



# Achieving our Mid-term Business Plan for FY2024

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**November 1, 2022**  
**Toyota Tsusho Corporation**

# Progress towards achieving the MTP through FY2024

Announced May 2, 2022

## 1. Business strategy

Accelerating initiatives for combining carbon neutrality/circular economy with organic business and our four priority areas

## 2. Quantitative targets

Sustaining FY2021 record-high profit level and balancing both future growth investments and shareholder returns

## Today's briefing

### ■ Case examples of steady progress

- Battery Supply Chain (Next Mobility x Battery)
- 100% ownership of Eurus Energy (Renewable Energy/Energy Management)
- Africa x EoL x Digital Transformation
- Battery/plastic recycling (Circular Economy x Battery x EoL)
- Digital Transformation

### ■ Key takeaways from TICAD 8

### ■ Toward achieving quantitative targets

- Steady profit growth, sustained dividend hikes
- Base operating cash flow generation, improved operating cash flow, solid financial structure to support carrying out investment

# MTP: Our management strategy

Announced May 2, 2022



Be the **Right ONE**

Key strategies

CN / CE

Next  
Mobility

Renewable  
Energy

Renewable Energy/  
Energy Management

Battery



Economy  
of Life

Africa

Circular  
Economy

Resource  
Recycling/3R

Hydrogen/  
Alternative Fuel

Organic

Digital  
Transformation



Globalization

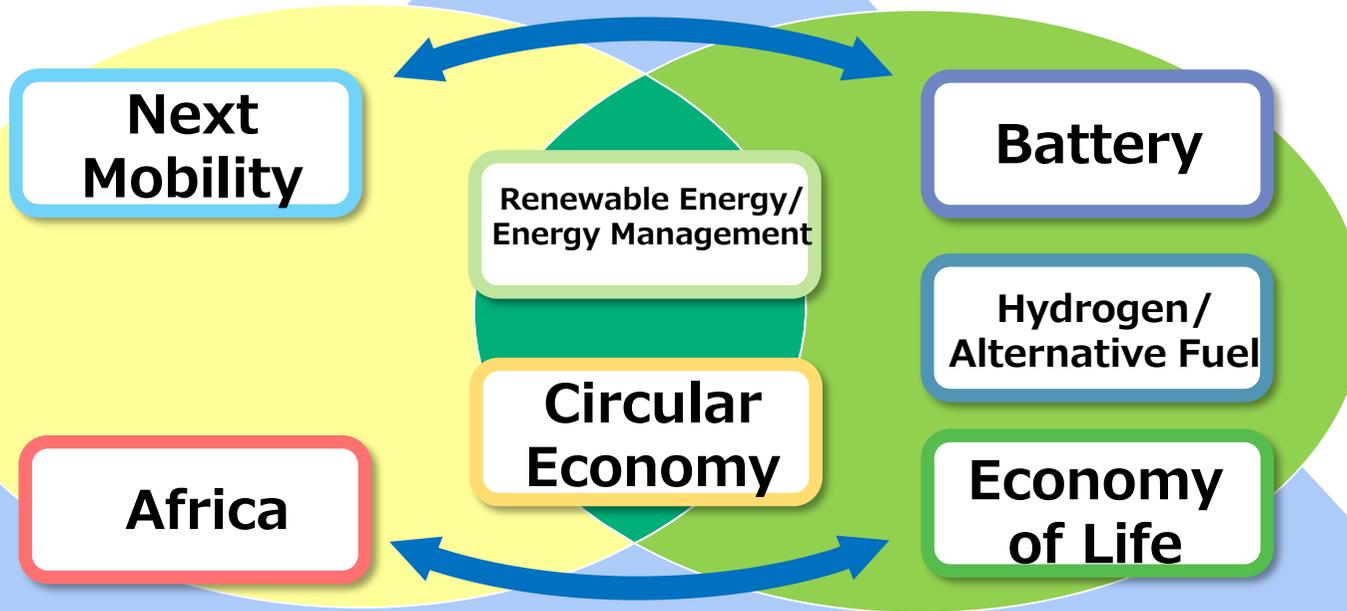
Foundation: Toyota Tsusho's unique points of difference

# MTP: Our management strategy

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Be the **Right ONE**



**Organic**

Digital Transformation



Globalization

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# Next Mobility x Battery



Be the **Right ONE**

**Next  
Mobility**

**Battery**

Renewable Energy/  
Energy Management

Hydrogen/  
Alternative Fuel

**Circular  
Economy**

**Economy  
of Life**

**Africa**

**Organic**

Digital  
Transformation



**Globalization**

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# Next Mobility x Battery

## Raw materials and parts processing



### Sales de Jujuy

Targeting production capacity of 42,500 tons in FY2024

17,500 tons/year at end-Sept 2022



Salar de Olaroz in Argentina

Increasing production of raw material lithium carbonate to meet battery demand



### Toyotsu Lithium Corporation

Plant completion ceremony slated for Nov 2022 (operations to start by year-end)

Production capacity of 10,000 tons/year



Naraha in Fukushima Prefecture

Commencing supply of lithium hydroxide

## Battery manufacturing



### Additional investment in TBMNC (battery manufacturer in USA)

#### Additional investment

Press release	Aug 2022
Products	Lithium-ion batteries for BEVs
Lines	2
Investment	Approx. 2,500M USD
Capital	Approx. 1,266M USD
Our contribution	Approx. 126M USD
Scheduled production start	From 2025

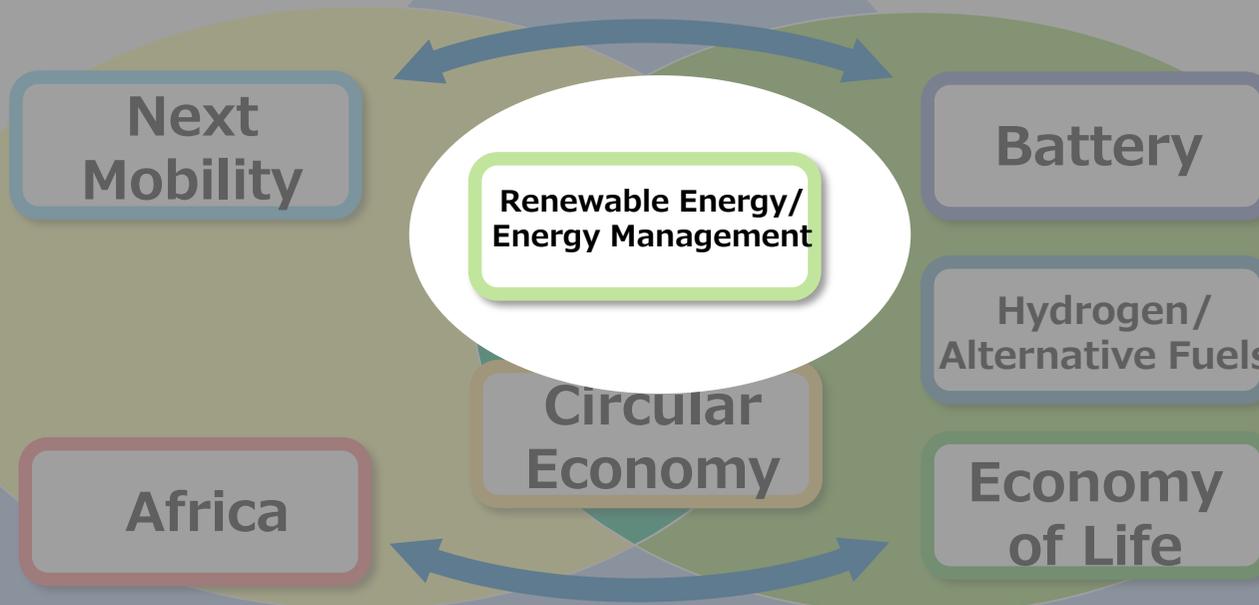
Responding to growing BEV demand, following first investment for HEVs (Oct 2021)

Capturing numerous business opportunities in the battery supply chain

# Renewable Energy/Energy Management



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Organic

Digital Transformation



Globalization

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# Renewable Energy/Energy Management

Maximizing our accumulated know-how of renewable energy development

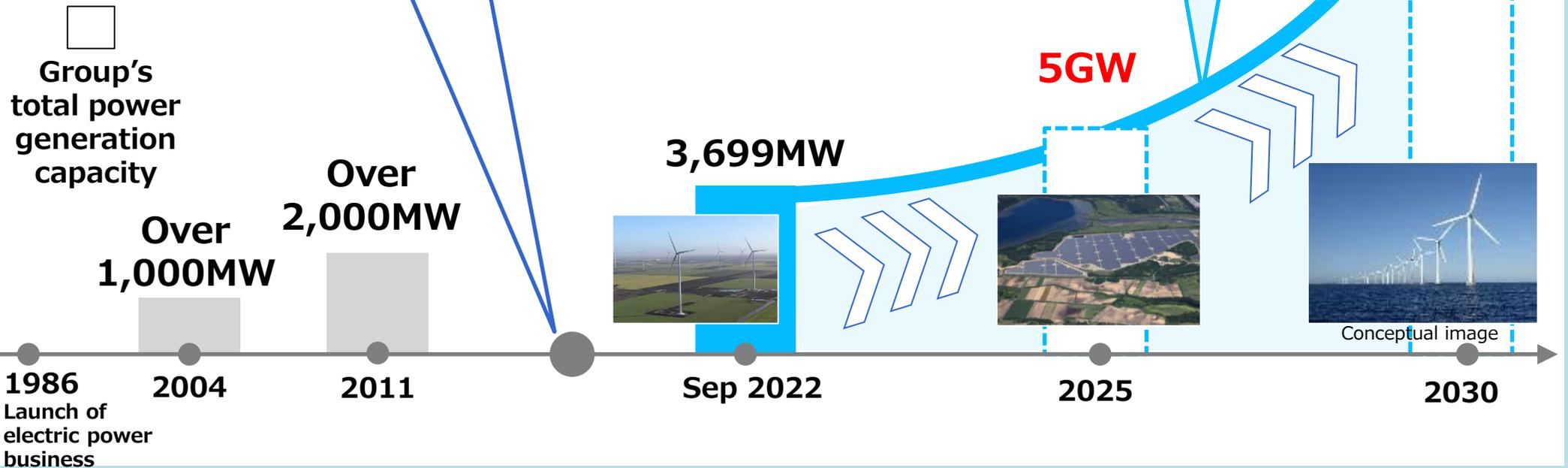
 **Eurus Energy** Aug 2022

Eurus Energy Holdings Corporation became a wholly owned subsidiary

Enhanced maneuverability and strategic flexibility

Concerted Group-wide effort to create added value with offshore wind power and other renewables

Group's total power generation capacity **10GW**



Ensuring a stable supply of renewable energy and laying the groundwork to become a leading company in the industry

# Africa x Economy of Life x Digital Transformation



Be the **Right ONE**

Next  
Mobility

Battery

Renewable Energy/  
Energy Management

Hydrogen/  
Alternative Fuels

Circular  
Economy

**Africa**

**Economy  
of Life**

Organic

Digital  
Transformation



Globalization

Toyota Tsusho's unique points of difference

# Africa x Economy of Life

Vision

**WITH AFRICA FOR AFRICA**

Made In Africa

Develop Retail Activities

**Mobility**  
Market Leader  
Sub-Sahara  
(B2B and B2C)

**Healthcare**  
Market Leader  
Morocco,  
Sub-Sahara, French  
overseas territories

**Consumer goods**  
Tackling expansion  
of the consumer  
goods and beverages  
businesses

**Electric power  
& infrastructure**  
Business growth  
strategies for energy  
and telecommunications  
(B2B and B2G)

## Mobility



### South Africa

Acquisition of industrial vehicle major and establishment of CFAO Equipment South Africa



Reinforcing our position as a market leader

## Retail



Senegal: 4 stores



Côte d'Ivoire: 8 stores



Cameroon: 5 stores

PlaYce, one of Cameroon's largest shopping malls, opened in the capital Yaoundé



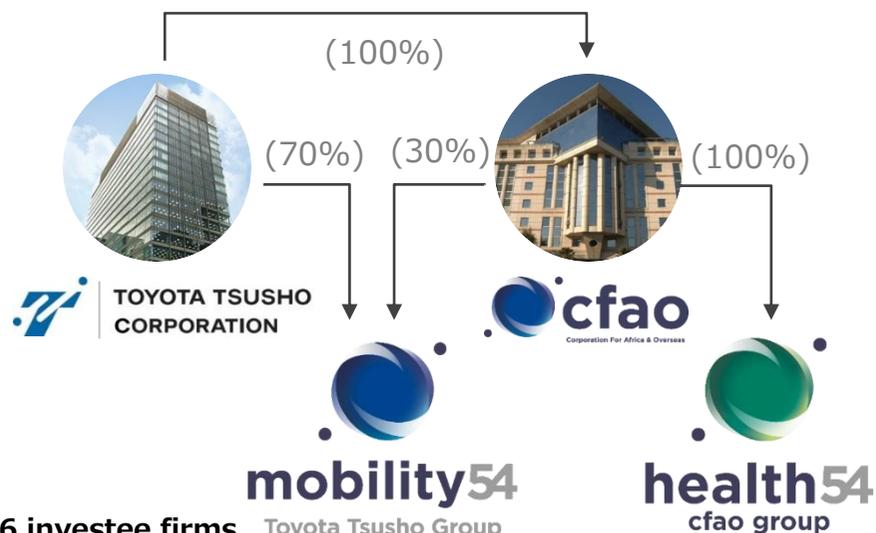
Meeting demand from Africa's consumers

Contributing to Africa's industrialization and meeting the needs of the burgeoning middle class

# Africa x Digital Transformation

Towards the creation of next-gen mobility and healthcare businesses

Bolstering our corporate venture capital capabilities in Africa



16 investee firms Toyota Tsusho Group (end-Oct 2022)

## Mobility 54: Overview

- Founded: Oct 2019
- Investment budget: 61M EUR (total for funds 1 and 2)

## Health 54: Overview

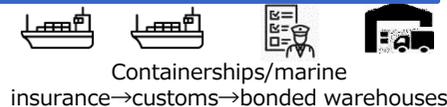
- Founded: Jan 2022
- Investment budget: 10M EUR (fund 1)

Investing in new technologies and services in the healthcare domain

## Investment examples (1H 2022)

Mobility 54 investments

Digitalization of African logistics industry  
**OnePort 365**



Seamless digitalization of global + domestic distribution for Africa

Health 54 investments

Health 54's first investment project  
**Lifestores Healthcare**

B2B marketplace business for drugstores



Lifestores Healthcare

## Our first-ever pitch event for Africa

We hosted our first-ever pitch event for Africa on the topic of "Companies + Innovation" (held at end-Aug 2022)

Photo of seven contest winners taken at the event



The event was attended by close to 400 eager African entrepreneurs, VC investors, and Toyota Tsusho employees

Aiming to solve social issues and create next-generation businesses together with passionate entrepreneurs

# Circular Economy x Battery x EoL



Be the **Right ONE**

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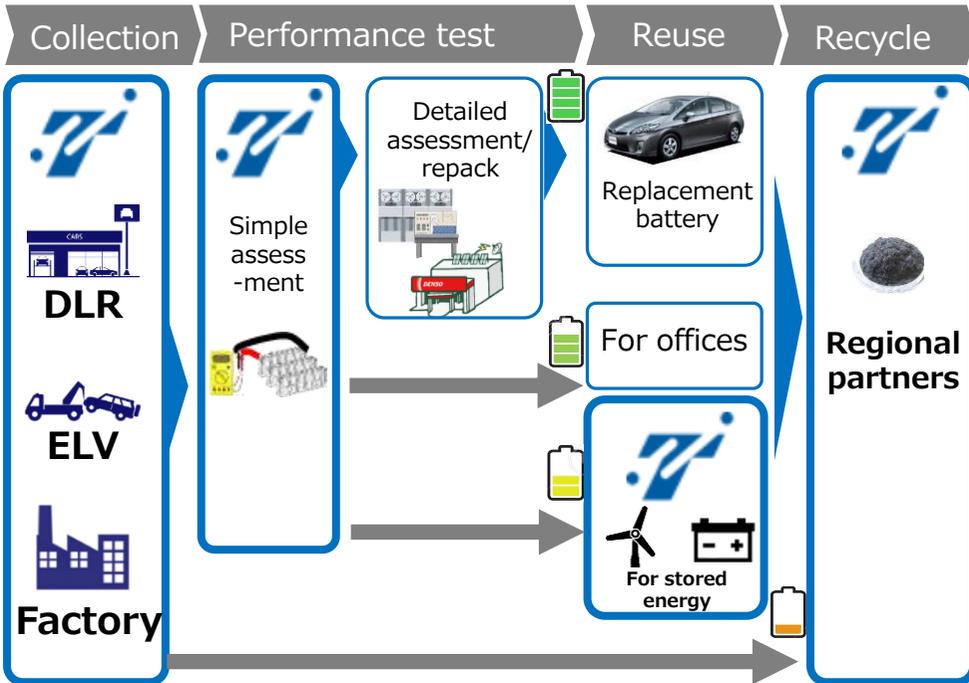
Globalization

Foundation: Toyota Tsusho's unique points of difference

# Circular Economy

## Automotive battery recycling scheme

**Business model first pioneered in Japan  
Currently being expanded overseas**



**Currently being launched in nine countries**

## Planic Co., Ltd.

**Oct 11: Full-fledged launch of operations**



Will handle 40,000 tons/year of mixed plastics to produce 32,000 tons/year of recycled material



Mixed plastics are sorted with Japan's first gravity-based sorting technology

## Toyotsu PET Recycling Systems Co., Ltd.

**Oct 3: Full-fledged launch of operations**



Will recycle 40,000 tons/year of beverage PET bottles



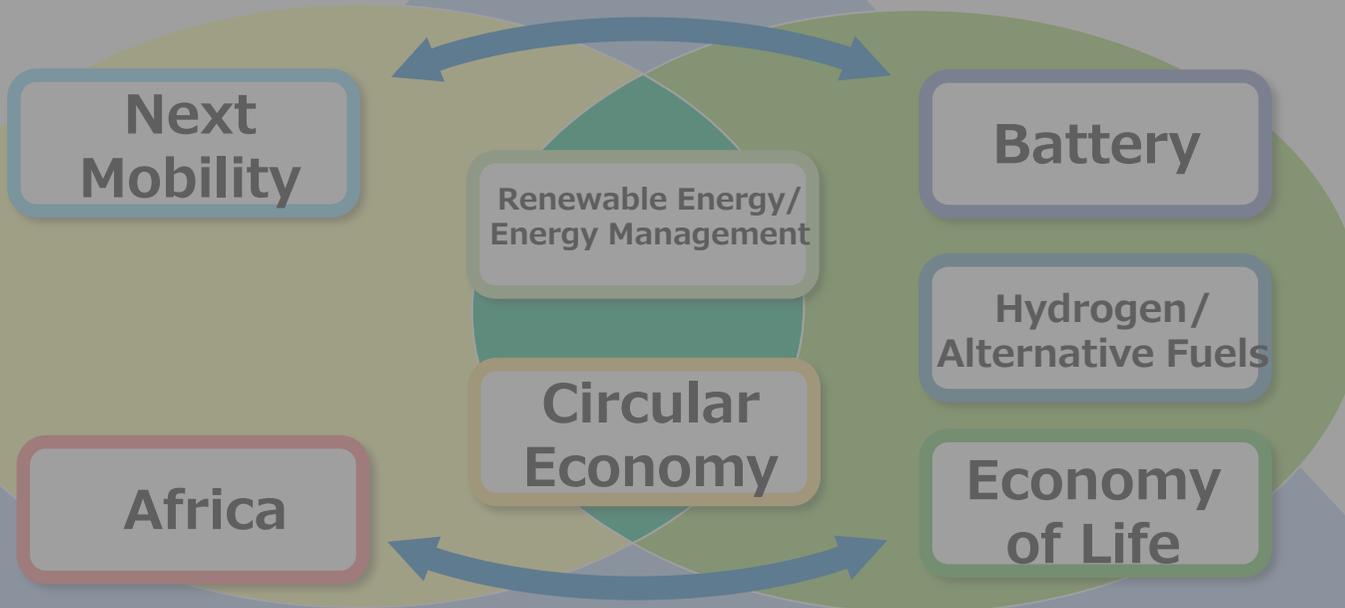
Reducing CO<sub>2</sub> emissions and helping to achieve a circular economy with bottle-to-bottle recycling

**Building an automotive battery recycling network and recycling plastics**

# Digital Transformation



Be the **Right ONE**



Organic

Digital Transformation



Globalization

Toyota Tsusho's unique points of difference

# Digital Transformation

## TradeWaltz

Blockchain technology-powered cross-industry trade-related information sharing platform

### Launch (investment in TradeWaltz in Nov 2020)

- Launch of cross-industry platform to streamline and transform trading processes
- Encourages paperless trading procedures and promotes labor-saving efforts

### Added functions and global rollout (additional investment in Aug 2022)

- Expanded functionality to enable meaningful use by even more parties
- Global connectivity with various peripheral platforms

Transforms trading processes with digital technology and allows our venture capital firms to trade numerous commodities



### Raw materials & processing



### Procurement & logistics



### Production & assembly



### Sales & services



Transforming business by leveraging and expanding digital trading platforms

# TICAD 8: Key takeaways

『for the future children of Africa』

WITH AFRICA FOR AFRICA

Industry  
transformation



- ✓ Creating a bright and dynamic future for the next generation

Green  
economy



- ✓ Helping bring about a sustainable society with greener economic growth

Global  
health



- ✓ Delivering health and happiness to the people of Africa

Capacity  
building



- ✓ Nurturing human capital for the future of Africa

With the signing of **25 MOUs**, we are pursuing future-oriented, value-creating businesses

# Principal MOUs concluded

Theme	No.	Main country/project			
Comprehensive	2	 Tunisia	Strengthening of relationships with the Tunisian government and expanding businesses	 Kenya	Collaboration aimed at realizing Kenya Vision 2030
Industry transformation	10	 South Africa	Discussions on, and promotion of, measures for reducing carbon emissions and developing the automotive industry	 Ghana	Collaboration on developing the automotive industry
Green economy	6	 Kenya	Development of Kenya's Isiolo solar project and a green hydrogen value chain	 Egypt	Joint studies of new infrastructure businesses with a view to carbon neutrality
Global health	3	 Tunisia	Support on trialing the use of a refrigerated vaccine transportation vehicle	 DRC	Partnership agreement on creating innovative medical services that contribute to universal healthcare coverage
Capacity building	4	 Angola	Establishment of an automotive workshop management course	 UNHCR	Support on offering vocational training to refugees
Total	<b>25</b>				

These MOUs will speed up efforts to solve local societal issues and contribute to economic development

# MTP: Quantitative targets and progress

## FY2024 quantitative targets

(announced May 2, 2022)

## 2Q FY2022 progress

Shareholder returns

Basic policy of at least 25% dividend payout ratio and steady increases in dividends

**FY2022 forecast**

**¥192 25.0%**

P.17

Profit for the year

¥250.0 billion

**2Q FY2022 result**

**¥151.2 billion**

P.17

Operating CF (inflows)

3-year medium-term cumulative  
¥750.0–¥900.0 billion

**6 months / 3-yr cumulative**  
**¥78.7 billion**

P.18

Investment CF (outflows)

3-year medium-term cumulative  
¥750.0–¥900.0 billion

**6 months / 3-yr cumulative**  
**¥62.1 billion**

P.18

Net D/E ratio

Within 1.0x

**End-Sep 2022**

**Within 0.84x**

P.18

RB/RA

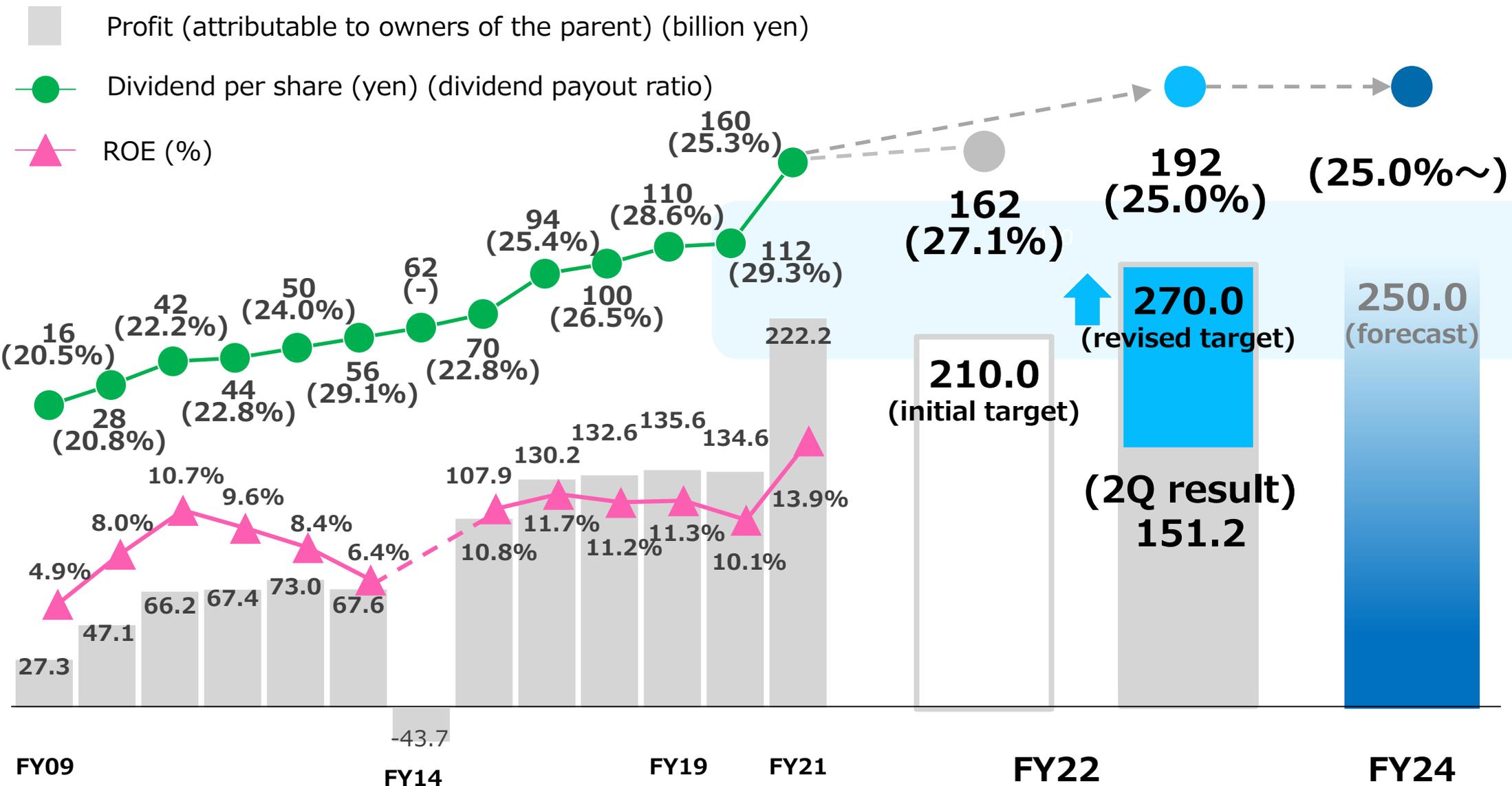
Risk managed at less than 1.0

**End-Sep 2022**

**0.7**

P.18

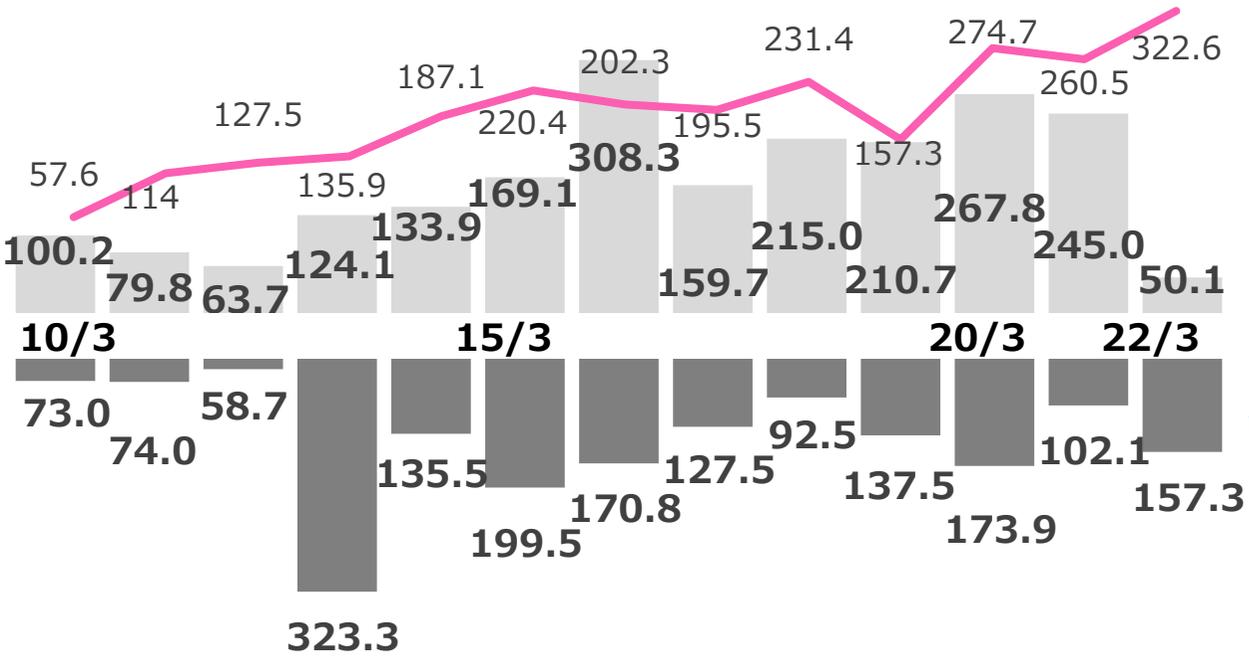
# MTP: Quantitative targets (profit for the year/shareholder returns/ROE)



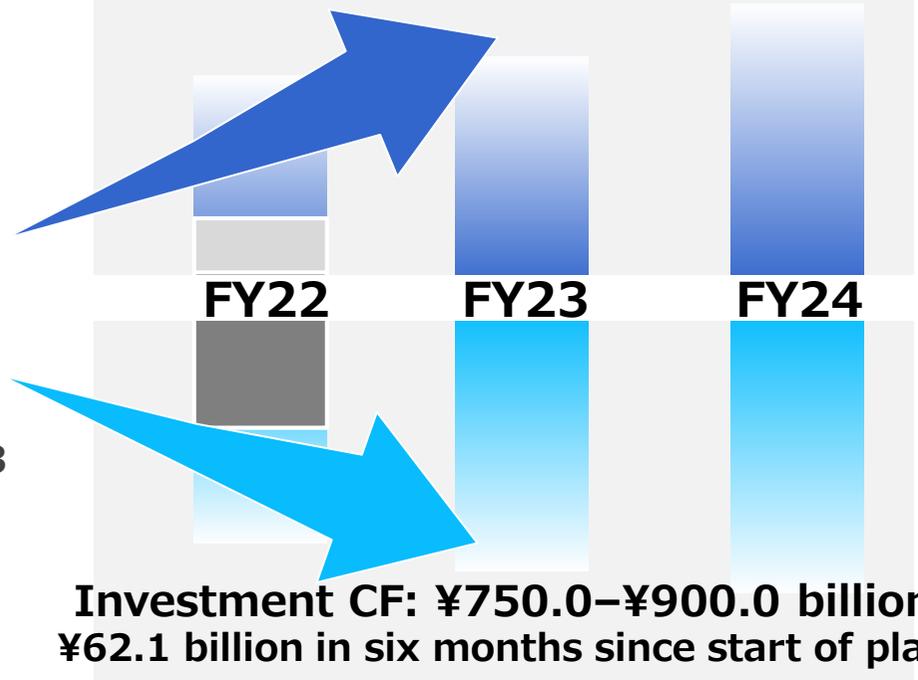
Steady profit growth, sustained dividend hikes, and management mindful of capital costs

# MTP: Quantitative targets (cash flows/net D/E ratio/RA÷RB)

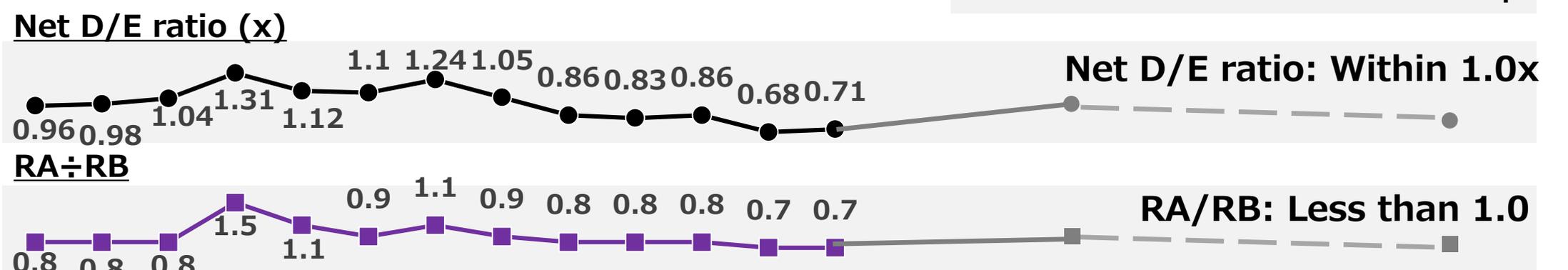
Top: Operating CF (billion yen): Inflows / Pink line: Base operating CF\*: Inflows  
 Bottom: Investment CF (billion yen): Outflows \*Operating CF less changes in working capital



**3-year cumulative CF**  
**Operating CF: ¥750.0–¥900.0 billion**  
**¥78.7 billion in six months since start of plan**



**Investment CF: ¥750.0–¥900.0 billion**  
**¥62.1 billion in six months since start of plan**



**Net D/E ratio: Within 1.0x**

**RA/RB: Less than 1.0**

**Sustained strong base operating cash flow generation, improved operating cash flow, and stable financial base**

# Pursuing the “Be the Right ONE” ideal

An irreplaceable, one-of-a-kind ally to our partners and stakeholders



Be the **Right ONE**

2018

Selection of six materiality issues

2022–2025

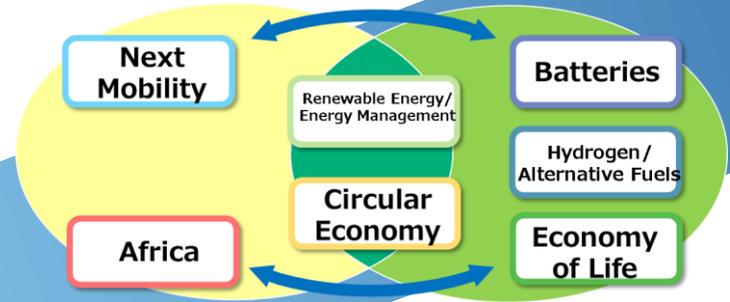
Mid-term Business Plan

~2030

Initiatives for achieving carbon neutrality

~2050

Carbon neutrality



Will Earth be full of smiles  
in 2050?

Our corporate group has been striving for decarbonization  
for decades before "carbon neutral" came into vogue.



**Renewable energy  
and energy  
management**

Applying more than 30 years  
of experience in developing  
renewable energy.



**Batteries**

Aiming for batteries with  
carbon-neutral lifecycles,  
starting from resource pro-  
curement.



**Hydrogen and  
alternative fuels**

Promoting local production  
and consumption of alterna-  
tive fuels by using clean  
hydrogen.



**Resource  
recycling and  
the 3Rs**

Building resource recycling  
systems that reduce, elimi-  
nate, and create from CO<sub>2</sub>.



**Economy of life**

Absorbing and utilizing CO<sub>2</sub> in  
medicine, clothing, housing,  
and food, such as in bell  
pepper cultivation.

Toyota Tsusho: Creating and passing on a better  
global environment to the children of the future.

Be the **Right ONE**



TOYOTA TSUSHO



Be the **Right ONE**

 **TOYOTA TSUSHO CORPORATION**

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