Advisors, etc. who were Formerly President and Representative Director, Chief Executive Officer, etc.

Name	Title and Position	Description of Business	Form and Conditions of Employment (Full-time, Part-time, Paid or Unpaid, etc.)	Date of Retirement as President, etc.	Term of Office
-	-	-	-	-	-

Total Number of Consultants, Advisors, etc. Who Were Formerly President and Representative Director, Chief Executive Officer	None

Other Matters

The Company has an advisor program but currently does not have anyone serving as an advisor.
At a November 2017 Board of Directors meeting, the Company revised its advisor program by discontinuing the practice of automatically appointing all retired corporate officers as advisors. As a general rule, it now appoints retired corporate officers as

advisors for a one-year term only if the retired corporate officer is appointed to perform specific duties for the Company. However, said duties are limited to providing advice as a former senior executive or performing specific, individually delegated duties. Retired corporate officers are not involved in any management decision-making.

2. Matters on Functions of Business Execution, Auditing and Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) (Updated)

The Company has eleven directors, four of whom are outside directors. The Company has adopted the Audit & Supervisory Board system for auditing of directors' execution of duties, which is conducted by five Audit & Supervisory Board members elected at the General Meeting of Shareholders, three of whom are outside Audit & Supervisory Board members.

The Company manages its consolidated subsidiaries through a divisional system. It currently has seven operating divisions, an Administrative Division and other organizational units that report directly to executive vice presidents. Each operating division is headed by an executive officer appointed as a Division CEO. Division CEOs practice expeditious management in close contact with frontline personnel.

The Company has introduced an executive officer system and appoints executive officers to focus exclusively on management of its divisions while directors focus on company-wide management. This division of management responsibilities is intended to expedite decision-making and improve management efficiency.

3. Reasons for Adoption of Current Corporate Governance System

The system of a Company with an Audit & Supervisory Board is the foundation of the Company's corporate governance. The Company has adopted the current corporate governance system to ensure management soundness by means of the following.

・Strengthening of appropriate decision-making and management oversight, reflecting the expert and objective perspective of outside directors

・Strengthening of auditing and checking of the performance of duties by directors from an expert perspective and shareholders' perspective by outside Audit & Supervisory Board members

・Greater speed and efficiency in decision-making through an executive officer system

III. Implementation for Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Facilitate the Exercise of Voting Rights (Updated)

	Supplemental Remarks
Early Notification of General Meeting of Shareholders	The Company distributes convocation notices at an early date (three weeks before the Ordinary General Meeting of Shareholders).
Scheduling of the General Meeting of Shareholders Avoiding the Peak Day	The Company schedules the meeting before dates on which general shareholders' meetings of companies are concentrated.
Electronic Exercise of Voting Rights	The Company enables the exercise of voting rights via the Internet by personal computer, smartphone or mobile telephone using a system operated by the shareholder registry administrator.
Participation in Electronic Voting Platform	The Company ensures sufficient time for consideration by institutional investors using an electronic voting platform for institutional investors operated by ICJ Corporation.
Providing Convocation of Notice in English	The Company prepares summary English-language convocation notices and posts them on the corporate website.
Other	For the purpose of vitalizing the General Meeting of Shareholders and facilitating the exercise of voting rights, the Company posts the date of the General Meeting of Shareholders and convocation notice (including the business report) on the corporate website by the date of distribution of the convocation notice.

2. Investor Relation Activities (Updated)

	Supplemental Remarks	Presentation/Explanation by representative directors
Preparation and Publication of Disclosure	The Company has instituted a disclosure policy and the Disclosure Regulations and announced and declared on the corporate website that it will	

Policy	systematically engage in effective, consistent information disclosure.	
Regular Briefings for Individual Investors	The Company periodically participates in investor relations events for individual investors hosted or supported by securities exchanges, securities companies, newspaper publishers, and other external organizations and holds Company briefings conducted by Chief Financial Officer, the Finance Department manager or IR Group leader. The Company held a total of twenty-four briefings, mainly in Tokyo and the three major metropolitan areas, in fiscal 2018.	No
Regular Briefings for Analysts and Institutional Investors	The Company holds quarterly results briefings (with the Company representative providing explanations at the full-year and half-year results briefings). The Company held four briefings in fiscal 2018. Additionally, from time to time, the Company also holds business briefings or tours of its facilities to enable investors to better understand its operations in accord with their needs.	Yes
Regular Briefings for Overseas Investors	The Company participates in forums for foreign investors held in Japan and holds Company briefings conducted by the Finance Department manager, and the IR Group leader. The Company held two briefings in fiscal 2018. In addition, the Chief Financial Officer conducts overseas roadshows for Europe and Asia region. The Company held two	No

	briefings in fiscal 2018.	
Posting IR Materials on Website	The Company posts the following materials and information, among others, in the Investor Relations section of the corporate website (URL: https://www.toyota-tsusho.com/english/ir/) Medium- to long-term business strategy; financial and operating performance highlights; financial statements; various type of reports; integrated reports; briefing materials; shareholder, share, corporate bond, and ratings information; FAQ and answers.	
Establishment of Department and/or Manager in Charge of IR	・Department in charge of investor relations: Finance Department, IR Group ・Officer in charge of investor relations: Chief Financial Officer (CFO) ・Person responsible for investor relations clerical liaison: IR Group leader	
Other	・The Company receives opinions and suggestions on management and strategies and feeds them back into business management, through routine meetings between Japanese and foreign institutional investors and securities analysts and the department in charge of investor relations, and periodic small meetings between these stakeholders and the Company's top management. ・The Company annually publishes an Integrated Report in both Japanese and English to better communicate with and promote understanding among its stakeholders, particularly Japanese and foreign institutional and individual investors.	

3. Measures to Ensure Due Respect for Stakeholders (Updated)

	Supplemental Remarks
Implementation of environmental activities, CSR activities, etc.	Sustainability for the Company is defined as the Group's continuous growth with society, creating economic value while addressing environmental and social challenges, through the realization of our corporate philosophy which describes the significance of the Group's existence and its ideal image and which clarifies the intention of management initiatives. As for business activities of environmental and social issues, the Group expand the environmentally responsible business, including recycling and renewable energy. In addition, the Company progressively reorganized CSR Committee into Sustainability Management Committee, and the committee discusses, determines and promotes the Group's sustainability strategy. Details of its sustainable initiatives and activities are introduced in the integrated report published annually and corporate website.
Development of Policies on Information Provision to Stakeholders	The Company has instituted a disclosure policy and the Disclosure Regulations and systematically engages in effective, consistent information disclosure to achieve the following objectives. ・Build relationships of trust with stakeholders through proactive, effective information disclosure and fulfillment of accountability. ・Strive for timeliness and fairness in information disclosure and contribute to appropriate share price formation and formation of reputation in society that correctly reflect the Company's corporate value. ・Feed back to management the opinions of stakeholders and contribute to enhancement of corporate value through interactive communication with stakeholders.

IV. Matters Related to the Internal Control System

1. Basic Policy on Internal Control System and Implementation Status (Updated)

[Basic Policy]

In the Toyota Tsusho Group's Fundamental Philosophy, the Toyota Tsusho Group (the "Group") has set forth the corporate philosophy "Living and prospering together with

people, society, and the Earth, we aim to be a value-generating corporation that contributes to creation of a prosperous society." The Group has instituted the Behavioral Guidelines as a fundamental code of conduct for legally and appropriately realizing this philosophy as a good corporate citizen.
In keeping with this fundamental philosophy, the Company has instituted the Basic Policies on Establishing Internal Control Systems for the purpose of carrying on and deepening penetration of the Toyota Tsusho Group Way, which articulates the Group's unique values, beliefs, and daily principles of conduct, of promoting value creation from the customer's perspective, and of fulfilling the Group's social mission by establishing a "system for ensuring the appropriateness of the Company's operations."

[Implementation Status]
The Company has instituted the Basic Policy on Development of Internal Control Systems, clearly defined the duties of directors and developed a system capable of timely and appropriately confirming the status of development of systems that ensure the appropriateness of the Company's operations. The Company revises the basic policy in accordance with changes in the management environment. The status of implementation to date is as follows.

1. Compliance system
The Company has developed a "system for ensuring that the performance of duties of directors and employees complies with laws and regulations and the Articles of Incorporation," distributed standard and portable editions of the Global Code of Conduct & Ethics to all officers and employees, and established the Sustainability Management Committee chaired by the president. The Company promotes information sharing and mutual checks and balances among the officers through such forums as the Executive Officers Meeting.

2. Risk management system
The Company has developed "Regulations and other systems related to the management of risk of losses" and institutes management regulations, conducts training, and distributes manuals related to various risks. The Company has prepared management regulations or guidelines for risks pertaining to business execution that require particular caution, namely, business investment and loan risk, credit risk, market risk, and occupational health and safety, and environment risks, and appropriately identifies and manages these risks. The Company is developing appropriate

management systems at concerned departments to deal with information security, crisis management, and other issues. In addition, the ERM Committee endeavors to identify risks companywide and discover risk-related issues.

3. Information management system
The Company has developed a “system relating to the retention and management of information relating to the performance of duties by directors and employees,” instituted document regulations and document handling standards relating to document retention, and designated departments responsible for document retention and retention periods for each type of document.

4. System for ensuring the propriety of operations of the corporate group
In the Group, in accordance with policies on divisional consolidated management, a consolidated business plan including subsidiaries has been formulated, and the Board of Directors supervises the information ascertained and managed about the financial details and important matters of business execution in accordance with management policies aligned with the systems and other characteristics of each subsidiary. The Company clearly defines approval authority in subsidiaries in the regulations of each subsidiary, exercises shareholder rights at the General Meeting of Shareholders of each subsidiary while placing importance on the autonomy and independence of subsidiaries, and requires advance consultation or reporting on important matters pertaining to the Group. For risk management, in accordance with the Basic Policy for Risk Management, the Company engages in necessary examination and monitoring of business processes of subsidiaries and strives for early detection and prevention of risks. In addition, the Company and its group companies share the spirit of the Toyota Tsusho Group’s Fundamental Philosophy and the Global Code of Conduct & Ethics which provides more specific behavioral guidelines of the Group, and ensure compliance with laws, regulations, and social ethics.

2. Basic Policy on Excluding Antisocial Forces and Implementation Status (Updated)

The Company has stipulated in the Toyota Tsusho Code of Ethics that it “takes a firm stance toward antisocial forces and organizations that threaten the order and safety of civil society” in accordance with the Charter of Corporate Behavior established by the Japan Business Federation and adheres to a policy of firmly refusing demands from antisocial forces and organizations.

To accomplish this, the Company regularly cooperates with outside specialized agencies such as the National Center for Removal of Criminal Organizations and the Organized Crime Control Bureau of Police Headquarters and has developed a system for dealing with antisocial forces. The Company's Nagoya Head Office is a member of the Aichi Prefecture Corporate Defense Council, and receives guidance and shares information as a member.
In the event that an unreasonable demand is received from antisocial forces, the General Affairs Department, as the designated department responsible for responding, takes a resolute stance and responds in cooperation with the police and other relevant agencies and an attorney.

V. Other

1. Defense Against Takeovers

Defense Measures Against Takeovers	None

Supplemental Remarks on This Item

The Company has not introduced takeover defense measures at this time.

2. Other Matters Concerning Corporate Governance System

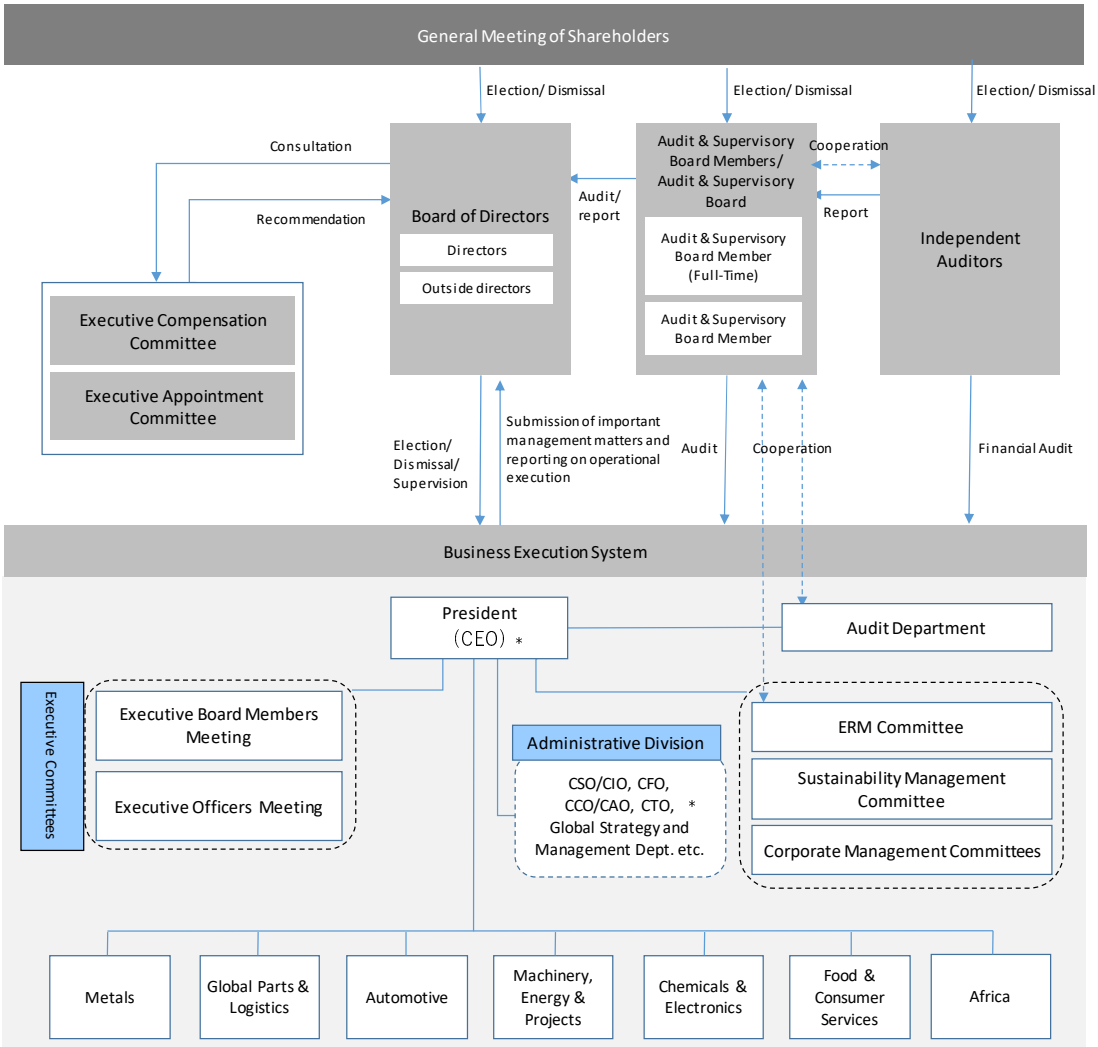
Overview of the Timely Disclosure System
The Company has instituted as Disclosure Regulations activities policies and mechanisms for all officers and employees to systematically engage in effective, consistent information disclosure to accomplish the following items.

1) Build relationships of trust with stakeholders through proactive, effective information disclosure and fulfillment of accountability.
2) Strive for timeliness and fairness in information disclosure and contribute to appropriate share price formation and formation of reputation in society that correctly reflect the Company's corporate value.
3) Feedback to management the opinions of stakeholders and contribute to enhancement of corporate value through interactive communication with stakeholders.

<Internal Systems Related to Management and Timely Disclosure of Company Information>

Under the Disclosure Regulations, all officers and employees promptly report to the Chief Strategy Officer and the department responsible for information disclosure (Public Affairs Department) about matters decided at committee meetings and important information occurring at the Company and its subsidiaries in accordance with the division of their duties. After receiving reports, the Chief Strategy Officer and department responsible for information disclosure rigorously implement internal information management, judge the necessity of timely disclosure of the information, and timely disclose information requiring disclosure.

[Corporate Governance Structure (As of April, 2019)] (Updated)



※ CEO : Chief Executive Officer CSO : Chief Strategy Officer CIO : Chief Information Officer CFO : Chief Financial Officer
CCO : Chief Compliance Officer CAO : Chief Administrative Officer CTO : Chief Technology Officer