Corporate Governance Report

<TRANSLATION>

December 13, 2024

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 DNA, 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]

The Company implements each principle of the Corporate Governance Code including for the Prime Market.

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

[Principle 1.3]

The Company's dividend policy is to pay progressive dividends and achieve a payout ratio of 30% or more for the fiscal years ending March 31, 2024 through March 31, 2026. In addition, the Company will consider agile payment based on the cash flow trends. 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 investment 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 consider profitability using self-devised cost-of-capital-based indicators and matters, such as establishing, maintaining, and strengthening business relationships with the partners concerned, contributing to and cooperating with regional and social development, and other factors. The results of the reviews of continued ownership and the number of shares held shall be reported during the Board of Directors meeting once a year. The Company will reduce its holdings of cross shares when it is found that there are no grounds to continue holding them.

In the fiscal year ended March 31, 2024, we reduced 59 issues (balance sheet amount in the fiscal year ended March 31, 2023: 39.3 billion yen in total), excluding nine issues that were partially sold, etc.

・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 the conflict of interest of directors and competitive transactions by directors. All transactions with non-director executive officers require both the approval of the President and reporting to the Board of Directors based on our Regulations of Board of Directors. Through such a requirement, the Company believes that these 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.

[Supplementary Principle 2-4-1]

(1) Our approach to securing diversity

The Group is convinced that its effort to respect, embrace, and actively utilize diversity

will lead to an increased superiority of the entire group. We aim to build a strong organization while promoting diversity・equity and inclusion (DE&I) as a management strategy, letting each of diverse employees exert his/her ample individuality as a strong individual, and having them influence each other and evolving together. Moreover, we continue to get personnel equipped with diverse individuality and experience to perform well as our core human resources such as managerial staff, by ensuring to select, develop, evaluate, and promote personnel according to each individual's skills regardless of his/her attributes. This approach is disclosed in our official website: Sustainability_Social_Promoting Diversity_Basic Policy
（https://www.toyota-tsusho.com/english/sustainability/social/diversity.html)

(2) Set measurable goals and disclose the execution status
Shown below are voluntary and measurable goals for securing diversity on a nonconsolidated basis, coupled with the execution status.
① Promote female employees to managerial positions
Currently (as of April 2024), female employees account for 32% of our entire staff. Proportion of females in managerial positions has risen from 5.4% five years ago to 8.4%. There has been an increase in female overseas-posted employees, line general managers and group leaders, and we have one female senior executive officer and one female executive officer. We will step up the effort to promote female empowerment while aiming to raise the female manager ratio to 10%
by April 2025.
② Promotion of non-Japanese employees to managerial positions
Currently (as of April 2024), 88 non-Japanese employees serve the Company, which is actively recruiting new graduates and mid-career workers who are non-Japanese. We will continue to assist and develop recruited non-Japanese employees so that they will perform well as our core human resources such as managerial personnel.
③ Strengthen recruited mid-career employees（※）
Mid-career employees now account for approximately 50% of workers recruited annually (as of April 2024). The Company, having been boosting its mid-career recruitment for new key domains constituting its entity-wide strategy, will continue hiring mid-career workers more or less to a similar extent and utilize their diverse experience.
※Excluding rehires and transfers from outside the company

(3) Human resources development policy and internal environment streamlining policy
To help expand opportunities for diverse employees to perform well, the Group

introduces a human resources system that assists work–life balance and work style reform and makes diverse career paths happen. We also foster an environment and corporate culture that lets diverse employees work lively while raising individual employees' awareness. To continue these efforts, we have in place a platform in which divisional CEOs set annual DE&I endeavor goals and report their progress and achievements at a meeting of officers and Board of Directors. In the coming years, to be able to generate a value unique to the Company and grow sustainably, we will develop the environment and human resources in a manner that enables diverse employees to maximally exert their characteristics and skills as strong individuals.

Work–life balance assistance and work style reform:
（https://www.toyota-tsusho.com/english/sustainability/social/working-env.html)
Human resources system and human resource development:
（https://www.toyota-tsusho.com/english/sustainability/social/hr-activity.html)
External evaluation: Earned Platinum Kurumin certification and Eruboshi (Certification Stage 2) certification
（https://www.toyota-tsusho.com/english/sustainability/social/diversity.html)

[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)]
・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 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 “bonus” to “restricted stock compensation” shall be determined at a ratio of 70:30. The 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 company) 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 officer compensation (bonuses for officers) 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.

・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.

The transfer restrictions on transfer-restricted stock compensation for a director are lifted on a day on which he/she resigns from the Company. Compensation to be provided to target directors to grant transfer-restricted shares to them will be monetary claim, the total value of which will be not more than 200 million yen a year as a limit separate from the aforementioned fixed remunerations and bonuses for directors. The class of stock to be allocated will be common shares (those for which transfer restriction is imposed in an allocation agreement). The total number of shares to be issued or

disposed of will be not more than 200,000 shares a year for target directors (as resolved by the Ordinary General Meeting of Shareholders of June 23, 2020). Specific timing of provision and allocation to individual target directors will be determined by the Board of Directors on the basis of deliberations by the Executive Compensation Committee.

・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 excluding the Chairman of the Board, 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 directors 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 3-1-3]
We identified Key Sustainability Issues [Six Materiality] that it will address with priority.
1.Strive for the elimination of traffic casualties and contribute to the creation of a safe and comfortable mobility society
2.Contribute to the transition to a carbon neutral society by reducing CO_2 emissions from automotive, manufacturing, and energy plant construction through the use of clean energy and innovative technologies.
3.Contribute to the development of a recycling-based society by transforming waste into resources for manufacturing.
4.Grow with developing countries, including those in Africa, and endeavor to resolve social issues through business operations.
5.Begin everything we do with ensuring safety and compliance and continue to be an organization trusted by society.
6.Respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills.

With the mission of “Passing on a better global environment to the children of the future" We have established six priority Businesses(Next mobility , Renewable energy, Africa, Circular Economy, Batteries, Hydrogen/Alternative Fuels) and Economy of Life Business as a plus extra business in line with the above-mentioned materiality in order to realize a prosperous society through our business.
Deeming climate change as a significant business challenge, we expressed support for TCFD in May 2019, have been providing disclosure in accordance with the framework, and will step up the endeavors further.

In July 2021, as a specific policy to contribute to a shift to a decarbonized society, the Toyota Tsusho Group established a goal of i) reducing greenhouse gas emissions from its business activities in Scope 1 and Scope 2 of the nonconsolidated operations and consolidated subsidiaries in and outside Japan by 50% by 2030 in comparison with that in 2019 and ii) achieving carbon neutrality by 2050. The Group aims to achieve the goal by working to i) continue thorough energy-saving efforts and use of renewable energy sources (shift to LED at office and plants, and solar power generator installation at its

buildings), ii) reduce carbon dioxide emissions in production processes and logistics, iii) lower such emissions via technological innovation, and iv) use J-credit derived from renewable energy sources.

As one of our key sustainability issues toward achieving our vision (Global Vision), we expressed an intent to respect human rights, and actively develop people who will contribute to society by nurturing them and giving them opportunities to apply their skills, and are working to grow professionals able to perform well globally. Each year, the Global Human Resources Committee deliberates on a task assignment-based short-to-medium-term development plan particularly for successor candidates for highly important posts under our business strategy. Moreover, we provide them with opportunities to grow through internal and external training courses.
Reference URL for our official website
(https://www.toyota-tsusho.com/english/sustainability/social/hr-activity.html)

[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 narrow down the items to be reported.

[Supplementary Principle 4-2-2]
The Toyota Tsusho Group's corporate philosophy of "living and prospering together with people, society, and the globe, we aim to be a value-generating corporation that contributes to creation of a prosperous society" is deemed to be a paramount concept that will remain unchanged perpetually and must be handed down generation after generation. Thus, we have been raising our corporate value though engaging in business activities in ways friendly to the global environment and developing professionals who contribute to society.

While putting into practice our corporate philosophy that expresses our resolve to work on management, sustainability for the Group is its business management itself and is defined as an act to present its significance of existence and its desirable state, generate economic value, premised on the environment and society, and to keep growing together with society in a sustained manner.

The Toyota Tsusho Group has specified key sustainability issues (materiality) as ones to be addressed in a prioritized fashion while pursuing sustainability management. We, the Toyota Tsusho Group, will contribute to resolving social issues and creating a prosperous society in the future.

[Principle 4-9]
The Company has determined the independence of Outside Members of the Board and Outside Audit & Supervisory Board Members based on their backgrounds and relationships with the Company, with reference to the independence rules stipulated by domestic stock exchanges, on the premise that they can reflect their 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 terms from a fair and neutral position.

[Supplementary Principle 4-10-1]
The Company has in place of the Executive Appointment Committee and the Executive Compensation Committee as advisory bodies to the Board of Directors. The Executive Appointment Committee deliberates on the policy on the election and dismissal of the Members of the Board, Audit & Supervisory Board Members, and management executives and on proposed appointments, formulates and executes a plan to develop potential CEO successors, and deliberates on other important matters associated with executive appointment. The Executive Compensation Committee deliberates on the policy for determining the details of compensation for each individual director of the Company, the compensation system for directors, proposals on the compensation for directors to be submitted to the General Meeting of Shareholders, and other important matters related to the compensation for directors and corporate officers. On the basis of the deliberation results, the Board of Directors resolves the proposed executive appointments and executive compensations. The Executive Appointment Committee and the Executive Compensation Committee are each chaired by the Chairman of the

Board who neither has representation right nor is involved in our business execution. These committees' independence is secured as the majority of the committee members are accounted for by independent outside directors equipped with diverse experience. The committees provide the Board of Directors with appropriate advice on gender and other diversity issues as well as from a skill perspective, thereby reinforcing the independence, objectivity, and accountability of the Board.

[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 eight directors, including three independent outside directors.
The Company has appointed one person who has appropriate knowledge of finance and accounting as Audit & Supervisory Board members. The Audit & Supervisory Board currently consists of five members, including three independent outside auditors, who audit and check officers' business execution from an objective and professional perspective.
Please refer to the end of this report for the combination of abilities and experiences possessed by the directors and auditors of the Company.
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 FY2023 is below.

<<Outline of Evaluation>>

<Individuals Surveyed>

All 8 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 Company conducted a director effectiveness evaluation targeting Members of the Board and Audit & Supervisory Board Members for fiscal 2023.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 as regards addressing issues identified in the evaluation for the fiscal year ended March 31, 2023 through initiatives, such as the review of the criteria for the amount to be submitted to the Board of Directors and raised the criteria in line with the expansion of the Company's business, report on the progress of matters pointed out in the report from the Audit & Supervisory Board at the respective Board of Directors' meetings, and dialogue meeting with the Sales Division used as a forum for consultation to address problematic businesses and topics that are difficult to bring to the forefront in each division. The long-term vision and business model are also explained with respect to the competitive landscape. The Board of Directors' meetings are held outside of the Company for site inspections, and planned on-site inspections at key locations are proposed. The Company will continue to make progress on these issues.

Meanwhile, in response to issues identified by the evaluation for the fiscal year ended March 31, 2023, the Company will endeavor to further increase the Board of Directors' effectiveness by (1) continuing and expanding discussions on themes important to the Company's management in "Management Discussions on Big Themes" (*), (2) expanding reports on human capital management and other topics at the Board of Directors' meetings, (3) reporting on the direction to be taken under the new organizational structure and other topics at the dialogue meetings between the Sales Division and the Outside Members of the Board, and (4) including investor opinions obtained through IR activities, consequently enhancing information sharing on IR

activities.

*A meeting after the Board of Directors' meeting, during which the Members of the Board and the Audit & Supervisory Board Members freely and openly exchange opinions on major management issues.

[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

[Supplementary Principle 5-2-1]
In formulating the business portfolio, the Board of Directors monitors the Progress Report for Execution of Operation of each sales division, and after the Board of Directors, Business Policy Briefing Session between outside director and auditor and each sales division and Management Discussions on Big Themes are held. Moreover, we hold Mid-Term Business Plan Meeting every March to discuss Toyota Tsusho Group-wide annual plans and medium-term management plans. After sharing detail of the plans with outside director and auditor, the Board of Directors of the same month resolved policies and strategies regarding the business portfolio. Based on the content of the resolution, the basic policy is disclosed to the outside by investor relations activities.

【Actions to achieve cost of capital and stock price conscious management】【Last Update: July 25, 2024】
We use Toyotsu Value Achievement (TVA), an indicator that measures the value added beyond the expected rate of return (cost rate of invested capital) required for invested capital (funds used), for monitoring the performance of divisions and business units and as a quantitative evaluation indicator for investments.
The cost rate of invested capital, which is the weighted average of the cost of shareholders' equity and debt, is designed to be based on the return on equity (ROE) target. Thus, a positive or better TVA through improved asset efficiency and profit growth will lead to the achievement of the ROE target. In addition, we set our point of view in accordance with our global business operations by making adjustments

according to country risk.
We aim to steadily increase our corporate value by seeking improvements through investment and performance monitoring in divisions and business units where indicators comprising TVA have deteriorated, and by discussing measures to return TVA to profitability or improve it in discussions on new investments.
Website: Investment Cycle Management
https://www.toyota-tsusho.com/english/sustainability/governance/riskmanagement.html

<TVA Analysis, “Examples of On-site Capital Cost Conscious Initiatives”>
Please refer to the end of this report.

【Status of Dialogues with Shareholders, etc.】
We actively engage in dialogue with our shareholders and investors to contribute to our sustainable growth and medium- to long-term enhancement of corporate value.
For details, please refer to “III Implementation for Measures for Shareholders and Other Stakeholders.”
(i) Main respondents
ESG briefings and small meetings: President, CFO, and CSO
Results briefings and individual dialogue: CFO, Assistant to CFO, and dedicated IR department
(ii) Summary of shareholders and investors with whom we had dialogues with
Conducted 283 dialogues with domestic and foreign institutional investors
(iii) Main themes and concerns in the dialogues
Growth and financial strategies, shareholder return, cost of capital conscious management, etc.
(iv) Status of feedback to management and the Board of Directors on shareholder opinions and concerns identified in the dialogue
The status of the dialogues at the results and ESG briefings is summarized.
Feedback is provided through reports to the Board of Directors.
(v) Matters incorporated based on dialogue and subsequent feedback, etc.
Update shareholder return policy

2. Capital Structure

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

[Principal Shareholders]

Name	Number of Shares Held	Percentage(%)
Toyota Motor Corporation	76,368,939	21.69
The Master Trust Bank of Japan, Ltd. (trust account)	49,122,300	13.95
Toyota Industries Corporation	39,365,134	11.18
Custody Bank of Japan, Ltd. (Trust Account)	19,800,953	5.62
MUFG Bank, Ltd.	8,098,635	2.30
Sumitomo Mitsui Banking Corporation	4,249,589	1.21
STATE STREET BANK WEST CLIENT TREATY 505234	4,193,059	1.19
Nippon Life Insurance Company	3,522,468	1.00
Kochi Shinkin Bank	3,265,000	0.93
TOYOTA FUDOSAN CO., LTD	3,205,950	0.91

Controlling shareholders (except parent company)	None

Parent company	None
Stock exchange listings of parent company	None

Supplemental Remarks

Note: 1. The major shareholders as abovementioned are as of March 31, 2024.
Note: 2. The percentage of shareholding is computed excluding 1,967,115 shares of treasury stock.
Note: 3. A large shareholding report dated January 15, 2024 was submitted by Mitsubishi UFJ Financial Group stating that 18,089,890 shares (shareholding ratio: 5.11%) were held by three joint holders, including Mitsubishi UFJ Bank, Ltd., as of January 8, 2024. However, we are unable to confirm the status of the actual shareholdings as of March 31, 2024. Therefore, it is not included in the above list of major shareholders.

3. Corporate Attributes

Stock exchange listings	Tokyo Stock Exchange (Prime Market), Nagoya Stock Exchange (Premier Market)
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

(Updated)

<Listed Subsidiaries and Affiliated Companies>

1. Our policy on group management and significance of owning listed subsidiaries

The Company owns Tomen Devices Corporation (Prime Market of the Tokyo Stock Exchange) and Elematec Corporation (Prime Market of the Tokyo Stock Exchange) as listed subsidiaries. As stated in the "Announcement of Tender Offer Results for Shares of Elematec Corporation (Securities Code: 2715)" dated December 12, the tender offer for the common stock of Elematec Corporation has been successfully completed, and after undergoing the prescribed procedures, Elematec Corporation is scheduled to be delisted.

Our corporate philosophy says that living and prospering together with people, society, and the globe, we aim to be a value-generating corporation that contributes to creation of a prosperous society. Toward maximizing the corporate value of the entire Company group under this corporate philosophy, we think that it is highly significant to own Tomen Devices Corporation, which is strong in marketing function as a world-class distributor for semiconductor manufacturers, and Elematec Corporation, which is strong in site skills catering for diverse customer needs due to having networks in countries around the world and in locations in Japan. In our view, to keep Tomen Devices Corporation listed to respect its autonomy and independence will contribute to synergy within the Company group to expand our operations, considering competition and market conditions in the business domains for Tomen Devices Corporation.

2. Governance system and effectiveness securement at listed subsidiaries

To ensure that the Company group's operations are efficient and transparent to make its governance system effective, the Company works to ensure compliance and put its financial position on a sound footing under its Audit & Supervisory Board system and divisional consolidated business administration while endeavoring to optimize our consolidated operations, such as by sharing our corporate philosophy and business strategies. We strive to ensure that the duty execution by listed subsidiary directors, etc. is compliant with laws and the Articles of Incorporation by dispatching directors and the Audit & Supervisory Board members to Tomen Devices Corporation and Elematec Corporation to have them supervise and audit such execution.

Aside from having the rules of Tomen Devices Corporation and Elematec Corporation clarify approval authority at them, the Company attaches importance to their autonomy and independence. With six independent officers elected by Tomen Devices Corporation and five independent officers elected by Elematec Corporation, they ensure autonomy and independence of the Board of Directors to prevent any conflict of interest with minority shareholders by having independent officers audit and supervise duty execution by the directors. Furthermore, both Tomen Devices Corporation and Elematec Corporation have established special committees as advisory bodies to the Board of Directors to protect minority shareholders.

3. Framework to ensure the appropriateness of operation at the Company group

The Company exercises its shareholder rights at a general meeting of shareholders of listed subsidiaries and affiliated companies while ensuring to clarify approval authority at the subsidiaries and the companies, with rules laid down by them, and to attach importance to their autonomy and independence.

Although various business transactions are entered into between the Company and its listed subsidiaries and affiliated companies, prices and other transaction terms and conditions are determined similar to those for ordinary transactions through individual negotiations. The relationship and transactions between them have nothing that limits their independence.

<Other Affiliated Companies>

Toyota Motor Corporation, a major shareholder of the Company which holds 21.8% of voting rights, falls under the category of "other affiliated companies."

The Company is a member of the Toyota Group, which consists of Toyota Motor Corporation and its corporate group, but is not restricted in its business by this fact. The Company has transactions with Toyota Motor Corporation, including the sale of products handled by the Company and the purchase of products from Toyota Motor Corporation. Prices and other transaction terms are determined in the same manner as general transactions through individual negotiations, and the Company endeavors to ensure that transactions with Toyota Motor Corporation do not harm the common interests of the Company and its shareholders.

In addition, the Company's approval authority is clearly defined in its internal rules, and there is no involvement of major shareholders in the Company's decision-making process. Furthermore, the Company has appointed three independent outside directors and three independent outside Audit & Supervisory Board members to ensure that there are no conflicts of interest with minority shareholders through the supervision and auditing of the directors' performance of their duties by independent officers. The Company also ensures independence in the appointment of directors and executive officers through deliberations by the Executive Appointment Committee, in which the majority of members are independent outside directors.

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	8
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
Didier Leroy	From another company					△		△				
Yukari Inoue	From another company											
Chieko Matsuda	From another company											
Goro Yamaguchi	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)

Name	Independent director	Supplemental information on corresponding items	Reason for selecting as outside director (and reason for appointing as independent director)
Didier Leroy	-	Over a period of 5 years from June 2015 to June 2020, Mr. Didier Leroy served as the Director of Toyota Motor Corporation, a major shareholder and business partner of the Company. Presently, he serves as the Chairman of Toyota Motor Europe NV/SA, a consolidated subsidiary of Toyota Motor Corporation. Although various business transactions are done between the Company and Toyota Motor Corporation and/or Toyota Motor Europe NV/SA, the Company decides on	Mr. Didier Leroy served as the Director of Toyota Motor Corporation and its affiliated companies. He has a wealth of management experience as a corporate executive and a high level of expertise in global companies, especially the automotive industry. The Company has re-nominated Mr. Leroy as a candidate for outside director because it believes that he is capable of providing advice on the overall business and management of the Company and supervising

		prices and other transaction terms and conditions through individual negotiations as in the case of ordinary transactions.	the execution of duties by directors.
Yukari Inoue	○	-	Ms. Yukari Inoue holds abundant management experience at global companies, including being Managing Director of Kellogg Japan G.K. She has a wealth of experience as a corporate executive and an advanced expertise in a global company in consumer business. The Company has re-nominated Ms. Inoue as a candidate for outside director because it believes that she is capable of providing advice on the overall business and management of the Company and supervising the execution of duties by directors. Ms. Inoue does not have a conflict with the independence standards of the domestic stock exchange. In addition, Ms. Inoue has been designated as an independent officer because there is no conflict of interest with general

			shareholders, and there is no business relationship or other special interests between the Company and Ms. Inoue or Kellogg Japan G.K., for which Ms. Inoue serves as the Managing Director, and the Company.
Chieko Matsuda	○	-	Ms. Chieko Matsuda has experience at a bank and credit rating agency and in the field of research and as an outside director of an operating company. She has a wealth of experience and a high degree of expertise, particularly in the areas of corporate management, finance, and corporate governance. The Company has re-nominated Ms. Matsuda as a candidate for outside director because it believes that she is capable of providing advice on the overall business and management of the Company and supervising the execution of duties by directors. Ms. Matsuda does not have a conflict with the independence standards of the domestic stock exchange. In

			addition, Ms. Matsuda has been designated as an independent officer because there is no conflict of interest with general shareholders, and there is no special interest between the Company and Ms. Matsuda.
Goro Yamaguchi	○	Mr. Goro Yamaguchi is the Chairman and Representative Director of Kyocera Corporation, a business partner of the Company. Although Kyocera Corporation and the Company have transactions in automotive components and other products, the annual transaction amount is less than 1% of the annual sales of both the Company and Kyocera Corporation, and the Company believes that there is no conflict of interest with general shareholders.	Mr. Goro Yamaguchi has served as the Representative Director, President, and Chairman of Kyocera Corporation, a major electronic component and equipment manufacturer, and has a wealth of experience as a corporate executive and a high level of expertise globally, particularly in the field of electronics. The Company has newly nominated Mr. Goro Yamaguchi as a candidate for outside director because it believes that he is capable of providing advice on the overall business and management of the Company and supervising the execution of duties by directors. Mr. Goro Yamaguchi does not have any conflict with the independence

			standards of the domestic stock exchange. Although the Company has transactions with Kyocera Corporation, where Mr. Yamaguchi serves as Chairman and Representative Director, for the purchase of automotive components, etc., the amount of these transactions is less than 1% of the annual sales of both the Company and Kyocera Corporation. Since there is no conflict of interest with general shareholders, the Company has designated him as an independent officer.

[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

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

As described in Principle 4-10-1, both committees are composed of three independent outside directors and two internal directors (one of whom is the chairman). It is mandatory to hold each event once a year, and important matters are held and deliberated as needed.

<Composition of Executive Appointment Committee and Executive Compensation Committee> As of June 21, 2024

*Nobuhiko Murakami (Chairman of the Board, Chairperson of the committees)
*Ichiro Kashitani (President & CEO)
* Yukari Inoue (Independent outside director)
* Chieko Matsuda (Independent outside director)
* Goro Yamaguchi (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

[Status of Internal Audits and Audits by the Audit & Supervisory Board members]
The Audit Department conducts internal audits of the Company and Group companies in accordance with the audit policy and plan approved by the officer 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 the audit plan and results, exchanges views, and endeavors to improve audit quality and efficiency. In addition, the Audit Department evaluates the effectiveness of internal controls over financial reporting.
Statutory audits involving the auditing of the performance of duties by directors 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 as for the appropriateness of the results of audits conducted by the independent auditors are also conducted. Furthermore, the Audit & Supervisory Board members exchange information and opinions with the Internal Audit Department and accounting auditors to enhance audits, as needed.

[Status of Accounting Audit]
For accounting audits, the Company has appointed PricewaterhouseCoopers Japan LLC. In addition to regular accounting audits, PricewaterhouseCoopers Japan LLC provides the Company with advice on management and organizational issues to the extent that the auditor's independence is not compromised.

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

Relationship with the Company (1)

Name	Attribute	Relationship with the Company *											
		a	b	c	d	e	f	g	h	i	j	k	l	m
Tsutomu Takahashi	Certified Public Accountant													
Seishi Tanoue	From another company													
Rikako Beppu	Attorney at Law													

* 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)

Name	Independent Audit & Supervisory Board Member	Supplemental information on corresponding items	Reason for selecting as Audit & Supervisory Board Member
Tsutomu Takahashi	○	-	Mr. Tsutomu Takahashi has served for many years as a certified public accountant, handling key positions at KPMG AZSA LLC. He has a wealth of experience and advanced expertise in corporate accounting, corporate audit, and

			compliance. The Company has re-nominated Mr. Takahashi as a candidate for outside Audit & Supervisory Board member because he has been appropriately auditing the execution of duties by the directors of the Company from an independent and neutral standpoint as an outside Audit & Supervisory Board member. Mr. Takahashi does not have a conflict with the independence standards of the domestic stock exchange. In addition, Mr. Takahashi has been designated as an independent officer because there is no conflict of interest with general shareholders, and there is no business relationship or other special interests between the Company and Mr. Takahashi.
Seishi Tanoue	○	-	Mr. Seishi Tanoue served as the President of the local subsidiary in the US, Manager of the Management Audit Office and Audit & Supervisory Board member at Toppan Printing Co., Ltd. (Current

			TOPPAN Holdings Inc.). He has a wealth of experience and a high level of knowledge in global corporate management and auditing. The Company has re-nominated Mr. Tanoue as a candidate for outside Audit & Supervisory Board member because it believes that he is capable of appropriately auditing the execution of duties by directors of the Company as an outside Audit & Supervisory Board member from an independent and neutral standpoint. Mr. Tanoue does not have any conflict with the independence standards of the domestic stock exchange. In addition, Mr. Tanoue has been designated as an independent officer because there is no conflict of interest with general shareholders, and there is no business relationship or other special interests between the Company and Mr. Tanoue.
Rikako Beppu	○	-	Ms. Rikako Beppu has been engaged as a lawyer

			for many years in Japan and abroad and has a wealth of experience and a high level of expertise, especially in the areas of international commercial transactions and M&A. The Company has newly nominated Ms. Beppu as a candidate for outside Audit & Supervisory Board member because it believes that she is capable of appropriately auditing the execution of duties by directors of the Company as an outside Audit & Supervisory Board member from an independent and neutral standpoint. Ms. Beppu has not been involved in corporate management in any way other than being an outside officer, but for the reasons stated above, we believe that she will be able to appropriately perform her duties as an outside Audit & Supervisory Board member. Ms. Beppu does not have any conflict with the independence standards of the domestic exchange. In

			addition, Ms. Beppu has been designated as an independent officer because there is no conflict of interest with general shareholders, and there is no business relationship or other special interest between the Company and Ms. Beppu.

[Independent Directors and Audit & Supervisory Board Members]

Number of independent directors and Audit & Supervisory Board Members	6

Matters relating to independent directors and Audit & Supervisory Board Members

Principal Concurrent Posts

<Outside Director>

・Ms. Yukari Inoue: Kellogg Japan G.K (Managing Director)

・Ms. Chieko Matsuda: Faculty of Economics and Business Administration,
Tokyo Metropolitan University (Professor)
Graduate School of Management,
Tokyo Metropolitan University (Professor)
IHI Corporation (Outside Director)
Asahi Kasei Corp. (Outside Director)
Isetan Mitsukoshi Holdings Ltd. (Outside Director)

・Mr. Goro Yamaguchi: KYOCERA Corporation (Chairman of the Board and Representative Director)
KDDI CORPORATION (Outside Director)

<Outside Audit & Supervisory Board Members>

・Mr. Tsutomu Takahashi: SKY Perfect JSAT Holdings Inc. (Outside Corporate Auditor)
Mizuho Trust & Banking Co., Ltd.
(Outside Director [Audit & Supervisory Committee Member])

・Mr. Rikako Beppu: Squire Patton Boggs (Partner)
Mitsubishi Materials Corporation (Outside Director)

[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

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 2023 are as follows.

Total amount of remuneration: JPY530 million for 9 directors (of which, JPY 57 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) and related departments explains directly 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
Jun Kaurbe	Senior Executive Advisor	Engaged in external activities such as business activities	Full-time, There is a reward	March 31, 2018	From July 1, 2024 to June 30, 2025 (1 year)

Total Number of Consultants, Advisors, etc. Who Were Formerly President and Representative Director, Chief Executive Officer	1

<Other matters>

The Company reviewed the advisor / advisor system at the Board of Directors meeting in November 2017, and has abolished the operation of automatically commissioning all retired officers.

・ Senior executive advisors are commissioned for a term of one year in principle only when it is necessary to assign duties for the company. Its business content is limited to specific business commissioned individually and does not participate 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)

The Company has eight 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 eight operating divisions, and Administrative Division. 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.

To further segregate duty execution by the entity-level management (directors) and that by divisions (executive officers), the Board of Directors chaired by a non-executive director strengthens a function to supervise the status of duty execution while continuing to clarify authority and responsibility and bolster internal control.

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

	Supplemental Remarks
Early Notification of General Meeting of Shareholders	The Company distributes convocation notices of the general meeting of shareholders early (three weeks before holding 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 and smartphone 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.

2. Investor Relation Activities

	Supplemental Remarks	Presentation/Explanation by representative directors
Preparation and Publication of Disclosure Policy	The Company has instituted a disclosure policy and the Disclosure Regulations and announced and declared on the corporate website that it will systematically engage in effective, consistent information disclosure.	—
Regular Briefings for	The Company periodically participates in investor relations events for individual	No

Individual Investors	investors hosted or supported by securities exchanges, securities companies, newspaper publishers, and other external organizations and holds Company briefings conducted by Chief Financial Officer, Assistant to Chief Financial Officer the Finance Department manager or IR Group leader. During fiscal 2023, we are implementing various measures to continuously secure contact with individual investors, such as online briefing sessions using SNS two times in total and participated in IR Expo hosted by Nagoya Stock Exchange.	
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). During fiscal 2023, the Company held a total of four briefings. Furthermore, according to the needs of investors, the Company hold individual meetings, business briefings and facility tours at any time.	Yes
Regular Briefings for Overseas Investors	For online /face-to-face conferences and individual meetings held in Japan for overseas investors, the Chief Financial Officer, Assistant to Chief Financial Officer, Finance Department Manager or IR Office Manager provides company explanations. During fiscal 2023, the Company worked to have dialogue opportunities by continually organizing one-on-one meetings in the form of telephone	Yes

	conference, participate in online/face-to-face conferences or Zoom session with a focus on investors based in Europe, Asia, and the Middle East.	
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) and Assistant to Chief Financial Officer ・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

	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 the business activities of environmental and social issues, the Group is involved in a number of environmentally friendly businesses, including a circulating economy business and a renewable energy and energy management business. In addition, the Company organized 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

[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 DNA, 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 developed a "system for ensuring that the performance of duties of directors and employees complies with laws and regulations and the Articles of Incorporation," made the Global Code of Conduct & Ethics thoroughly known 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 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. Accordingly, the Company exercises its shareholder rights at a general meeting of shareholders of listed subsidiaries of it while making sure to clarify approval authority at the subsidiaries with rules laid down by them and to attach importance to their autonomy and independence. Moreover, regarding important matters for the Group, the Company requires the responsible department to have prior consultations or reporting. 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

The Toyota Tsusho Group Compliance Manual based on the Global Code of Conduct & Ethics (COCE) stipulates that the group takes a firm stance toward antisocial forces and organizations that threaten the order and safety of civil society and the Company firmly has a policy of rejecting any demand 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.

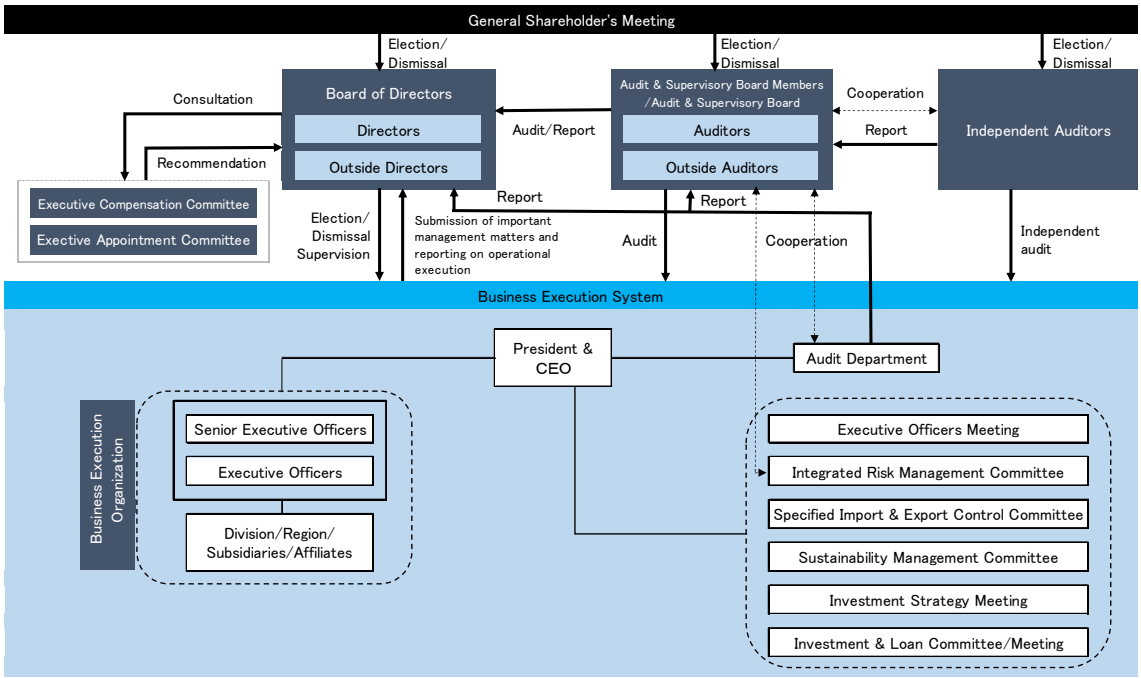
1) Build relationships of trust with stakeholders through proactive, effective information disclosure and fulfillment of accountability.
2) Strive for timeliness and fairness in information disclosure and contribute to appropriate share price formation and formation of reputation in society that correctly 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

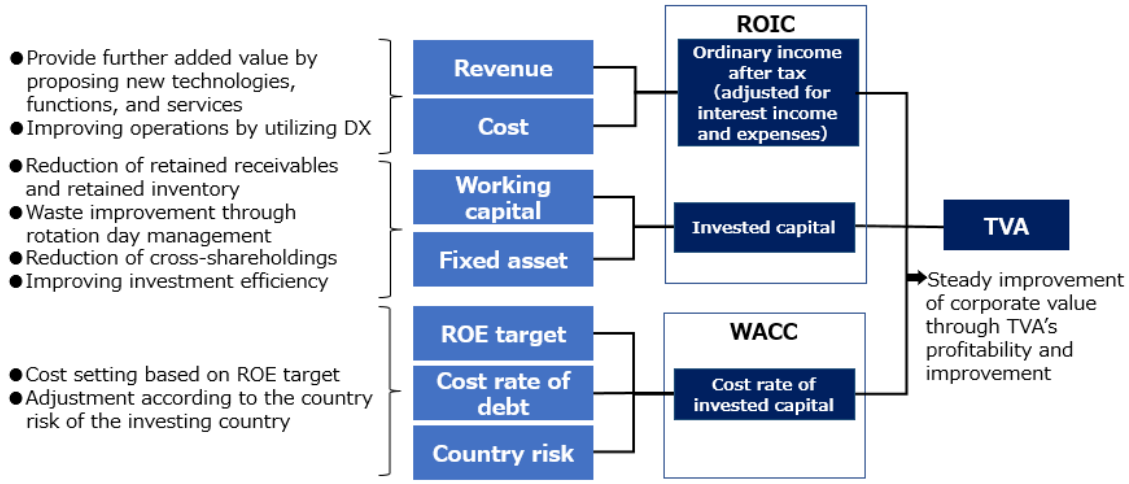
Information>

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 June, 2024)]



◆TVA Analysis, “Examples of On-site Capital Cost Conscious Initiatives”

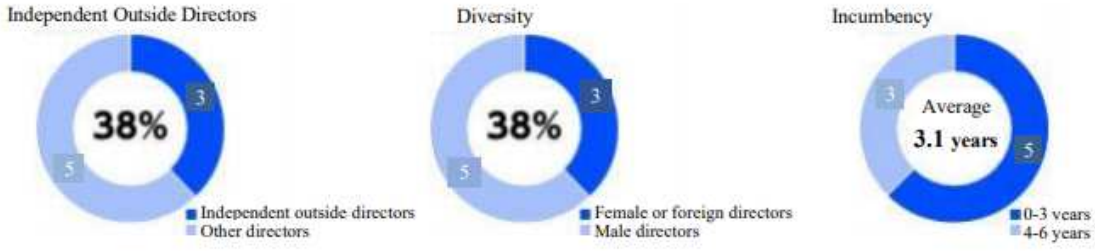


◆Supplemental Explanation of Supplementary Principle 4-11-1

Skill matrix of the Board of Directors

The Company is dedicated to the vision of “Be the Right ONE” for the purpose of advancing to a new stage based on a vision for the future. The aims are the creation of distinctive forms of value that contribute to society and protecting the environment and the establishment of business domains linked to the unique strengths of Toyota Tsusho. To accomplish these goals, the Board of Directors has established a skill matrix covering the expertise required of directors and members of the Audit & Supervisory Board in order to enable the Board of Directors to properly make decisions and supervise management.

Required skills	Reasons for the selection of these skills
Corporate Management	Experience involving corporate management is required in order to make proper management decisions for the consistent growth of corporate value as the business climate changes rapidly.
Global	The Toyota Tsusho Group operates in more than 130 countries and regions. Consequently, extensive knowledge and experience involving job postings in other countries and life styles, culture, business climates and other aspects of other countries are required.
Sales/ Marketing	The Toyota Tsusho Group must accurately identify and meet a broad range of customer needs as a trading company handling many types of products. This requires sales and marketing expertise along with a thorough understanding of numerous markets.
Finance/ Accounting	Knowledge and experience involving finance and accounting are required in order to make strategic investments for sustained growth and other goals while using capital more efficiently and preserving financial soundness.
Legal/Risk management	Expertise and experience involving legal affairs and risk management are required for the purposes of maintaining corporate governance for sustained growth and the long-term growth of corporate value and of establishing a risk management framework for supporting business operations, including activities in emerging countries in Africa and other regions.
Technology・ Degital	Knowledge and experience involving new technologies and services, including information technology and the digital transformation, are required in order to benefit from advances in technologies, especially in the field of mobility
ESG	Sustainability is an integral component of management at the Toyota Tsusho Group. Knowledge and experience are required concerning ESG issues and for achieving the sustained growth of corporate value from a long-term perspective.



The capabilities and experience of the directors and Audit & Supervisory Board members of the Company are as below.

In addition to their expertise and wealth of experience, the Board of Directors comprises a diverse group of members in terms of gender, nationality, and so on, and the Company has a structure that can flexibly adapt to various changes in the business environment.

			Corporate Management	Global	Sales/ Marketing	Finance/ Accounting	Legal/Risk management	Technology・ Degital	ESG
Directors	Internal	Nobuhiko Murakami	○	○	○				○
		Ichiro Kashitani	○	○	○				○
		Hiroshi Tominaga	○	○		○		○	○
		Hideyuki Iwamoto	○	○		○	○		○
	Outside	Didier Leroy	○	○	○				○
		Yukari Inoue	○	○	○				○
		Chieko Matsuda	○	○		○	○		○
		Goro Yamaguchi	○	○	○			○	○
Audit & Supervisory Board Members	Internal	Kazumasa Miyazaki		○		○			○
		Kentaro Hayashi		○		○	○		○
	Outside	Tsutomu Takahashi		○		○			○
		Seishi Tanoue		○			○		○
		Rikako Beppu		○			○		○