

CSR Report
2014



Since its establishment in 1948, the Toyota Tsusho Group has expanded its businesses from a global perspective to provide products and services under the banner of "Creation of Added Value."

Group companies worldwide are currently cooperating closely in undertaking operations encompassing production, processing, retail and services that respond to the conditions and needs of each region.

The Toyota Tsusho Group will fully utilize its global networks, expertise in international collaboration and the strengths cultivated within the Toyota Group to strive toward a new image—one of a trading company capable of flexible thinking and making precise, well-tailored proposals.

Creating Social Value

Corporate profile (as of March 31, 2014)

Company name:	Toyota Tsusho Corporation
Establishment:	July 1, 1948
Paid-in capital:	¥64,936 million
Common stock issued:	354,056,516 shares
Head office:	Century Toyota Bldg. 9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan
Tokyo head office:	3-13, Konan 2-chome, Minato-ku, Tokyo 108-8208
Branches & sales offices (Japan):	12 (Hokkaido, Tohoku, Niigata, Hamamatsu, Matsumoto, Mishima, Toyota, Osaka, Hokuriku, Hiroshima, Kyushu, Takamatsu)
Branches & offices (overseas):	25
Consolidated subsidiary companies:	Japan: 107 Overseas: 533
Number of employees:	2,809 (non-consolidated) 50,423 (consolidated)





CSR Report 2014

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Editorial comments

Editorial policy

While Toyota Tsusho Corporation had posted environmental reports on its website since 2002, this information has been integrated into the CSR Report since 2005. The purpose of this report is to describe and report to our stakeholders worldwide Toyota Tsusho's activities aimed at the sustainable development of a global society.

The Toyota Tsusho Group views CSR not as a special undertaking, but rather considers it inseparable from the management of all corporate activities. This year's report emphasizes important CSR issues in each of the areas defined by the CSR Activities Map created in 2013. Feature articles introduce social issue resolution model and local contribution model businesses, which are being promoted globally. Additionally, we have striven to describe the salient features of our corporate responsibility execution model and social contribution model activities.

Reference guidelines

GRI Sustainability Reporting Guidelines (Ver. 4.0)
Ministry of the Environment, Japan,
Environmental Reporting Guidelines (2012 version)
ISO 26000 (A corporate social responsibility reference)

Scope of the report

Toyota Tsusho Corporation's main consolidated subsidiary companies.
However, some of the activities described herein are those of Toyota Tsusho Corporation only.

Reporting period

This report covers the period from April 1, 2013, to March 31, 2014
(although certain activities are included that fall outside this reporting period).

Date of publication

August 2014 (previous publication: July 2013)

Representative responsible for publication

Jun Karube, President and CEO

A word from the President

Contributing to social sustainability worldwide
through new business models for addressing
ever-changing needs with unprecedented solutions

August 2014



Jun Karube
President and CEO



Basic stance

We regard fulfilling corporate social responsibility as the essence of management. In that spirit, we focus in management on maximizing the value that we create for the greater good of society.

Our corporate creed calls for us to generate value that enhances the quality of life and to operate in a manner that honors individuality, that resonates with the community, and that preserves environmental quality. Management is thus a function of fulfilling our corporate social responsibility. We forge new business models for generating new kinds of value to serve ever-changing needs and bolster social sustainability in a global context.

In fiscal 2013, we diagrammed corporate social responsibility schematically to illuminate more-strategic, more-effective ways of fulfilling that responsibility. Our schematic diagram outlines three main approaches:

- fulfilling our basic responsibility for complying with rigorous standards of corporate ethics, conducting sound risk management, and providing full disclosure about our activities;
- taking the initiative in addressing social issues and regional needs; and
- supplementing our business activities with public-interest activities.

And it provides a framework for listing priority measures for tackling through each approach.

Our measures for taking the initiative in addressing social issues and regional needs will unfold in the context of our Global 2020 Vision. That vision calls for shaping a business portfolio by 2020 balanced equally between the three domains of Mobility, Life and Community, and Earth and Resources. We will work in the Mobility domain to promote the diffusion of next-generation transport, in the Life and Community domain to promote advances in the quality of life, and in the Earth and Resources domain to help secure reliable supplies of energy and other resources while safeguarding the natural environment.

Initiatives of note in fiscal 2013

We are tackling issues of concern to society in each of our business domains: Mobility, Life and Community, and Earth and Resources.

Efforts to address issues of social concern continued in all three of our business domains in the past fiscal year. A highlight in the Mobility domain was an initiative for addressing the impending rapid accumulation of end-of-life vehicles in China. We became the first Japanese company to engage directly in vehicle recycling in that nation. In Japan, a government award recognized our “3R” work throughout the vehicle life cycle in reducing material and energy consumption and in reusing and recycling materials.

An environmentally attuned initiative in the Life and Community domain was our deployment of polyethylene terephthalate (PET) made from bioethanol. We have built a comprehensive supply chain for Bio-PET products, stretching from the purchasing of raw materials through manufacturing to marketing. PET is indispensable in a vast range of packaging, and a growing range of customers worldwide are embracing our Bio-PET as a way to help reduce dependence on petroleum.

Uruguay was the site of an important step in our rapidly growing renewable energy business in the Earth and Resources domain in September 2013. Our subsidiary Eurus Energy Hold-

ings Corporation, a global company in wind and solar power generation, secured a 44% stake in Uruguay’s first large wind farm. That project will begin producing electric power in 2014. We also continue to expand our business in renewable energy in Japan, where we participate in several megasolar generation projects.

We have established a fund in Africa to finance entrepreneurial start-ups, and we will accompany the financing for worthy ventures with operational support.

Our platform public-interest activities in Africa gained a valuable new plank in February 2014. That was when we launched a fund in Mauritius to provide capital for start-up ventures in the fields of agriculture, environmental protection, and medical care. In screening candidate ventures, we focus on their potential for yielding such benefits as generating employment, raising standards of living, and earning foreign exchange.

We will supplement the financing through the fund with assistance for the start-up ventures in employee training, in product development, and in logistics and distribution. That assistance will benefit from our strategic alliance with the French trading company CFAO S.A., which has extensive operations in Africa.

The new fund is an extension of our continuing contribution to development in Africa. We have supported African development through our business in building infrastructure and cultivating industry, which has included extensive activity in fostering human resources. We have also lent a hand to development in African nations through public-interest activities, such as the free distribution of pharmaceuticals and volunteer work by employees in worthy causes.

We are accompanying our globalization with stepped-up measures for safety assurance and risk management.

We accompany proactive measures for fulfilling our corporate social responsibility with careful attention to the basic functions of safety assurance, risk management, and environmental stewardship. Representatives of 11 Toyota Tsusho Group companies in Australia, Brazil, China, Indonesia, South Africa, Thailand, and the United States gathered at our Nagoya Head Office in April 2013 for our second annual Global Safety Meeting. The participants reaffirmed a shared commitment to the spirit of Anzen (Safety) First and shared insights into ways of preventing accidents.

Preparedness for responding such unfortunate events as terrorist attacks is increasingly important, meanwhile, as our operational scope broadens globally. We have therefore newly established an office “Security Management Group” in Human Resources Department at our Nagoya Head Office to oversee measures for maximizing security preparedness. That office has also produced an information-security checklist and has distributed it to employees throughout the Toyota Tsusho Group to spearhead improvements in safeguarding information. In environmental risk management, we have instituted a subcontractor-auditing function for investigating environmental accidents caused by construction or transport subcontractors and for preventing the recurrence of such accidents.

Stepped-up efforts for fulfilling our corporate social responsibility underlie our commitment to operating “in a manner that honors individuality, that resonates with the community, and that preserves environmental quality.” We are grateful for the understanding and goodwill of our stakeholders as we work to make good on that commitment.

We are promoting CSR activities with the aim of “living and prospering together with people, society, and the Earth,” as described in our Fundamental Philosophy

Our CSR philosophy

Our Behavioral Guidelines describe how we will conduct CSR activities to realize our Corporate Philosophy

Toyota Tsusho Corporation's Corporate Philosophy sets forth the company's raison d'être and the resolve with which it manages its operations. Our Behavioral Guidelines define a code of action for all executives and employees. Toyota Tsusho's basic management philosophy is based on a Fundamental Philosophy of unchanging ideals that should be passed on to future generations.

Our Behavioral Guidelines describe how we will conduct CSR activities to realize our Corporate Philosophy.

Fundamental Philosophy

Corporate Philosophy Living and prospering together with people, society, and the Earth, we aim to be a value-generating corporation that contributes to the creation of a prosperous society.

Behavioral Guidelines As a good corporate citizen, we will:

- Implement open and fair corporate activities
- Fulfill our social responsibilities and conserve the global environment
- Offer creativity and provide added value
- Respect people and create a responsive workplace striving to achieve job satisfaction

Our philosophy system codifies our actions into four tiers designed to realize our Fundamental Philosophy

Toyota Tsusho's Group philosophy system comprises four tiers: "Fundamental Philosophy," "Vision," "Long-term Business Plan and Annual Plan," and "The Toyota Tsusho Group Way."

At the apex of Toyota Tsusho's philosophy system is its Fundamental Philosophy, which addresses such questions as "What is the purpose of our corporate existence?" and "What are our objectives, and how will we achieve them?" Our Fundamental Philosophy comprises our Corporate Philosophy and Behavioral Guidelines.

Our newly formulated vision addresses the question of how we will realize our Fundamental Philosophy 10 years hence. Five-year long-term plans and annual plans provide specifics on how we will achieve the targets described in the Vision.

Toyota Tsusho has formulated our new corporate vision, the Global 2020 Vision, to clarify our objectives for the 10-year period commencing in fiscal 2011, which are to be shared among all group employees throughout the world. This new vision presents our corporate ideal as striving to "maintain an unwavering sense of responsibility" and "garner our customers' trust," and clarifies how Toyota Tsusho will pursue CSR initiatives even more proactively than in the past.

To promote these initiatives, the Toyota Tsusho Group Way sets forth the group's unique values, beliefs and daily

principles of conduct. On the basis of the Toyota Tsusho Group Way, all Toyota Tsusho executives and employees pursue the aim of creating value from the customer's perspective, based on three principles: "passion for business," "On site, hands on, in touch," and "teamwork."

"G' VALUE with you" is the Toyota Tsusho Group's flagship message, forming the basis for its initiatives as it strives to realize its group philosophy.

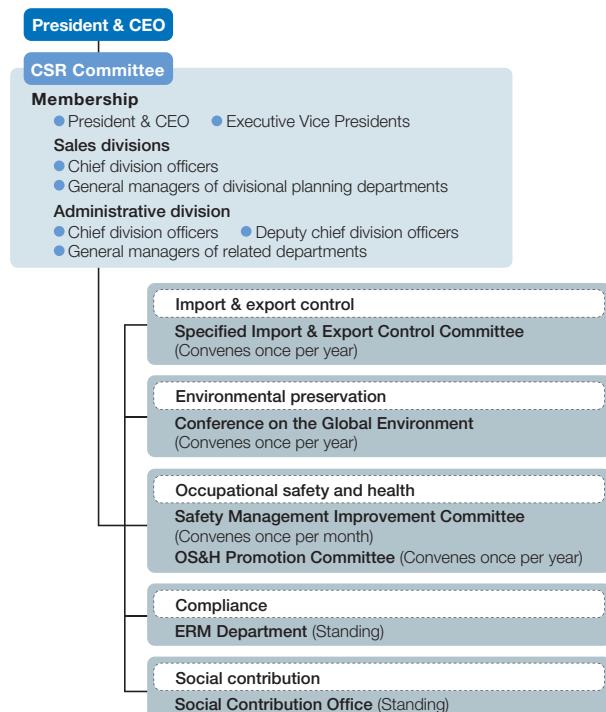
Promotion structure

We aim to provide added value that will satisfy all our stakeholders

In 2005, we reorganized the corporate ethics committee and named it the CSR Committee (chaired by the President and CEO), to serve as the central organization for promoting CSR throughout the group. Organizations under the CSR Committee include the Specified Import & Export Control Committee, the Conference on the Global Environment, the Safety Management Improvement Committee, and the OS&H Promotion Committee, with each committee discussing and deliberating the various CSR themes. Also, the ERM (Enterprise Risk Management) Department, which is responsible for companywide integrated risk management, covers compliance, while the Social Contribution Office is a specialized organization that actively drives our social contribution efforts.

Based on this structure, we seek to conduct even more-active CSR efforts, resulting in added value that will benefit all our stakeholders.

CSR promotion structure



Group philosophy system and the GLOBAL 2020 VISION



- **Global**
Development of our activities on the global stage
- **Glowing**
Sustaining a healthy, glowing morale with passion
- **Generating**
Constantly generating new businesses

"G'VALUE with you" is the Toyota Tsusho Group's slogan for realizing our Corporate Philosophy. The letter "G" refers to the various important keywords under which the Toyota Tsusho Group operates.

Four-tier structure of our philosophy system

Flagship message

Fundamental Philosophy

Unchanging ideals that should be passed on to future generations
The Fundamental Philosophy is comprised of our Corporate Philosophy and our Behavioral Guidelines.

Vision

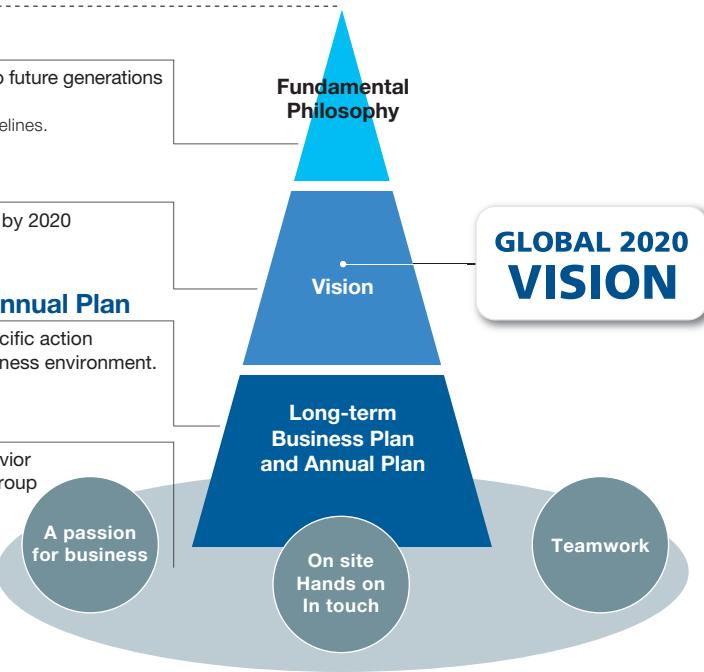
Goals and milestones that should be reached by 2020 while realizing the Fundamental Philosophy

Long-term Business Plan and Annual Plan

Business activity guidelines, policies, and specific action plans and targets that reflect shifts in the business environment.

The Toyota Tsusho Group Way

This defines the values and principles of behavior that should be shared by all Toyota Tsusho Group executives and regular employees alike in working to attain our Vision and realize our Fundamental Philosophy.



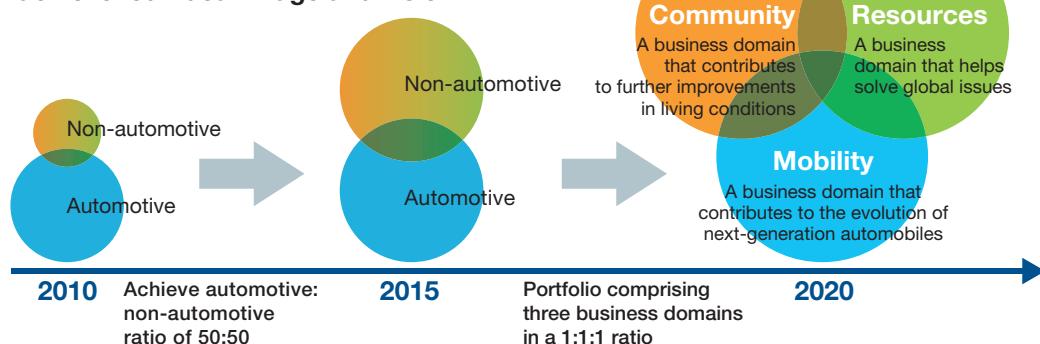
GLOBAL 2020 VISION Toyota Tsusho's Aims

The Ideal Image and Vision

- Maintain an unwavering sense of responsibility
- Leading the Toyota Group
- Generating new value as a creation-oriented company
- Securing our customers' trust

TRY-1

Three business domains through which we can achieve our ideal image and vision



Breakthroughs and Co-creation

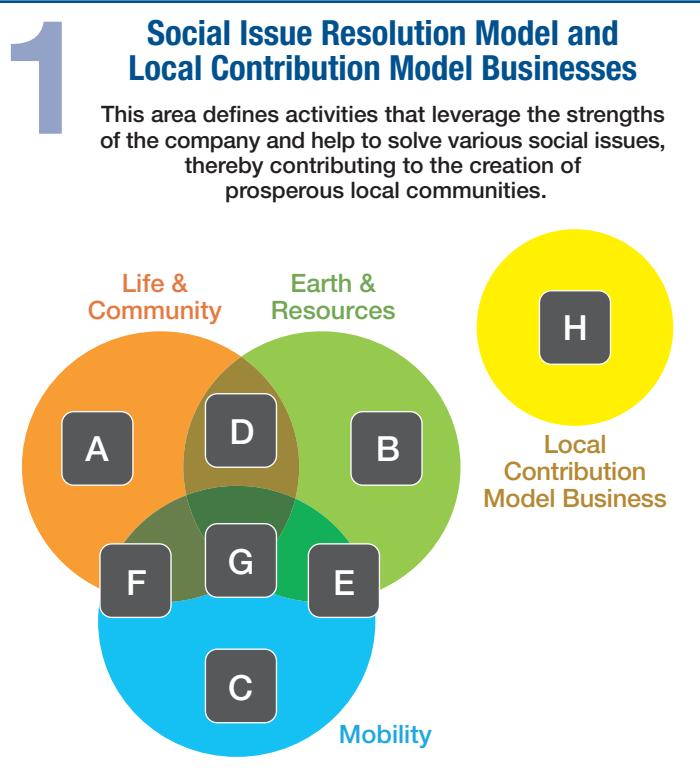
Priorities in achieving the ideal image and vision

- **Breakthrough:** Breaking the shell and evolving toward our ideal image
- **Co-creation:** Putting into motion a growth cycle to help boost collective creation

The seven product head offices that have been briefed in detail regarding each business domain are engaging in activities in three areas with the CSR Activities Map as a guideline

CSR activities Map

In an age of wide-ranging social issues, the ways in which companies are expected to fulfill their social responsibility are diversifying. Toyota Tsusho Corporation has created a map to serve as a guideline for the strategic and effective promotion of its CSR activities.



3 Social Contribution / Charitable Business Model

This area defines philanthropic activities beyond the scope of business aimed at contributing to society as a good corporate citizen.

Environment

Toyota Tsusho Corporation, which aims for mutually supportive, mutually beneficial sustainability with the Earth, collaborates with the Toyota Group to participate in various environmental protection activities and volunteer efforts on a global scale.



Education

We provide scholarships for foreign exchange students, environmental education to Brazilian elementary school students, and take part in a wide variety of other education programs to help foster talented people who can succeed globally.



CSR baseline

2 Corporate Responsibility Execution Model (CSR foundation)

This area defines CSR baseline activities that all companies are expected to execute as part of their social responsibility.

Compliance

- Operation and maintenance of internal control systems
- Thorough compliance with internal rules
- Thorough execution of fair competition and trade
- Compliance training
- Supply chain CSR management
- Respect for human rights
- Non-discriminatory hiring policy

Risk Management

- Risk management mainly through ERM Committee
- Information security management
- Promotion of environmental management
- Promotion of workplace safety and health
- Promotion of business continuity management

Information Disclosure

- Active disclosure on company website
- Information disclosure that is easy to understand and highly transparent for stakeholders
- Financial results briefings and individual meetings for investors
- Creation of corporate publications (CSR Report, Annual Report, business reports, etc.)

Welfare

We support sporting events for people with disabilities, programs to nurture service dogs, and participate in a wide variety of other programs to solve social issues, contributing to the creation of a richer society through our continuous support.



Toyota Tsusho's sales divisions



Metals Division E

Metal Planning Department, Steel Sheet & Plate Sales Department 1, Steel Sheet & Plate Sales Department 2, Specialty Steel & Wire Rod Sales Department, Osaka Metal Department, Hamamatsu Metal Department, Kyushu Metal Department, Steel Products Sales Department, Tokyo Metal Department, International Steel Trading Department, Non-Ferrous Metal Department 1, Non-Ferrous Metal Department 2, Metal & Mineral Resources Department, and Recycling and Environmental Management Department



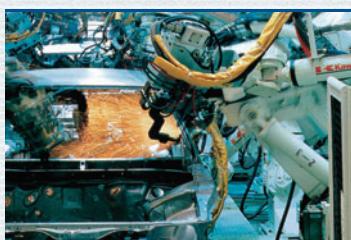
Global Parts & Logistics Division E F

Global Parts & Logistics Planning Department, Business Development Department, Global Parts Department 1, Global Parts Department 2, Global Parts Department 3, Global Parts Department 4, Global Parts Functional Management Department, Logistics Business Department, Parts Assembly Business Department, Automotive Parts & Accessories Department, and Industrial Materials & Products Department



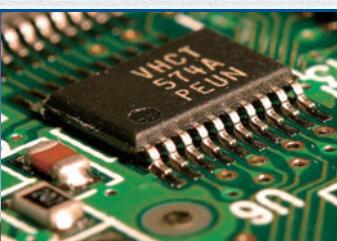
Automotive Division C

Automotive Planning Department, Strategic Alliance Department, KD Business Department, Europe Automotive Department, The Americas Automotive Department, Asia & Oceania Automotive Department, China Automotive Department, Middle East & South West Asia Automotive Department, Africa Automotive Department, Hino Automotive Department, Automotive Sales Department, Automotive Customer Service Department, and Automotive Business Innovation Department



Machinery, Energy & Project Division A B

Machinery, Energy & Project Planning Department, Power & Drive Train Machinery Department, Automotive Body Machinery Department, Machinery Project Department, Power Project Development Department, Energy Business Development Department, Crude & Petroleum Products Department, Energy Infrastructure Project Department 1, Energy Infrastructure Project Department 2, Material Handling Machinery Department, and Construction Machinery & Project Department



Chemicals & Electronics Division A C D F G

Chemicals & Electronics Planning Department, Automotive Materials Department 1, Automotive Materials Department 2, Performance Materials Department, Basic Chemicals & Plastics Department, Industrial Chemicals Department, Performance & Inorganic Chemicals Department, Life Science Department, Industrial Plastics Department, Electronics Materials Department, Osaka Chemicals & Plastics Department, Electronics Department, Information Technology Business Department, and Green Mobility & ITS Business Development Department



Food & Agribusiness Division A D

Food & Agribusiness Planning Department, Food & Agribusiness Development Department, Agriculture & Aquaculture Business Development Department, Feed & Oilseeds Department, Agribusiness Department, Osaka Agribusiness Department, and Food Department



Consumer Products & Services Division A D

Consumer Products & Services Planning Department, Insurance Department, Life Style Department, Healthcare Department, and Estate Business Department

We are identifying priority initiatives for the resolution of social issues through businesses and the execution of corporate responsibility

Main products and services >



Metals Division

- Steel products and specialty products, steel construction materials, wire rod, steel tubes
- Ferro-alloy products, pig iron • Nonferrous metal ingots, precious metals
- End-of-life vehicle (ELV) recycling, waste catalysts
- Aluminum products, copper, copper alloy products
- Rare earth resources, rare metals • Iron & steel scrap, nonferrous metals scrap



Global Parts & Logistics Division

- Component parts for automotive production • Techno-park business
- Logistics business • Automotive accessories and materials
- Tire and wheel assembly business • Packaging materials



Automotive Division

- Passenger cars • Trucks and buses • Motorcycles • Used vehicles
- Assembly • Body mounting / conversion
- Imports and exports, third-country trade, wholesale, retail
- Sales financing • Spare parts and after-sales service



Machinery, Energy & Project Division

- Machine tools, industrial machinery, textile machinery
- Coal, crude oil, petrochemical, natural gas products
- Testing and measuring instruments, electronic machinery
- Infrastructure projects • Environmental equipment
- Energy and electric power supply business • Industrial vehicles, construction machinery
- Water treatment • Petroleum products, liquefied petroleum gas



Chemicals & Electronics Division

- Electronic devices • Organic chemicals • Component parts for automobile production
- Fine and inorganic chemicals • Automotive embedded software development
- Plastics and rubber • Network integration and support • Chemical additives • Software
- Batteries and electronic materials • Mobile phones
- Pharmaceuticals and pharmaceutical ingredients



Food & Agribusiness Division

- Feed and oilseeds • Grains • Food ingredients
- Agriculture, marine, and livestock products • Processed foods

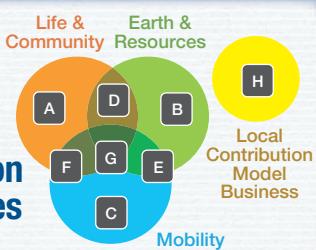


Consumer Products & Services Division

- Life and health insurance, property and casualty insurance
- Textile raw materials, apparel, sundry goods • Nursing-related products and services
- Medical facilities and related services, medical equipment
- Lodging and living facilities, commercial facilities, housing
- Housing and office materials

Common areas

1 Social Issue Resolution Model and Local Contribution Model Businesses



- E** Rare earth development, lithium development, molten aluminum business contributions to the reduction of CO₂ emissions, recycling of waste catalysts, plastics, steel scrap, etc., **P11** automobile recycling

- E** Carbon fiber recycling
- F** Airport operation (Laos), driver training (Thailand), cold warehousing business (China), Techno-park business

- C** Sales and assembly of automobiles in new emerging countries (South Asia, Africa, South Pacific, etc.), supply of infrastructure development vehicles (Myanmar), supply of disaster countermeasure vehicles (Peru), direct operation of total car services outlets (Cambodia), establishment of Toyota Kenya Academy (Kenya)

- A** **P34** Sales of energy-efficient, extra large-scale ceiling fans
- B** New energy development and stable energy supplies, prevention of environmental pollution through water processing O&M business, sewage sludge recycling, logistics infrastructure, development (crane installation at Kenyan port), **P15** development of renewable energies, **P34** woody biomass power generation, yen loan projects (Iraq)

- A** Supply of lifestyle-supporting chemical products (detergents: Vietnam; highly absorbent resins: China; recyclable resin compounds: Malaysia)
- C** Traffic information distribution
- D** Iodine development (Chile); fertilizer business (Kenya)
- F** Mobility electrification (China, Southeast Asia)
- G** **P13** Bio-PET (GLOBIO®) development, feasibility tests for EV sharing systems

- A** Refrigerated vegetables business (Vietnam), grain accumulation business (Australia)
- D** Bell pepper cooperative agricommerce and industry project (Japan), mushroom business (China), bluefish tuna culture project (Japan)

- A** Paper diaper collection and disposal support, insurance brokerage (Vietnam), in-plant medical clinic (Thailand), medical business (India), consulting-style health management service, hotel residence business (Indonesia)
- D** **P47** Tohoku cotton project

- A** Manufacturing verification tests for bio-hydrogen production from sewage sludge
- B** **P34** Investment in bio-fuel plant material research and sale company
- G** Commercial hydrogen station business for fuel cell cars
- H** **P17** Social contribution-type venture fund (Africa)

2 Corporate Responsibility Execution Model (CSR foundation)



- P25** Safety management for investment projects: Safety management for mine development
- P29** Environmental management for investment projects: Environmental assessments for mine development
- P28** Reduction of CO₂ emissions in the molten aluminum business
- P28** Prevention of environmental pollution: Group's Environmental Policy
- P43** Elimination of conflict minerals in the supply chain

- P38** Cultivating managers at overseas sites

- P27** Automobile safety: Inspection and after-sales services
- P27** Sufficient prior explanation for sales finance services

- P25** Safety assessments of investment projects
- P25** Safety training for employees involved in overseas construction projects
- P29** Environmental assessment for investment projects

- P33** Response to chemical substance regulations (REACH, etc.) and operation of chemical substance total management system
- P28** Prevention of environmental pollution: Group's Environmental Policy

- P26** Food safety and quality management: Maintaining food safety
- P27** Proper labeling and food traceability: Maintaining food safety

- P29** Environmental management
- P43** Elimination of forced labor and child labor in apparel business

- P25** Promotion of labor health and safety
- P31** Prevention of global warming
- P37** Cultivation of managers at overseas subsidiaries
- P43** Supply chain CSR management

TRY
1

Mobility

Recycling automobiles in China with technology recognized by Prime Minister's Award

As the volume of end-of-life vehicles (ELV) surges in emerging countries, the Toyota Tsusho Group has taken the initiative in China by becoming the first Japanese company to launch an auto dismantling and recycling business. The aim of the business is to apply advanced technologies accumulated over the past 40 years in Japan to help solve environmental issues in China.

We've embarked on an important new challenge for the future of China.

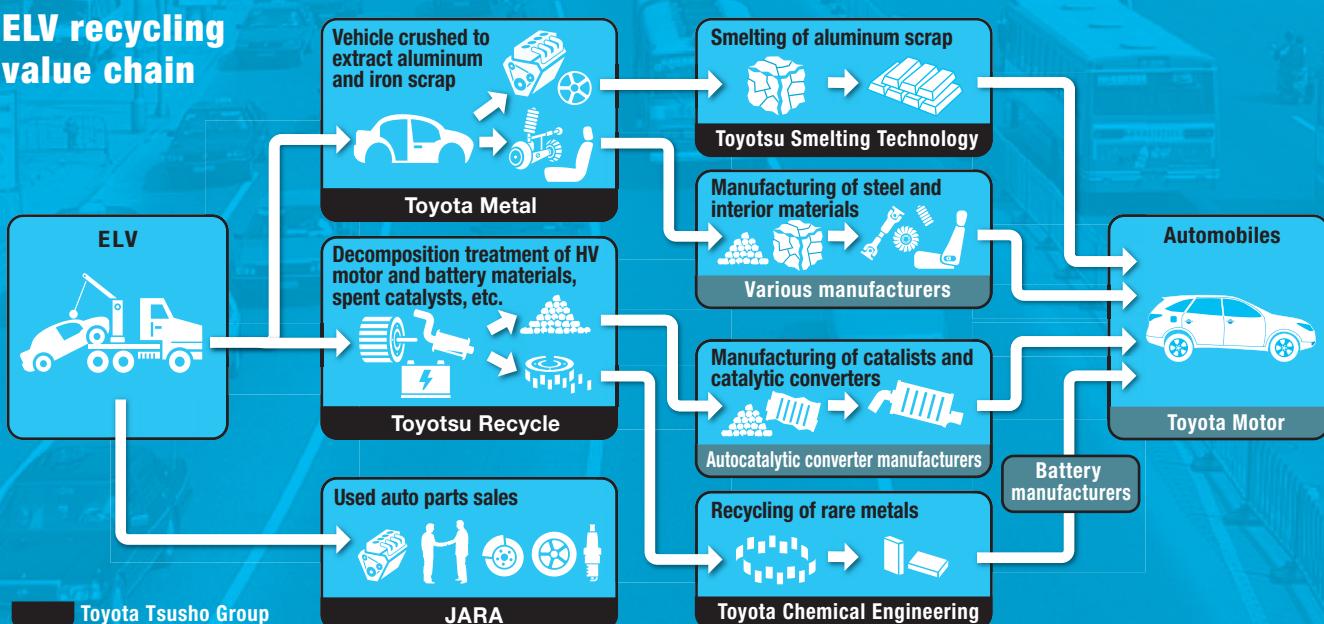
Comprehensive 3R^{*1} activities anticipating future needs

In 1970, Toyota Tsusho and Toyota Motor Corporation established the joint-venture shredder company Toyota Metal Co., Ltd. to extract and recycle steel, nonferrous metals, and other resources from ELVs. The new company addressed



Dismantled vehicles

ELV recycling value chain



Receiving the Prime Minister's Prize
with Toyota Motor



a pressing social need in Japan to deal with pollution caused by scrapped vehicles. In 1994, Toyotsu Recycle Corporation was established to recycle precious metals from ELV exhaust catalysts. In 1998, we deepened our commitment by launching the world's first ASR^{*2} recycling plant.

In 2001, an auto recycling laboratory was established, which dedicated to developing easily dismantled vehicles, efficient dismantling technologies, and rare metal recycling technologies. Since our ELV recycling business started, the Toyota Tsusho Group has recycled some 6.5 million ELVs, and today we boast an effective recycling rate of 99%.

In recognition of our comprehensive 3R activities throughout the automobile lifecycle, Toyota Tsusho Corporation and Toyota Motor Corporation were awarded Japan's Prime Minister's Prize in fiscal 2013 at the 3Rs promotion merit awards sponsored by the 3R Promotion Association Council.

Building an advanced recycling system through feasibility studies in Beijing

In Japan, Toyota Tsusho has created the No.1 ELV recycling value chain. For many years, we have striven to expand our leading-edge auto recycling business overseas. We have already established 23 scrap metal recycling sites in 11 countries to recycle metals generated in the auto manufacturing process. In 2012, undertaking a project for the New Energy and Industrial Technology Development Organization (NEDO), we launched a feasibility study to build an advanced auto recycling system in China capable of large-scale, centralized recycling.

Amid its breakneck economic expansion, China now boasts the world's second largest number of owned vehicles. The stiffening of the country's environmental regulations is expected to encourage the disposal of older models and lead to an explosion of ELVs in coming years. Limiting the environmental impact of massive amounts of ELVs through safe and efficient recycling is a major social issue for China.

In the two-year feasibility tests in Beijing, we succeeded in building a comprehensive dismantling and recycling system which limits environmental impact. The system covers the entire recycling process, from preprocessing to the destruction of fluorocarbons and other harmful materials, the shredding of vehicle bodies and crushing of tires. With an annual recycling capacity of more than 10,000 autos, the Beijing plant features an advanced recycling rarely seen even in Japan.

Expanding the ELV recycling model across China

After the success of the feasibility study, Toyota Tsusho made a capital investment in the study's partner company (Beijing Borui liantong Auto Recycling Tech Co., Ltd.) in February 2014 to become the first Japanese company to enter the auto recycling business in China. The joint venture is now striving to develop a model ELV recycling plant for China based on environmental consciousness, safety, and high productivity.

In the future, we plan on deploying model plants throughout China. The goal is to establish 20 recycling sites in China over the next five years as the nation's legal framework advances with the enactment of a vehicle recycling law and other measures. We will strive to contribute to the creation of a recycling-oriented society in China by building the nation's No.1 ELV recycling value chain.

*1 Reduce, reuse and recycle

*2 Shredder dust generated during the recycling of ELVs.



Automobiles pressed into a cube after dismantling

Message from the project manager

Kazutaka Kitazume General Manager of Recycling & Environmental Management Department

Leveraging our accumulated ELV know-how in emerging countries

Currently, China's auto recycling plants rely heavily on manual labor for dismantling. The safe and efficient recycling of autos is a major issue, along with sufficient measures to reduce the environmental impact caused by the recycling processes. In the near future, we expect China to enact laws requiring environmentally conscious, safe recycling systems, as there are in Japan and Europe. This will spur a revolution in the recycling industry. We are now maximizing our long-accumulated technologies and business models for the benefit of Chinese society.

Other emerging countries are also experiencing a surge in ELVs. It's imperative that these countries quickly establish foundations to ensure ELVs are properly recycled into resources.

I believe that the Beijing recycling plant is on the cusp of this movement.



Stakeholder comments

Mr. Wang Dongjie Chairman, Xianglong Borui Auto Service (Group) Co., Ltd.

Aiming to be a pioneer in China in partnership with Toyota Tsusho

With its auto service and trading value chain, the Xianglong Borui Auto Service (Group) has enjoyed a long, collaborative relationship with Toyota Tsusho, having partnered with the company to establish such joint ventures as Beijing Borui Huatong Usedcar Agent Co., Ltd. and Beijing Huatong Toyota Sales & Services Co., Ltd.



For this project, Toyota Tsusho has taken a capital stake in Beijing Borui liantong Auto Recycling Tech and we received the support of the Chinese and Japanese governments to implement a feasibility study backed by NEDO. The study confirmed the superiority of facilities and technologies at Beijing Borui liantong Auto Recycling Tech.

Moving forward, we will continue building experience with the support of many different partners to actively fulfill our role as a pioneer. I'm confident that our efforts will contribute to the development of a resource-conserving, environmentally conscious society in Beijing.

TRY
1

Life & Community

Contributing to the conservation of fossil fuels and prevention of global warming by globally promoting sugarcane-based PET resins

Bio-ethanol is a crude oil alternative that can help conserve fossil fuels and prevent global warming. In 2011, Toyota Tsusho began importing bio-polyethylene, made from bio-ethanol, to Japan.

Then in 2013, we established the world's first bio-polyethylene terephthalate (PET) supply chain integrating raw materials procurement, manufacturing, and sales. As a trading company striving to achieve sustainability, we have started making bio-plastic proposals to a wide range of industries.

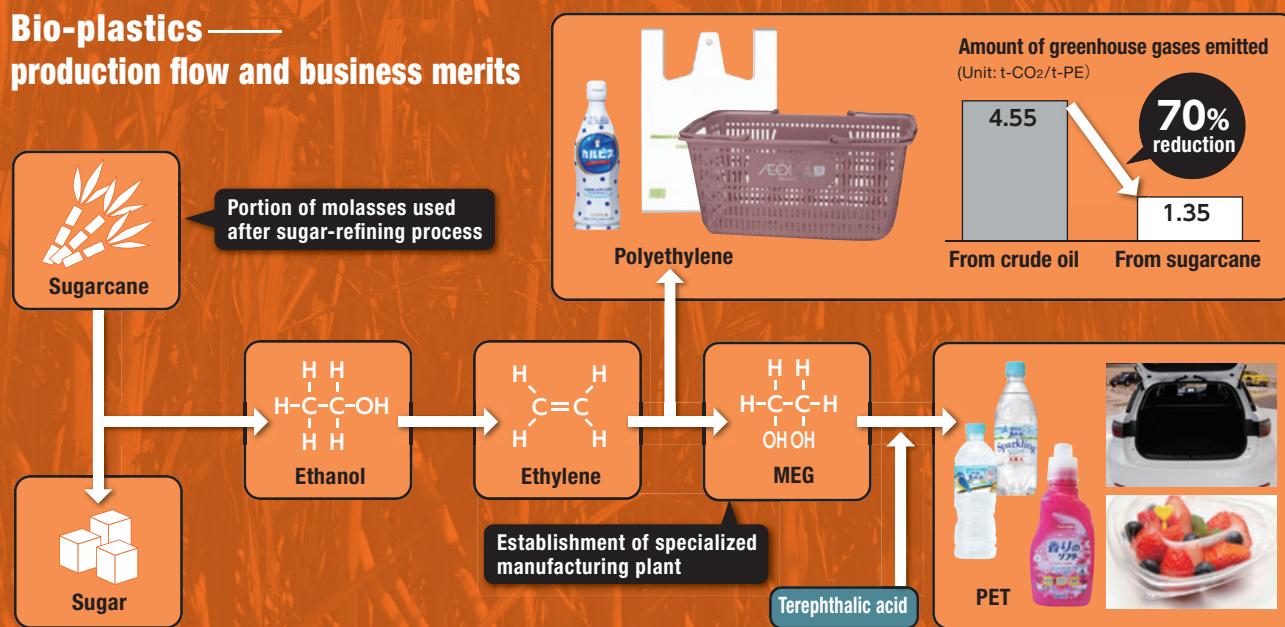
Launching a bio-polyethylene project with a Brazilian company

Bio-plastics made from plants contribute to the global environment in two major ways. First, the use of plants conserves the consumption of crude oil, the conventional raw material of plastics. Second, the use of plants significantly reduces CO₂ emissions (refer to chart below).

It was from these perspectives that we decided to commercialize bio-plastics as a next-generation business that could contribute to the global environment. The business originated in 2006 with the start of a bio-polyethylene project with major Brazilian chemical company Braskem.

Polyethylene is the most common type of plastic. Crude oil and natural gas are typically used to manufacture the material. It is also technically feasible to make polyethylene from bio-ethanol. Brazil has promoted the manufacture of bio-ethanol from sugarcane as a state policy. The bio-ethanol produced in Brazil has been

Bio-plastics — production flow and business merits



Bio-polyethylene adoption by customer (Shiseido)



used almost exclusively for fuel, however, and there has been minimal application in the chemical industry.

Eyeing an opportunity, we proposed to Braskem a locally produced and locally consumed polyethylene business that would use locally produced bio-ethanol as a raw ingredient. We fully financed the construction of a local pilot plant and continued to support the project until 2011, when Braskem launched bio-polyethylene production at one of the world's largest plants. Toyota Tsusho is now the bio-polyethylene distributor for Asia and Oceania, making proposals to widen its use among a range of industries.

Building the world's first bio-PET supply chain

While building a bio-polyethylene business in Brazil, we also launched a project in 2010 to manufacture another common plastic, polyethylene terephthalate (PET), with fewer fossil fuels. PET is used widely in beverage bottles and other

Bio-PET adoption by customer (Suntory)



packaging as well as textiles. The main ingredients are terephthalic acid and monoethylene glycol (MEG). MEG can be produced from ethanol.

At the time, no manufacturer offered a unified system to mass produce PET from plant-based bio-MEG. We took the initiative in establishing a integrated supply chain, raw materials procurement, manufacturing and sales. First, we signed a 10-year, long term contract with leading Brazilian oil company Petrobras to secure ample supplies of bio-ethanol from which bio-MEG is made. We then established a joint venture with a Taiwanese chemical company to start preparations for bio-MEG manufacturing operation.

Three years later, in March 2013, the Taiwanese MEG plant began operations. The bio-MEG from this plant is supplied to Asian PET manufacturers for the production of bio-PET. In this way, we have successfully built the world's first bio-PET supply chain integrating raw materials procurement, intermediate processing, manufacturing, and sales.

Adoption expands globally for auto interior materials, beverage bottles

Currently, we are marketing our bio-PET under the brand name "GLOBIO®" through our proprietary supply chain and striving to penetrate new markets. GLOBIO® has already been adopted by Toyota Motor for some models of car seats and interior carpets, while major PET bottle manufacturers in and outside Japan have also begun using the material. Gradually, GLOBIO® is developing into a global brand. GLOBIO® has begun to replace oil-based PET for food and detergent packaging, and we plan to make new proposals for clothing and textile applications, which represent the largest potential market.

In the future, we envision producing bio-ethanol ourselves and developing a 100% bio-PET product by using a plant-based terephthalic acid as, the other main PET ingredient. Accelerating the elimination of fossil fuels from the plastics industry will contribute to solving global environmental issues.

GLOBIO® website (<http://www.globio.jp/>)

Message from the project manager

Shigeru Okumura
General Manager,
Basic Chemicals and Plastics Department

Making new proposals as a pioneer

The need to reduce CO₂ emissions is becoming an ever-larger global issue. As a pioneer in this field, we consider the market introduction of bio-plastics to be part of our corporate social responsibility. Bio-plastics are comparable to conventional plastics in quality and functionality, making them relatively easy to adopt by end-product manufacturers. Though cost issues remain, customers who understand the significance of bio-plastics are actively switching over. I'm confident that a global market for bio-plastics will develop, and I look forward to continuing to make steady proposals to customers in and outside Japan in order to expand the business.



Stakeholder comments

Mr. Munehiko Takada Suntory Business Expert Limited

Leveraging GLOBIO® to develop a bottle with 40% less oil-based materials

In May 2013, we redesigned Suntory Natural Mineral Water (550 ml) with a lighter PET bottle to conserve resources and reduce the environmental burden from shipping. At the same time, we decided to adopt Toyota Tsusho's plant-based GLOBIO®, which enabled us to conserve fossil fuels. The switch to GLOBIO® has raised the brand value of Suntory Natural Mineral Water and reduced the amount of fossil fuel used in the manufacture of small PET bottles by about 40%. Overall, the development of this bottle has enabled us to respond to our customers' expectations for environmental consciousness. In the future, we expect even more innovative environmental materials from Toyota Tsusho.



TRY
1

Earth & Resources

Generating wind and photovoltaic energy businesses in the United States, Europe and Asia/Oceania

Renewable energies are attracting greater attention as the world grapples with ways to prevent global warming and ensure stable energy supplies. Eurus Energy Group manages wind and photovoltaic energy businesses globally. In fiscal 2013, Eurus Energy expanded its business to South America and launched photovoltaic energy projects throughout Japan.

Japan's largest wind power generation company and a leading global company with a quarter-century track record

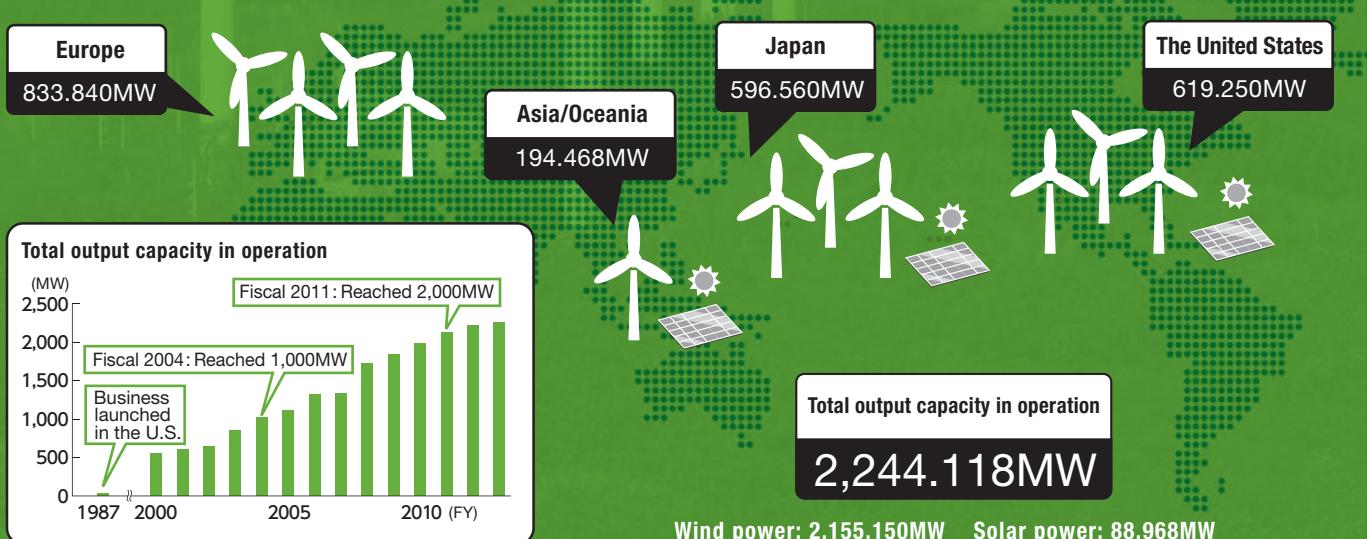
Eurus Energy is the core group for renewable energy business for the Toyota Tsusho Group. Eurus Energy began a renewable energy business in 1987. Taking advantage of energy policy changes in the United States, we started operation of a wind farm in the Mojave Desert in California. Since then, Eurus Energy has developed wind farms across the United States as well as in the United Kingdom, Italy, Spain, South Korea, Australia, Norway and other countries.

In Japan, we started operation of our first wind farm in Tomamae, Hokkaido in



Wind turbine installation

Eurus Energy total output capacity (as of July 2014)





1999. Since then, we have developed wind farms across Japan, mainly in Hokkaido Prefecture and the Tohoku region where wind conditions are favorable. Globally, we currently operate wind farms in eight countries with a total output capacity of 2,155.15MW (as of July 31, 2014), making us the largest wind power generation company in Japan and one of the leading global companies.

In 2008, we leveraged our know-how and experience in the wind energy business to launch a photovoltaic energy business. In 2011, we started operation of a photovoltaic power plant in California with a total output capacity of 45MW, making it one of the largest in the United States. We entered the photovoltaic energy business in Japan in fiscal 2013 by starting operations for mega-solar projects that are among the largest outputs of any projects in Japan in Misaki, Osaka, and Shiranuka, Hokkaido.

Being a corporation that develops together with each region, and is trusted by society

One of the advantages of the Eurus Energy projects is the integrated process from

development and construction to operation. In developing projects, we spend significant time surveying locations as well as wind and sunlight conditions, while also carrying out assessments on the potential impact on the surrounding natural environment. Based on the results, we design the facility to match the site conditions and adopt the best construction methods. After completion and the start of operations, we assign permanent operation maintenance staff to each project to ensure rapid problem resolution and capacity utilization improvement. We have established a reputation for excellence in and outside Japan for this unique project management know-how, which leverages our extensive technologies and experience in every phase of project development and operation.

Eurus Energy also believes that it is important to make social contributions to the communities around our projects. We hold site tours and dispatch lecturers to local schools near our projects to facilitate a better understanding of our projects and provide environmental education. We also take part in exhibitions and other events around our projects, while providing dona-

tions and sponsorships to community vitalization and cultural programs. Though various activities in the community, we strive to achieve the vision of "being a corporation that develops together with each region and is trusted by society."

Large-scale projects to meet growing global demand

Demand for renewable energy is expected to continue growing globally. Eurus Energy is pursuing projects throughout the world to meet the burgeoning demand.

In 2013, we launched a wind energy business in Uruguay as our second project in the Southern Hemisphere. In the northeastern area of the capital Montevideo, we are constructing 14 wind turbines, each rated at 3MW (for a total output of 42MW). The turbines have been installed, and the project is nearly ready to start operations. We plan to expand our renewable energy business in the country to support the Uruguayan government's renewable energy policy.

In Japan, we are promoting mega-solar projects in Hokkaido, Aomori, Miyagi, Fukushima and Hyogo prefectures. With a total output of 192.5MW, this makes us one of Japan's leading photovoltaic energy companies.

Eurus Energy will continue to pursue and expand renewable energy projects worldwide while forging close and trusted relationships with the local communities.



Site tours for local elementary school students

Message from the project manager

Mitsue Usami General Manager of Corporate Communications and Environmental Management Department, Eurus Energy Holdings Corporation

Responding to society's needs as a renewable energy pioneer

An inexhaustible gift of nature, wind can change dramatically due to even small differences in topography and direction, as well as with seasonal and annual climate changes. Consequently, it's critical to carry out observation and study of wind conditions prior to installing wind turbines. One of the advantages of our group as a wind power generation company is our wealth of know-how and experience in selecting sites of wind farm. Another distinctive advantage of our group is our well-balanced portfolio of projects spanning the three regions of the United States, Europe, and Asia/Oceania, including Japan.

We believe that renewable energy has great potential to prevent global warming and ensure stable energy supplies. Our group will strive to meet stakeholder expectations as a renewable energy pioneer.



Stakeholder comments

Mr. Kenichi Fujita Senior Executive Operating Officer
Energy Sector Lead, Siemens Japan K.K.

Strengthening a 20-year partnership

Since Siemens entered the wind power generator business in 2004, we have installed more than 12,300 generators around the world and established a leading market share for offshore wind power generators in particular.



We have a 20-year relationship with Eurus Energy, and we are very proud to be supplying the company's leading-edge technologies. As an inexhaustible power source, wind power will be increasingly relied upon throughout the world as a leading clean energy source. It will be important to forge an even closer relationship between the equipment manufacturers and power generation companies to ensure that more local communities can enjoy the advantages of clean renewable energies.

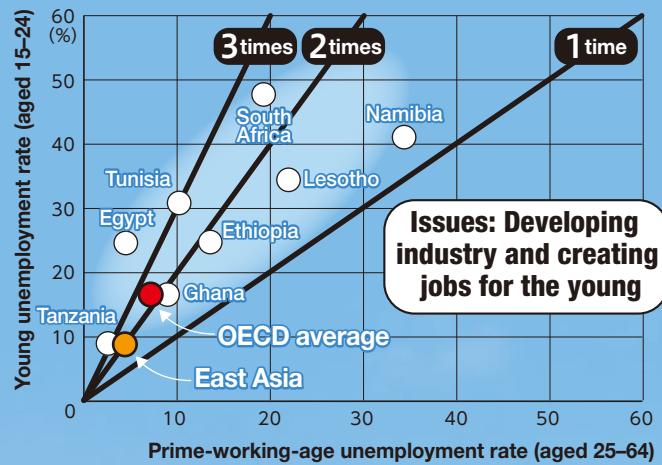
Striving to solve Africa's social issues

We are contributing to industrial development and job creation for young people by operating a social venture fund and opening our automobile distributor's human resources development organization to the public.

In recent years, Africa has staged remarkable economic growth as a result of natural resources development and soaring resource prices. The continent is also achieving progress on various social fronts, including lower infant mortality and higher school attendance. Africa boasts a population of over 1 billion people, and by 2050 its labor force is expected to become the largest in the world, exceeding those in China and India. A pressing issue facing the continent is future job creation for young Africans aged 15–24, a fast-growing age group. Solving this issue will require that the industrial development of countries throughout Africa be conducted without delay.

From the 2000s, Japan and Europe have acted as strategic partners to African nations. In recent years, however, the support structure has changed significantly from government-led aid to public-private partnerships aiming. In 2013, at the 5th Tokyo International Conference on African Development (TICAD V) held in Yokohama, participants adopted the Yokohama Declaration 2013 recognizing the private sector's role as a driving force for growth and the importance of respecting African ownership.

Unemployment among young and prime-working-age Africans



Source: ILO. Figures from between 2001 and 2010; years vary depending on country and region



Industrial development

Establishment of a social venture fund

In February 2014, Toyota Tsusho Corporation established the social contribution-type venture fund Toyota Tsusho CSV Africa Pte. Ltd. in Mauritius.

Over the years, we have actively made social contributions to Africa through the free provision of social infrastructure, industrial and human resources development services, and pharmaceuticals, as well as through volunteer work by our group company employees. The new fund aims to foster businesses that can directly contribute to solving social issues in Africa, such as job creation for local communities and improvement of worker incomes, the enhancement of the living and welfare environments, and the acquisition of foreign currency. The fund is creating a bridge between Africa and Japan by collecting a wide range of new business ideas from outside the company and offering venture support in the agricultural, environmental, medical and other fields.

The fund holds a monthly investment meeting to discuss and select candidates for investment based on field research in Kenya, Rwanda, Tanzania, Ethiopia and other countries. The fund made its first selections in the summer of 2014 and plans to invest in a total of 10-15 ventures over the next three years. In addition to capital, support for the ventures by using our company's global network is also being considered in the form of helping them strengthen their structures and develop human resources, as well as in logistics and sales. We will monitor the new businesses regularly and provide Japanese know-how and technology to contribute to the self-sustained development of Africa through the ventures.



Local farm businesses and others make good venture candidates



Nuts are sorted at a production plant



Youth job creation

Fostering human resources for Africa's tomorrow

One of the goals of Kenya's long-term strategic plan, VISION 2030, is human resources development. The nation is aiming to develop a global workforce by enhancing the international competitiveness of its workers.

To foster technicians and engineers, the Kenyan government operates technical colleges to provide work training. There remains a gap, however, between the schools' curriculums and the technological progress in the industrial workplace.

To help solve this issue, Toyota Tsusho subsidiary Toyota Kenya Co., Ltd. has refurbished its internal human resources training center and reopened it as the Toyota Kenya Academy. An opening ceremony for the academy was held on July 16, 2014 and with attendance of Kenyan President Uhuru Kenyatta, Toyota Tsusho Chairman of the Board Junzo Shimizu, and other dignitaries.

By strengthening our educational system to meet a diverse range of needs, we will continually support the human resources development of workers striving for the future of Kenya and all of Africa.

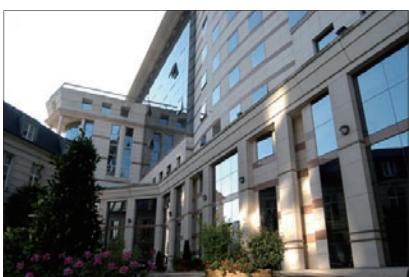
Features of Toyota Kenya Academy

- ① Serves as the engineer training center for the eastern and southern automobile distributors of Toyota Motor Corporation (continued function)
- ② Collaborates with Japan International Cooperation Agency (JICA) and Kenyan universities and government organizations to provide business management courses for the public
- ③ Plans to offer courses in non-automotive fields, such as technical training for construction and agricultural machinery engineers, which have not been available in the past
Classes are also planned for the general public.
- ④ Plans to offer entrepreneur support courses in collaboration with Kenyan universities and government organizations

Opening ceremony for Toyota Kenya Academy



The Toyota Kenya Academy



Crating for delivery



Overview of CFAO

Establishment: 1887
 Number of employees: 11,600 (consolidated)
 Revenues: 3.6 billion euros
 (year ended December 31, 2013)
 Head office: Paris, France
 Representative: Richard Bielle
 Business description: Automobile import and export, pharmaceutical wholesale, etc.
 Main shareholder:
 Toyota Tsusho Corporation (98%)

CFAO's beverages business targets the burgeoning middle class of Africa, tomorrow's growth market

CFAO is a major French trading company in which Toyota Tsusho has invested. Since its establishment, CFAO's business has been deeply rooted in African society. In the Republic of Congo in central Africa, CFAO has taken the lead among European companies by establishing a beverage manufacturing, bottling, and wholesaling business for global beverage brands. The beverages are quickly becoming a part of the lifestyle of the country's burgeoning middle class.

From Resource-dependent economies to diversified industry

In recent years, Africa has enjoyed economic growth surpassing the average global growth rate. One of the benefits of this growth has been the rise of income levels and the expansion of the middle-class. By 2050, Africa's population is expected to reach 2 billion people, doubling from 1 billion in 2010, and this potential has attracted interest in Africa as a major consumer market.

In conjunction with this economic evolution, personal spending is emerging as a driver of economic growth. Currently, however, the continent's economy remains dependent on traditional investment in resources and infrastructure development. Ending this reliance on traditional growth models has become an urgent issue in order to realize a new model of "inclusive growth" which can ensure a higher quality of life for a broad spectrum of Africans.

Expanding Congo's beverage business over two decades

The Republic of the Congo is facing an urgent need to diversify its economy. Currently, 60% of the country's GDP and about 80% of the state budget depend on oil revenues. CFAO has succeeded in building a beverages production, bottling, and wholesaling business since the 1990s.

In 1994, CFAO teamed with European beer titan Heineken International to establish joint venture Brasseries du Congo (BRASCO). BRASCO operates two breweries: one in Brazzaville, the capital in the southeast of the country, and one in Pointe-Noire, a port city of in the southwest that provides access to the inland

regions. The company imports, produces, bottles and distributes over a dozen types of beverages, including international beverage brands Heineken and Coca-Cola and local beer brands. In 2013, BRASCO posted sales of 290 million liters, equal to a beverages market share of over 90%.

BRASCO distributes its beverages through a network of 16,000 sales locations located throughout the country, including stores, restaurants, and bars.

Thanks to BRASCO's initiatives over the past two decades, beer and soft drinks have become an integral part of the country's local culture. The company makes regular investments to expand and modernize the production capacity of its two plants in order to meet the robust demand. These investments have made it possible to double production capacity over the last 10 years. The company is also actively contributing to the creation of new jobs. The two sites employ a combined workforce of more than 800 employees and 86% of the managers are Congolese and among them, 47% have an experience of more than 10 years within the company.

Promoting CSR in three main areas to further enhance corporate value

As Congo's beverages market continues to expand, BRASCO has launched three new initiatives to enhance its corporate value amid intensified competition.

The first initiative is environmental protection. Some of the components used in beer manufacturing are created naturally: for example, the CO₂. Used for filtration and bottling, it appears during fermentation, is recovered and liquefied for storage before being injected again in gaseous state in the manufacturing process.

Free water distribution facilities contribute to community development

Christian Villa
Managing Director,
Brasseries du Congo

Promoting CSR as a corporate citizen of Congo

As a corporate citizen, BRASCO develops its business while respecting the social and natural environment in which it operates. We promote activities based on the following CSR policies.

First, we conduct regular monitoring of our water consumption and our wastewater output in order to share this resource with the whole community. In addition, we measure our carbon footprint to limit the effects of our activities on the environment. We also promote local procurement of resources used in manufacturing and cooperate with all stakeholders to conserve resources in order to contribute to the development of local industries.

To promote health and safety, we have established a medical center providing disease prevention and treatment services, as well as HIV/AIDS awareness programs, for all of our employees and their families. We are proud to support the sustainable development of the Republic of the Congo through these activities.

As a company which uses large amounts of water in its production processes, BRASCO has deployed equipment to purify all of its wastewater discharge and reduce its burden on the environment. It was the first brewery in central Africa to build a wastewater treatment plant in 2005 in Brazzaville. The second one was built in Pointe-Noire in 2009. Each of them has a capacity of 2880m³ and 1440m³ of water. The company also takes care of monitoring its water consumption in order to share this resource properly with other users. The Republic of Congo is not located in a stressed water area, but the distribution network in the country is old which makes access to water very difficult for the population. Every year, BRASCO donates almost 3000m³ of free water in order to address this issue. BRASCO Foundation built in 2013 a public fountain in Pointe-Noire.

The second initiative is coexistence with communities. In November 2013, BRASCO organized two open days for the community so that members could better understand its activities. Community members toured facilities usually closed to the public, while enjoying explanations of the business and tasting events. BRASCO top management is deeply committed and involved in the constant improvement of product quality and its services by implementing a Quality, Healthy & Safe Environment System based on recognized national and international standards: ISO 9001 etc. Our laboratories are responsible for the strict control of food safety, thanks to the application of the HACCP system. We undergo various audits from Heineken and Coca-Cola to ensure the quality of our products and that we meet our commitments for a healthy and safe working environment. Every month, samples of our products and raw materials are sent to Heineken Netherlands for further study. The company also launched in 2013 a public campaign called

“no drink & drive” to raise awareness on this issue among taxi and bus drivers. The campaign will be repeated every year.

The third initiative is responsiveness to diverse consumer needs. BRASCO is developing a range of new products to broaden its appeal among a wide group of beverage drinkers. The company has launched several new beer brands targeting women, including a flavored beer and low-alcohol beer. It has also set up PET bottling lines to make it easier for customers located far from major urban area and those with higher purchasing power.

Supporting Africa's growth through new business ventures

CFAO has positioned Equipment (mainly cars and industrial machinery), Healthcare (pharmaceuticals), and Consumer Goods (mainly consumer and retail products) as its three strategic business areas in Africa. CFAO is accelerating the expansion of new business in the Consumer Goods area as a way of responding to the strong demand for consumer products and contributing to raising the quality of life for people throughout the continent.

In 2013, CFAO signed an MOU with major French retailer Carrefour. The companies will establish a joint venture to pursue modern retailing in eight countries in central and western Africa and make contributions to raising the quality of life for the regions' consumers. The companies are also discussing new projects, such as the expansion of the Congo beverages business to other countries as well as the manufacture and wholesale of daily goods.

CFAO will continue to create value-added business to contribute to Africa's economic development while striving to promote community-oriented initiatives with its partners.

Quantitative and qualitative results related to Toyota Tsusho's social responsibility

Toyota Tsusho promotes a wide range of businesses and strives to execute its corporate responsibility in accordance with its business activities.

Our Safety and Global Environment Management Department, Human Resources Department, ERM Department and other departments monitor the results of our initiatives in order to improve activities in coming years.

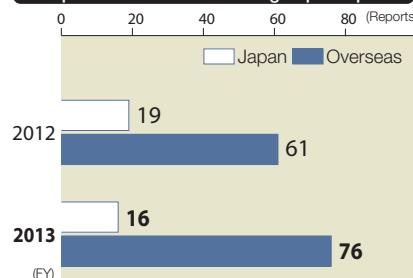
Quantitative results

Safety efforts

►P23

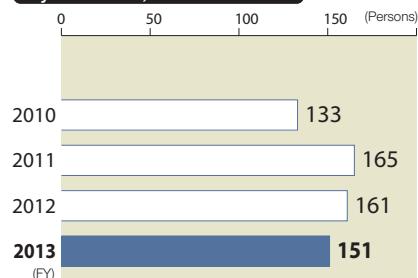
Number of work-related accidents

53 Japanese and 172 overseas group companies



Number of employees receiving training upon appointment as a safety manager

Toyota Tsusho, non-consolidated

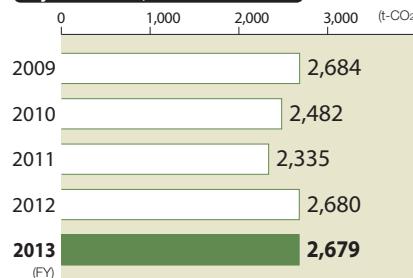


Approach to the environment

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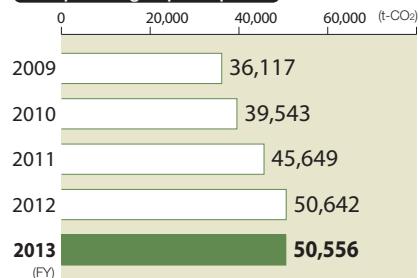
Office CO₂ emissions

Toyota Tsusho, non-consolidated



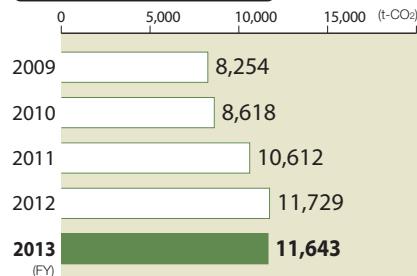
CO₂ emissions by domestic group companies

53 Japanese group companies



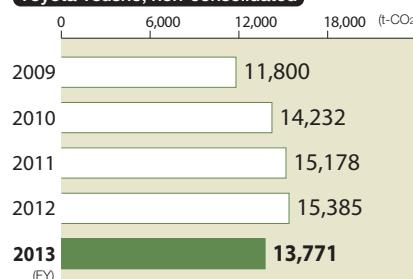
CO₂ emissions by overseas group companies

14 overseas group companies



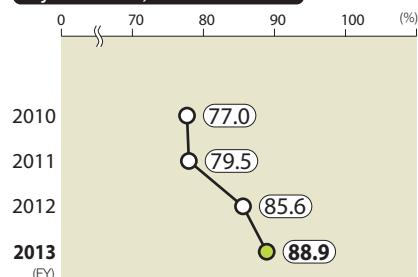
CO₂ emissions during transport

Toyota Tsusho, non-consolidated



Waste recycling rate

Toyota Tsusho, non-consolidated



Third-party audit



Internal auditor development course

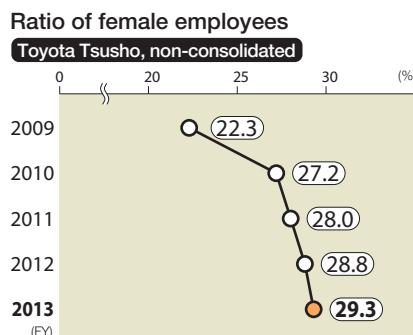


Reduction in power consumption (use of top lights)

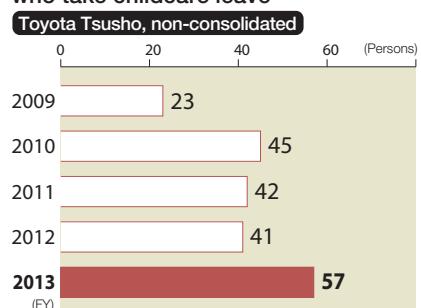


Human resource initiatives

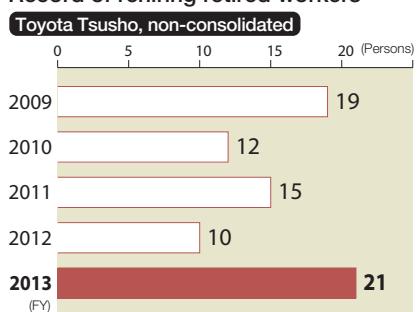
→P35



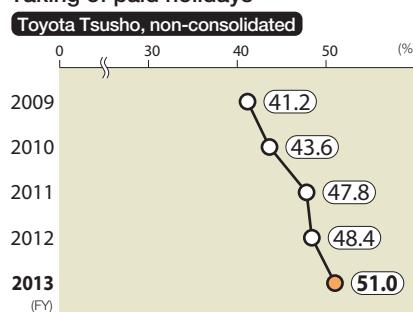
Indicates the number of people who take childcare leave



Record of rehiring retired workers



Taking of paid holidays



"Welcome to Toyota Tsusho" event held at Nagoya Head Office



Governance

→P41

Reports made through internal reporting system



Inspection at Vietnamese apparel plant



Qualitative results and goals

	FY2013 results	FY2014 goals
Compliance	<ul style="list-style-type: none"> Compliance training conducted during training for employees prior to overseas assignment and study sessions for officers Stimulating interest in supply chain CSR through CSR feature articles in the employee magazine 	<ul style="list-style-type: none"> Strengthening bribery prevention systems Implementing PDCA for supply chain CSR
Risk Management	<ul style="list-style-type: none"> Revision of rules for handling confidential information and personal information Creation of a checklist for information security fundamentals and distribution to all group companies Establishment of a Security Management Group to bolster overseas crisis management 	<ul style="list-style-type: none"> Promotion of revisions made to rules for handling confidential information and personal information among overseas group companies Continued training on countermeasures against targeted e-mail attacks Launch of intranet site to share information on overseas crisis management
Information Disclosure	<ul style="list-style-type: none"> Redesign of website for easy viewing by smartphone and tablet users Scheduling general shareholders' meeting to avoid other companies' meetings; on-demand broadcasts of general shareholders' meetings; sending general shareholders' meeting announcement three weeks prior to event Briefings for private and other investors 	<ul style="list-style-type: none"> Creation of separate webpages for each business division and simplification of content Provision of business briefing documents etc. for a wider array of information disclosure tools Private investor briefing events in smaller cities in Japan

Safety efforts

Based on the Toyota Tsusho Group's Policies on Safety and Health, the group promotes occupational health and safety initiatives that are designed to ensure the continuity of operations by ensuring the safety of all people who work at Toyota Tsusho Corporation and all those who are involved in its operations, including business partners and investees. We have also established the Food Safety Management Group so as to offer safe and reliable food, and are building a food safety management system.

The Toyota Tsusho Group's Policies on Safety and Health (Revised July 2011)

- ① Recognizing that good communications are paramount for ensuring safety and health, top management places a high premium on dialogue with employees.
- ② While strictly adhering to relevant safety and health laws and the internal workplace business rules and procedures of our customers, we have established our own standards, as we work to raise the level of our safety and health management.
- ③ We utilize occupational safety and health management systems and implement *kaizen* (continuous improvement) as we aim to continually raise safety and health levels.
- ④ To promote safety and health activities at all companies throughout the Toyota Tsusho Group, we will establish the necessary organizations and structures and clarify the locations of responsibilities.
- ⑤ To progress with the creation of comfortable and healthy workplaces, we will provide all employees with sufficient and necessary education for ensuring their safety and health.

We are fostering a corporate culture to prevent accidents.

The Toyota Tsusho Group believes that maintaining the safety of not only group employees but also all other people supporting our business endeavors is a fundamental aspect of our social responsibility. In keeping with this belief, the Toyota Tsusho Group aims to establish a culture of safety for its employees, affiliates and suppliers. Based on our motto "on site, hands on, in touch," we actively engage in safety efforts based on the three pillars of "control structure," "education and personnel development," and "support for accident prevention."

Despite this thorough approach, the number of accidents at our overseas operations increased in fiscal 2013 compared with the previous year. In August 2013, we responded by declaring a "state of safety emergency" on a global level and took steps to reaffirm safety awareness among all employees while bolstering our safety and health management systems. Specifically, we mitigated risks by sharing accident-related information among all organizations, including on-site operations, ensured the safety of personnel working in elevated work sites within and outside Japan, and prohibited personnel from doing work outside their area of expertise. We also thoroughly conducted safety patrols and held emergency safety workshops to raise awareness among all personnel, including our suppliers. As a result, the number of accidents declined and we confirmed that safety awareness had been raised throughout all Group companies, so we rescinded the state of emergency in April 2014.

Additionally, in fiscal 2013, we held monthly meetings of the Safety Management Improvement Committee, a cross-organizational body including all of our group companies, to monitor each division's safety action plans and prevent risks throughout the Toyota Tsusho Group. The "zero accident" team members of each

division also held Weekly Safety Meetings to promote the rapid sharing of information on accidents, including close-calls.

Fiscal 2013 also witnessed the 2nd Global Safety Meeting, an initiative continuing on from fiscal 2012 to gather health and safety managers from Thailand, the United States, Brazil, Australia, Indonesia, South Africa, and China for a discussion on ways to maintain and improve the safety management systems in these seven countries. The event was an ideal opportunity to promote our "Anzen First" ("Safety First") philosophy among overseas organizations.

Toyota Tsusho's long-term vision, the Global 2020 Vision, states that we want to be a company that "garners our customers' trust." By considering safety in every aspect of our business, and ensuring the safety of everyone associated with our business, we hope to be a company that encourages people to take the initiative in preventing accidents.

I will continue working in unity with everyone in this fiscal year so as to realize that ideal.



Mikio Asano
Executive Vice President
Safety and Health
Management
General Supervisor

Occupational safety and health management

Promotion structure

We strive to share safety information and raise safety consciousness, with the Weekly Safety Meeting and Safety Management Improvement Committee at the core of our efforts.

Toyota Tsusho Corporation holds Weekly Safety Meetings attended by safety-related personnel, primarily members of “zero accident” teams in each division.

Also, the Safety Management Improvement Committee, which extends laterally across the entire company and is attended by divisional executives (chief division officers and directors in charge of “zero accident” promotion), meets monthly for the sharing of information and the uplifting of safety consciousness among top executives.

We promote safety management among Group companies and business partners.

Toyota Tsusho Corporation has striven to instill a culture of safety and eliminate and prevent accidents, as reflected in the establishment of the Safety Management Office in 1985 and the Safety & Global Environment Management Department in 2001. We have increased visualization of safety by establishing indicators based on evaluations through safety diagnoses and other factors. As a

result of such efforts, “Sincere, Straightforward, Speedy” have taken hold in each department, making possible more open and accurate accident reports.

In fiscal 2013, we strove toward the goal of maintaining safety awareness and acting with speed to implement safety initiatives in order to earn the trust of customers.

Members of “zero accident” team have been placed in all departments to promote safety.

Under the supervision of the heads of the sales divisions, “zero accident” team members at all sales departments take part in safety management activities within their own sales departments, as well as in any group companies that their departments are responsible for managing. They work to uncover any issues, propose countermeasures and manage the progress of activities.

Furthermore, we hold annual “zero accident” team conventions to raise safety awareness. Attendees report on their departments’ activities along with initiatives requiring improvement, while commendations are awarded for outstanding activities.



Create case studies on accidents likely to occur in offices

In fiscal 2013, administrative employees in each division focused on preventing accidents within offices and during employee commutes. Case studies on office accidents were collected and distributed to the planning departments of all the divisions.

Eleven overseas group companies from seven countries participated in the Global Safety Meeting.

We have established the Toyota Tsusho Group OS&H promotion committee to promote occupational health and safety activities at Toyota Tsusho Corporation and its group companies in Japan. This committee is chaired by the general manager of the Human Resources Department, with the safety and health management general supervisor, who is a Toyota Tsusho director, and the representative directors of 53 group companies in attendance.

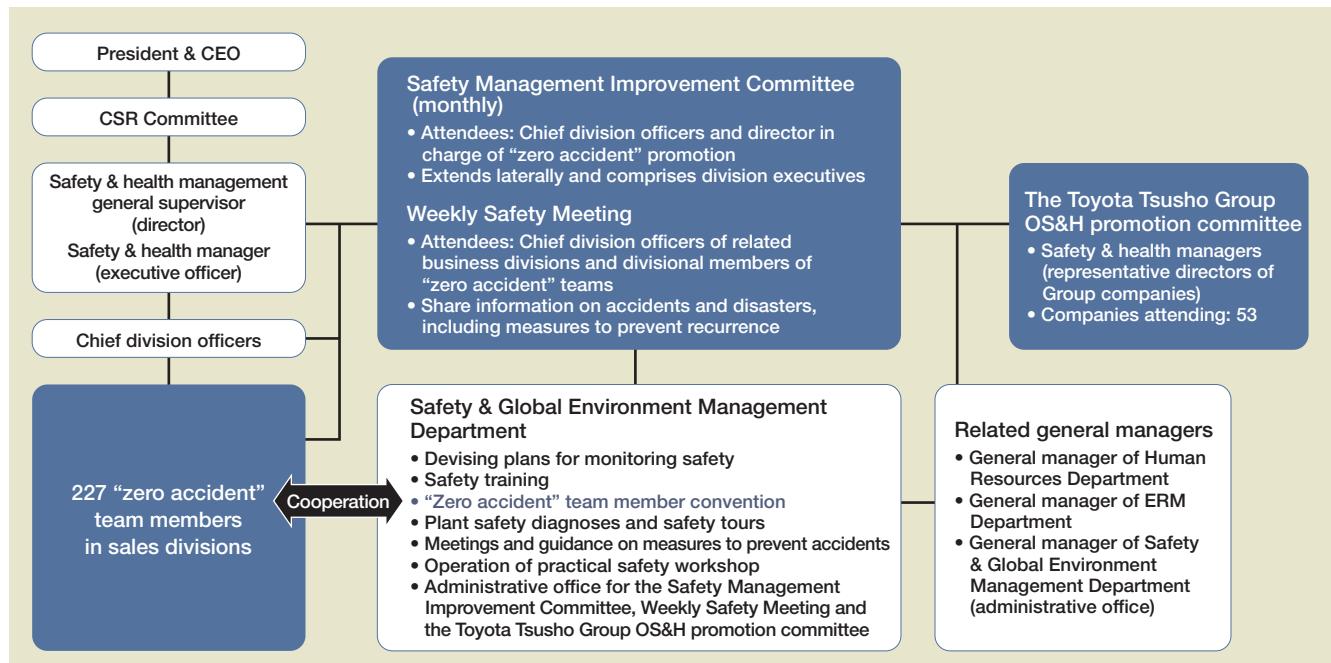
Group companies outside Japan also share the “Safety First” policy and philosophy. Safety activities at overseas sites are promoted in accordance with the laws and regulations of each country.

From fiscal 2012, we began holding a



Global Safety Meeting

Structure for promoting occupational health and safety



Safety efforts

Global Safety Meeting which convenes safety-related personnel from group companies around the world. Personnel share information and opinions with the goal of raising safety awareness at each overseas site.

In fiscal 2013, personnel from 11 overseas companies in seven countries participated in the meeting. In addition to the previous year's participants from Thailand, the United States, Brazil, and Australia, representatives from Indonesia, South Africa, and China newly joined the meeting. We plan to continue holding the Global Safety Meeting in coming years as a way to collectively raise safety awareness as a Group.

Promoting occupational safety and health management

Toyota Tsusho Corporation

Thirty-five companies conducted plant safety diagnoses.

Toyota Tsusho conducts plant inspections at our business sites in Japan and overseas, whereby top-level management and the leaders of business divisions take the initiative in checking safety. We also conduct "plant safety diagnoses," which involve reviews of 21 items, including the management structure, the status of occupational health and safety committee activities, and the annual activity plan's implementation status. Furthermore, we perform risk assessments in an effort to prevent accidents from occurring. These activities enable us to identify issues and implement countermeasures.

Number of work-related accidents and lost time injury rate in FY2013

	Number of work-related accidents	Lost time injury rate
Japan	16 accidents (including 2 lost time injuries)	0.10
Overseas	76 accidents (including 41 lost time injuries)	0.86

Lost time injury rate at domestic group companies operating factories* (FY2013)

	Metals	Energy	Others
Target companies	14	3	14
Employees	1,244	481	3,549
Stoppage rate	0.00	0.00	0.00

* An indicator of accident frequency. The calculation is based on the number of accident-related casualties per 1 million working hours.

lost time injury rate =

Number of deaths and injuries due to accidents
Total work hours × 1,000,000

Plant diagnoses were carried out at group companies (20 in Japan and 15 overseas), with thorough guidance on safety management provided on-site. In addition, each group company conducted risk assessments to look into measures to identify sources of danger so as to prevent accident occurrence.

Suppliers

The Safety and Health Cooperation Council, with a membership of around 550 suppliers, works to enhance safety maintenance.

Through the cooperation of our approximately 550 suppliers, we have formed the Safety and Health Cooperation Council, an organization that seeks to prevent accidents. Upon the request of the supplier, we also visit supplier sites to share our safety and health know-how.

Suppliers are divided into two categories, "construction" and "delivery," with conferences or seminars held for each

category four times annually to share information related to safety management and trends on the indication of non-conformance. Directors and general managers from five divisions—Metals, Global Parts & Logistics, Machinery, Energy & Project, Chemical & Electronics, and Consumer Products & Services—attend these conferences or seminars, with the Safety Promotion Group members serving as the secretariat.

In fiscal 2013, under the theme of legal compliance, we worked to prevent the hiding of work-related injuries in the event of an accident and strove to improve safety management.

Investments

Conducting safety reviews of business investments at the planning stage.

When Toyota Tsusho is contributing 50% or more of the investment in a project accompanied by construction, we con-



Metal Division initiatives

We practice thorough safety management in our mining development business

The Metals Division conducts safety assessments from the planning stage of new investments into mining development and refinery construction in order to prevent labor and other accidents.

At the lithium development project in Argentina, for instance, the safety manager of stakeholder Toyota Tsusho Argentina conducts on-site safety inspections every three months in addition to the safety management measures carried out by the local operating company. In fiscal 2013, three safety inspections were conducted



Lithium development in Argentina

and guidance was provided to the local operating company.

Additionally, the local operating company is required to report on project safety status, close calls and other safety issues in its monthly progress reports. This allows project managers in Japan to regularly confirm the status of project safety.



Machinery, Energy & Project Division initiatives

We provide safety training for employees participating in overseas construction projects

The Machinery, Energy & Project Division rigorously manages labor safety and health for its employees, particularly for large-scale projects such as drilling of marine gas fields and environmental equipment installation posing a high level of risk.

Employees involved in overseas construction projects receive safety seminars to understand ways to prevent accidents when making construction work orders. In

fiscal 2013, 57 employees received the seminars.

Division strategy conferences are also used as an opportunity for the chief division officer and other executives, general managers, project coordinators, officers of affiliates, and overseas expatriates to discuss and learn about safety management. Overseas expatriates also receive special safety management training prior to their assignments.

duct an examination of the planning through construction work cycle to confirm that a safety management structure has been put in place.

The Safety Management Group of the Safety and Global Environment Management Department strives to ensure that construction projects are completed without any accidents or disasters in order to fulfill our duty as a safety-conscious contractor. To this end, the group ensures that the five elements of the safe construction cycle are functioning properly.

Five elements of the safe construction cycle

- Training for new site visitors
- Implementation of work direction and KY
- Safety patrols
- Safety meetings
- 4S

Safety training

Training

We are expanding rank-based safety training and cultivating in-house safety training instructors.

We believe that human resource cultivation is where safety management truly begins, so in addition to group employees, we also conduct safety training for suppliers. In line with our aim of increasing safety awareness, the “zero accident” team members who direct safety activities at sales divisions are required to undergo training upon appointment as a safety manager. In fiscal 2013, 151 people took part in this training, raising the cumulative total to 1,000.

Rank-based safety training is also provided to new employees, mid-level employees, managers and executives, and we are expanding the scope of safety training to include suppliers.

We cultivate instructors who provide this safety training in-house so they can understand the circumstances within the Toyota Tsusho Group and provide instruction corresponding to actual workplace needs. Training is provided by employees who have received RST Trainer certification as instructors for occupational health and safety by Japan’s Ministry of Health, Labour and Welfare and the Toyota Group’s instructor certification for supervisory foreman education as “specialist instructors for all Toyota personnel responsible for work operations.”

Currently, more than half the employees assigned to the Safety Management Group hold these certifications.

At our workplaces, we also assemble a variety of safety training programs on

DVD to promote visual safety education. Four types of DVDs are available: in the construction category, training covers working at high elevations, slinging work and preventing electric shock; in the delivery category, lashing and crane operations; in the production category, how to respond to abnormalities during operations; and the management category. We have distributed these DVDs to 337 business units in Japan and overseas.

Principal training and number of people taking courses (FY2013)

Training topic	Target	Number of people taking courses
Education and training for new employees	New employees	113 persons
Training upon appointment as a safety manager	Mid-level employees, managers	151 persons
Training for personnel posted overseas		38 persons
Training for persons responsible for construction		117 persons
Training for persons responsible for work operations	People in charge (including at group companies and suppliers)	674 persons
Education for high-elevation workers		334 persons
Education on prevention of electrical shock		327 persons
Practical safety workshop		887 persons
Training for top-level executives	Executives	298 persons

We have set up a practical safety workshop to enhance employee sensitivity to danger.

To heighten employee sensitivity to danger, in fiscal 2009 we established the Practical Safety workshop at the Toyota Steel Center. The workshop offers simulation of some 40 different types of danger, including being squeeze and danger involving heavy items, and in addition to attendance by Toyota Tsusho and group company employees the workshop is also open to business partners who take part in the Safety and Health Cooperation Council.

In fiscal 2013, 887 people used this facility, including personnel from approximately 30 business partners.



A practical safety workshop

Providing information on safety

We broadcast health and safety information using the electronic bulletin board OSH*-NET.

We have set up the Zero Accident Room at our headquarters, where we provide information about Toyota Tsusho Corporation’s safety initiatives, as well as disaster case studies and training content. The facility is open to employees of Toyota Tsusho and group companies, and can be freely used by customers and suppliers.

Also, we used OSH-NET, an electronic bulletin board set up in fiscal 2008, to offer employees health and safety information, such as materials on safety and health management, disaster case studies, the minutes of various meetings and information on safety and health, all in a single, convenient location. In fiscal 2011, OSH-NET was redesigned to add news updates and other features in order to improve the site’s convenience and functionality. We strive to have all of our employees share and understand information about a variety of safety and health efforts, and for the entire company to aim to improve safety awareness.

*Abbreviation for “occupational safety and health”

Ensuring food safety

(The Food & Agribusiness Division initiatives)



Supply chain

We provide guidelines for careful selection of superior suppliers and product management.

Food & Agribusiness Division has created a food safety management system with the Food Safety Management Group at its core, and strives to comply with laws and regulations. Our process of supplier selection includes plant inspections in addition to the screening of records. Only suppliers that have cleared our supplier selection management standards are chosen for registration.

Guidelines for product management based on our Supplier Management Standards are provided to registered suppliers, and strict management of each process, from ingredient selection through product shipping, is required. Also, local supplier inspections have been stipulated in an inspection manual based on our food safety management system rules, and in addition to requiring that registered suppliers conduct regular inspections, when suppliers find on-site inspections to be difficult, Toyota Tsusho

Safety efforts

conducts inspections through the Food & Agribusiness Division.

For food products imported into Japan, due to risks of unanticipated residual agrochemicals and animal drugs, we set our own internal rules for inspection and conduct inspections upon import in accordance with the rules.

In the event that an inspection uncovers a regulatory violation or other major problem, we take measures to prevent the raw materials or products from being shipped or distributed. Additionally, we make a thorough investigation into the cause of the problem and consider and implement measures to prevent reoccurrence so as to avert a food accident.

Because the food safety management system has been in use for five years, the Food & Agribusiness Division carried out a *kaizen* program in fiscal 2013 to upgrade the system to deal with current issues. As another major initiative, the division confirmed the status of safety management structures at its affiliates and new companies in order to establish a coordinated safety management system among these companies and the Food Safety Promotion Group. For fiscal 2014, the division plans to tackle issues identified in the *kaizen* program conducted in fiscal 2013 and unveil a more efficient food safety management system. Additionally, the division will systematically establish an efficient and coordinated safety management structure linking affiliates and the Food Safety Promotion Group based on the research into the current organizational structures carried out in fiscal 2013.

Toyota Tsusho's logistics centers

We have created our own manuals in conformity with the demands of Japan's Ministry of Agriculture, Forestry and Fisheries and Japan's Ministry of Health, Labor and Welfare for thorough quality control.

The Food & Agribusiness Division maintains grain silos at four sites in Japan. We operate these silos according to our own quality control manuals that conform to Japan's Ministry of Agriculture, Forestry and Fisheries guidelines and



Grain silo

directives (on feedstuffs and wheat) and Japan's Ministry of Health, Labor and Welfare directives (on corn). We conduct thorough cleaning and temperature controls at every stage, including pre-load, loading, storage and shipment.

Appropriate product labeling

We strive for appropriate labeling and confirm the accuracy of ingredient labeling and date management.

We strive for thoroughly appropriate labeling so as to offer accurate information and product security. We confirm in advance that the ingredients actually in the product match the labeling, and we store label records, including label samples and artwork, etc.

The Supplier Management Standards of the food safety management system stipulate rules regarding date management, such as sell-by and use-by dates, and we confirm that our suppliers are conducting proper date management.

Automobile Safety

(Automotive Division initiatives)



Inspections and after-sales service

To execute our social responsibility as a car distributor, we are striving to enhance transportation safety and enrich and increase the convenience of mobility for customers in countries around the world.

The Automotive Division sells automobiles and provides related services in 166 countries worldwide. The division believes that enhancing transportation safety and enriching and increasing the convenience of mobility for customers is central to its corporate responsibility as an auto distributor.

In Kenya, for example, Toyotsu Auto Mart Kenya Co., Ltd., a used automobile sales company in which Toyota Tsusho Corporation owns a stake, exemplifies this business approach. Prior to delivering automobiles, the company carries out a thorough inspection to ensure customers can drive safely and with peace of mind. Wholly owned subsidiary Toyota Kenya Co., Ltd., meanwhile, manages a service network of 50 sites throughout Kenya to increase customer convenience by providing services meeting the needs of customers anytime, anywhere.

The Automotive Division will continue

to establish and expand its automotive value chain in other regions to grow with the countries and communities in which it does business.



Kenyan automobile distributor

Sales finance services

We are developing our sales finance business to support the sound expansion of automobiles.

The Automotive Division is building its sales finance business to support the sound expansion of automobile consumers in emerging countries on the cusp of full-fledged economic growth.

In Mauritius, Tsusho Capital Mauritius Ltd., in which Toyota Tsusho Corporation owns a stake, provides low-interest loans and leases with maintenance services for automobiles sold by Toyota Mauritius Ltd., Toyota Tsusho's local distributor. Tsusho Capital Mauritius carefully explains financing options and arranges appropriate maintenance packages to ensure that it can provide products each and every customer can enjoy with peace of mind. By offering one-stop services at the distributor, the company strives to make rapid credit assessments and provide services matching the needs of customers.

The division will continue to expand its reach in new markets and contribute to the economic development of emerging countries through financing for the motorization of society.



Sales finance counter at auto distributor

Approach to the environment

Toyota Tsusho Corporation considers its approach to the environment to be inextricably linked with our Corporate Philosophy of “living and prospering together with people, society and the Earth.” In accordance with the Toyota Tsusho Group’s Environmental Policy, all executives and employees share this understanding and perform their activities accordingly.

Toyota Tsusho Group’s Environmental Policy

- ① As a responsible corporate citizen, we strive to reduce impact on the environment, conserve energy, recycle resources and eliminate environmental pollution, while placing a high priority on not disturbing the global environment in conducting business.
- ② We promote environment-related businesses, such as the efficient use of waste and the preservation of natural resources, and contribute to the realization of a recycling-oriented economy and society in collaboration with our affiliates and business partners.
- ③ We comply with all environmental requirements, including environmental laws and regulations and industry guidelines.
- ④ We participate in activities to reduce impact on the environment by establishing an environmental management system and implement *kaizen* (continuous improvement) of these activities through periodic review and the application of creative ideas.
- ⑤ We enhance environmental awareness among employees by providing environmental training and promoting a thorough understanding of our environmental policy.

As a company with responsibility for the global environment and for business sustainability, we will continue to work with consideration for the environment

Environmental issues cannot be avoided by the company in the course of its activities. Such issues confront us in various ways, and, as serious problems, they sometimes stand in our way.

For us, the Toyota Tsusho Group, our duty and a major part of our mission is to give consideration to the environment and to act with sincerity. Fulfilling this duty and this mission is the same as implementing our Corporate Philosophy: “living and prospering together with people, society and the Earth, we aim to become a value-creating company that contributes to the creation of a prosperous society.”

Based on the Corporate Philosophy, we have established the Toyota Tsusho Group’s Environmental Policy, and we aim to realize a society in harmony with nature, meaning one that is recycling-oriented, as well as low-carbon, through the Toyota Tsusho Group environmental management system. We are also working to comply with environmental laws and regulations and to prevent pollution. In view of this, we are developing environmentally friendly business activities in all three business domain fields highlighted in the long-term vision of the Toyota Tsusho Group, the Global 2020 Vision: “next-generation mobility systems,” “better living environments,” and “solutions to global issues.”

In fiscal 2013, we further implemented *kaizen* in environmental management by including an environmental risk assessment in the Toyota Tsusho Group environmental management system for a quantitative analysis of environmental risk and management-level visualization. Also, from a perspective of reducing pollution risk, we

deal promptly with PCB waste throughout the entire Toyota Tsusho Group and we are pursuing greater efficiency by means of coordinated processing throughout the group. We will continue to promote this initiative in fiscal 2014 as we strive to reduce pollution risk.

“As a company with responsibility for the global environment and for business sustainability, we will pass down a rich global environment to future generations.” These are the thoughts of the Toyota Tsusho Group in connection to the global environment. We will continue to carry out environmentally friendly business activities as we work to implement *kaizen* in environmental management.

Mikio Asano
Executive Vice President
Environmental
Management
General Supervisor



Approach to the environment

Environmental Management

Promotion structure

We are stepping up our environmental management efforts, focusing on our Conference on the Global Environment.

Toyota Tsusho promotes environmental management primarily through an annual Conference on the Global Environment attended by its environmental management general supervisor, environmental management representative, chief division officers, the environmental management representatives of group companies, and other employees involved in environmental initiatives. The conference is a venue for sharing examples of thorough incorporation of the directives of the environmental management general supervisor, who bears ultimate responsibility for the environment for the Toyota Tsusho Group overall, *kaizen* regarding issues of environmental significance, and measures to prevent recurrence of irregularities, complaints or close calls that have taken place at group companies.

At the Conference on the Global Environment held in August 2013, participants discussed the introduction of environmental risk assessment, revisions to the environmental management system manual, and changes to the internal audit system.

At the Environmental Promotion Conference held in March 2014, representatives from 56 group companies presented management reviews and reports on ISO 14001 surveillance and the third environmental risk assessment. In addition,

to sharing reports on irregularities, complaints or close calls and ways of preventing these problems, with regards to industrial waste processing, the participants developed countermeasures for stronger compliance checks.

Environmental risk management

We are continuing to use advance environmental assessments or investment projects.

Toyota Tsusho carries out advance environmental assessments for investment projects under its management to ensure compliance with environmental regulations and prevent pollution. Specifically, with respect to land and facilities for investment projects, strict checks are carried out for seven types of pollution^{*1}, as well as a total of 10 important items including industrial waste, harmful chemical substances, and flammable substances.

In fiscal 2013, we carried out environmental assessments of 41 projects, of which 16 projects required additional environmental protection equipment and monitoring measures to gain approval.

In April 2012, we introduced a new advance assessment system for investment projects. This system provides advance assessments to ensure the environmental consciousness of large-scale investment projects covering 30 types of operations^{*2} with a particularly large impact on the environment, irrespective of the scale of the contribution.

In fiscal 2013, 12 projects were assessed using this new system. Through the continued operation of this system, we will gather project data and create databases as part of an effort to reduce the environmental impact risk and prevent envi-

ronmental and social problems.

^{*1} Seven types of pollution: Air pollution, water contamination, soil contamination, noise, vibration, offensive odors and ground subsidence

^{*2} Based on Japan Bank for International Cooperation guidelines



Metal Division initiatives

We carry out environmental assessments for mine development projects

When making investments in emerging and developing countries, the Metals Division carefully considers the environmental and social aspects of supply chain management.

For a lithium development project in Argentina, the division has conducted water quality and environmental assessments since the launch of a pilot plant in 2010. In consideration of the local community, the division conducts water quality tests on community wells and offers proposals on water purification.

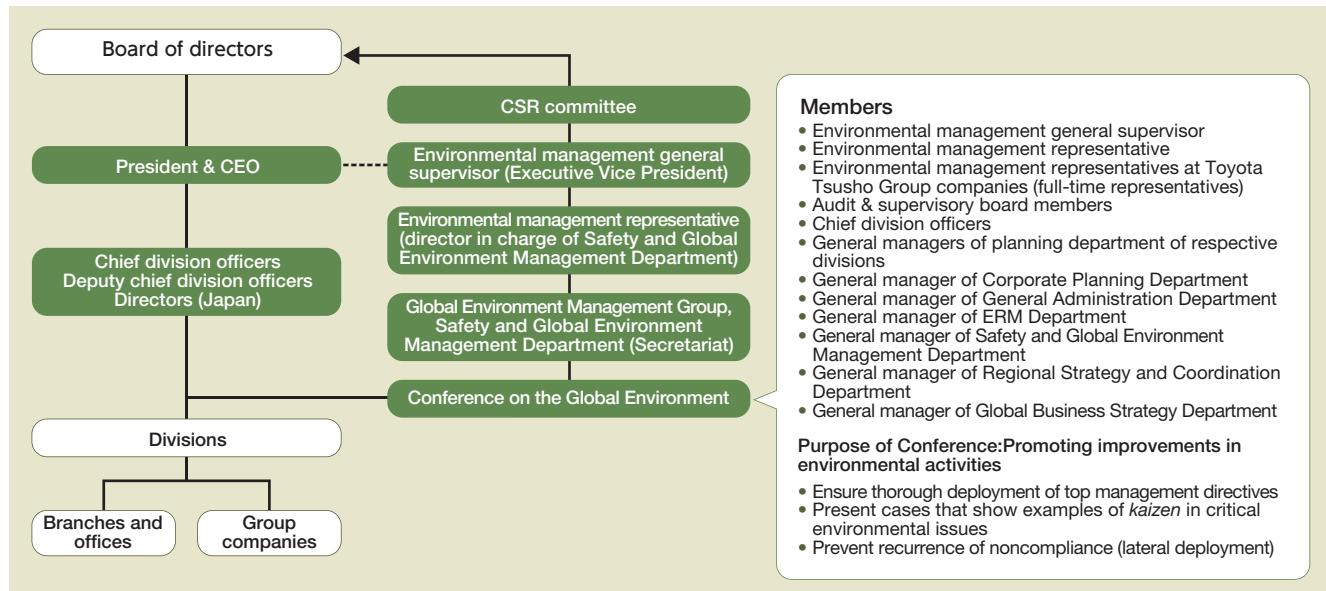


Lime plant under construction

We have put in place emergency communication procedures and set up a system to ensure reporting within one hour.

Toyota Tsusho has established an envi-

Environmental management promotion structure



ronmental reporting structure with detailed emergency communication procedures. In the event of an environmental problem (irregularity, complaint or *hiyari* (near miss)), the department handling the problem immediately takes ameliorative measures while reporting the incident to related departments within one hour. After identifying the core issue, we take countermeasures to prevent reoccurrence and confirm that these measures are effective. The same process is applied in the case of minor environmental irregularities, which represent an exceeding of voluntary standards or occur within the industrial zone but do not conflict with laws or regulations.

Information regarding environmental problems is reported to our Conference on the Global Environment and published on our intranet. We are striving to prevent a reoccurrence of emergencies by sharing incidence reports horizontally throughout our departments and group companies.

From fiscal 2013, we introduced contractor audits for construction and transport contractors that have caused environmental accidents in order to thoroughly prevent the reoccurrence of such problems.

Moving forward, Toyota Tsusho Corporation will collaborate with its group companies and its contractors to promote environmental accident countermeasures.

Establishment of an environmental management system

We are encouraging the acquisition of ISO 14001 certification at group companies in Japan and overseas.

Toyota Tsusho promotes the acquisition of ISO 14001 international environmental management system certification among

domestic and overseas group companies as a common tool for supporting consolidated environmental management.

Four companies in Japan newly acquired this certification in fiscal 2013. As a result, as of March 31, 2014, we had received ISO 14001 certifications for 56 companies in Japan and 155 overseas.

We verify our environmental management system through internal and third-party audits.

To ensure that our environmental management system is operating effectively, we conduct internal audits as well as third-party ISO 14001 audits through external auditing organizations.

During the internal audits conducted in fiscal 2013, we verified organizations' environmental risk management levels, legal compliance, emergency response and other items based on the results of environmental risk assessments and in consideration of the importance of on-site environmental compliance. The fiscal 2013 ISO 14001 third-party audit focused on *kaizen* of the environmental

Internal and third-party audit results (FY2013)

	Toyota Tsusho (non-consolidated)	Group companies
Internal audits	48 departments	17 companies
Third-party audits	23 departments	37 companies



Third-party audit

management system, environmental management of the entire supply chain, environmental risk management under worst-case scenarios, among other issues. Neither the internal audit nor the third-party audit identified serious issues.

The external audit organization granted a three-year renewal of our ISO 14001 certification starting from fiscal 2012.

We hold ISO seminars and ISO 14001 internal auditor development courses.

Each year, Toyota Tsusho Corporation conducts ISO seminars to cultivate personnel to drive our environmental management. In fiscal 2013, we provided introductory training for ISO-related personnel (primary and secondary environmental leaders, managers of key departments, and employees in charge of ISO administrative offices) in April for a total of 691 participants taking classes at the Nagoya and Tokyo head offices and Osaka Branch.

We also invited outside instructors to lead ISO 14001 internal auditor development courses for our domestic group companies, with 43 employees participating in the fiscal 2013 sessions held at the Nagoya and Tokyo head offices.

We plan to continue these courses in the future in order to improve the skills of the group's environmental personnel and internal auditors.



Internal auditor development course

Annual schedule of environmental activities

	April 2013	May	June	July	August	September	October	November	December	January 2014	February	March	April
ISO seminars	↔ Environment fundamentals training for new employees ↔ Training for newly appointed ISO leaders									Training for newly appointed ISO leaders ↔			
Group meeting					● Conference on the Global Environment							● Environmental Promotion Conference	
Internal audits	↔ Internal audit seminars						↔						
Third-party audit		↔							↔				
Internal awareness	Monthly environmental activities ↔			Encourage cool business attire in summer Set room temperature to 28°C					Encourage warm business attire in winter Set room temperature to 22°C	↔			

Approach to the environment

Seminar results (FY2013)

	Toyota Tsusho (non-consolidated)	Group companies
ISO seminar		
Nagoya	177 persons	227 persons
Tokyo	101 persons	135 persons
Osaka	25 persons	26 persons
Total	691 persons	
ISO 14001 internal auditor development course		
Nagoya	10 persons	18 persons
Tokyo	4 persons	11 persons
Total	43 persons	

group sites in Japan have installed solar power generation systems. The Toyota Branch, meanwhile, has installed sun-shade louvers to reduce air conditioner power consumption.

Also, based on the Japan Foreign Trade Council's low-carbon society promotion plan, we have set a target of reducing power consumption by fiscal 2020 to 6,490 MWh per year, which is 10% lower than fiscal 2009. In fiscal 2013, the Nagoya and Tokyo head offic-

es reduced their power consumption to 5,180 MWh.

In fiscal 2013, based on the energy efficiency investment and implementation plans created by the Energy-Saving Promotion Council, we clarified the standards for energy management and carried out energy-efficiency audits. As on specific measure at offices, energy-efficient computers were installed.

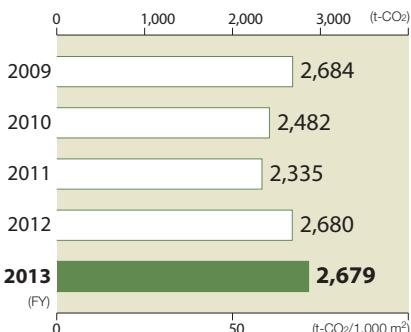
Moving forward, as a member of the Japan Foreign Trade Council, we will continue to manage CO₂ emissions reductions and make progress toward the target of reducing emissions by a yearly average of 1% per unit of sales.

*Established in 1947 as a trade industry organization. JFTC seeks to contribute to the development of Japanese trade, trading companies, the trading industry and the economy

Office CO₂ emissions

Toyota Tsusho, non-consolidated

(Facilities covered: Nagoya and Tokyo head offices, lighting/air conditioning)



Preventing global warming

CO₂ emissions reductions at offices and other facilities

The Energy-Saving Promotion Council is leading our effort to reduce electric power consumption.

As a member of the Japan Foreign Trade Council, Inc.*, Toyota Tsusho Corporation participates in a voluntary action plan implemented by the council to achieve the Kyoto Protocol's greenhouse gas reduction targets.

As part of our steady efforts to save electricity, all of Toyota Tsusho Corporation sites in Japan set their thermostats to 28°C in the summer and 22°C in the winter. Additionally, four Toyota Tsusho

Reducing CO₂ emissions at group companies

We continue to reduce CO₂ emissions through the consolidation of manufacturing facilities and lowering standby power consumption.

We are taking various initiatives to reduce

Energy-Saving Promotion Council



Metals Division initiatives

We are reducing CO₂ emissions in the molten aluminum business through the installation of energy-saving equipment

The Metals Division leads the development of the molten aluminum business, in which it melts down aluminum materials and supplies aluminum in a molten state. Energy-saving equipment has been introduced at its plants along with a variety of kaizen measures in order to reduce energy use.

At MOST, a high-volume U.S. production subsidiary, the division has continued to introduce energy-efficient regenerators*. At PT Indonesia Smelting Technology (IST), the division installed regenerators in both fiscal 2012 and 2013 and achieved CO₂ reduction of about 30% in fiscal 2013 as a result.

At our Japanese plants, we introduced and began operating a maintenance system to maximize the effectiveness of regenerators. To promote energy efficiency at the plants, we installed air curtains to

minimize heat loss from furnaces and materials crushing machines to improve melting efficiency.

In fiscal 2014, the division will continue to take CO₂ emissions reduction initiatives as it strives toward the target of reducing emissions annually by 1%.

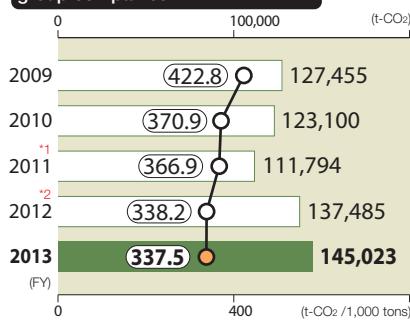
*Burners that raise combustion efficiency by reheating exhaust heat in the air, for use in combustion air



Molten aluminum business

CO₂ emissions from the molten aluminum business

One Japanese and eight overseas group companies



CO₂ emissions ● Emissions per unit of production

*1 With the exception of April through June due to the impact of the earthquake

*2 Excluding results in September, when business was significantly affected by the Senkaku Islands dispute

CO₂ emissions at domestic group companies, primarily their manufacturing opera-



Skylights at Toyotsu-new Pack



LED lighting at Toyotsu-new Pack



Geothermal heat pump at Tianjin Fengtian Steel Process Co., Ltd. (China)

tions. These include the consolidation of manufacturing equipment, installation of skylights and LED lighting to reduce power consumption, reduction of standby power consumption by turning off compressors when not in use, use of inverter controls, and consolidation of similar production equipment.

Moving forward, we plan to introduce CO₂ emissions reduction initiatives at overseas group companies as well.

Reducing CO₂ emissions during transport

We are promoting the reduction of CO₂ emissions centered on two companies that are “specified consigners”* under Japan’s Law Concerning the Rational Use of Energy.

Toyota Tsusho Corporation and Toyota Steel Center Co., Ltd., which are certified as specified consigners under Japan’s Law Concerning the Rational Use of Energy, aim to reduce CO₂ unit emissions by an average of 1% per year and aim to reduce CO₂ emissions 1% per year on a unit sales basis. To achieve this, the two companies are promoting a modal shift from trucks to rail or ship transport, which emits less CO₂. They are also increasing container loading ratios and shortening distribution routes to

make truck transportation more efficient. Measures such as these are designed to reduce CO₂ emissions during product transport and other aspects of logistics through cooperation with shippers.

The portion of Toyota Tsusho’s sales taken up by metals and other heavy items for distribution has increased, so CO₂ emissions per sales unit from fiscal 2008 through fiscal 2013 have worsened 9.5%. Nonetheless, those of Toyota Steel Center have improved 4.6%.

In fiscal 2014, in order to meet the target of reducing emissions per unit of sales by 1% compared to the previous year, we plan to take such measures as concentrating the logistics of our processing centers and increasing the rate of installation of digital tachographs.

*Companies that transport 30 million tons or more of cargo per year

Using sustainable resources

Increasing waste recycling and lowering the landfill waste ratio

We have taken *kaizen* to new levels for waste recycling and lowering the landfill waste ratio.

Toyota Tsusho Corporation promotes the

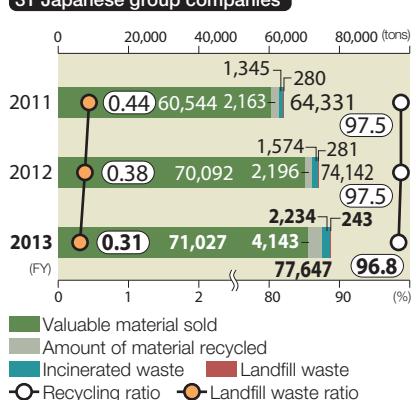
Reducing waste and promoting recycling

Toyota Tsusho, non-consolidated



Reducing waste and promoting recycling

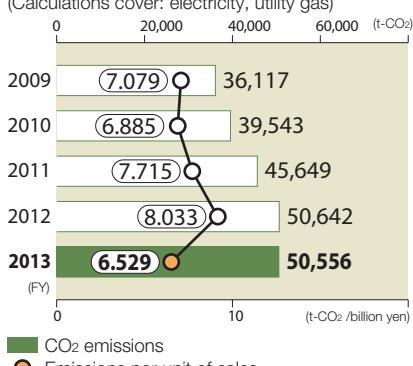
31 Japanese group companies



CO₂ emissions

53 Japanese group companies

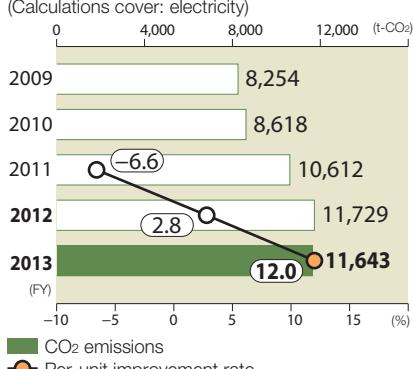
(Calculations cover: electricity, utility gas)



CO₂ emissions

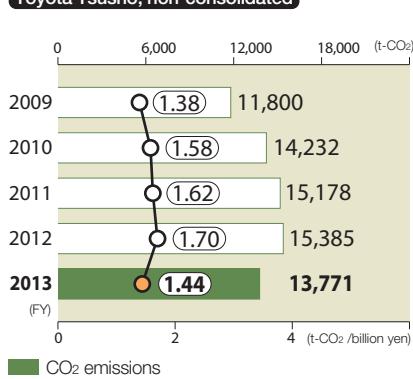
14 overseas group companies

(Calculations cover: electricity)



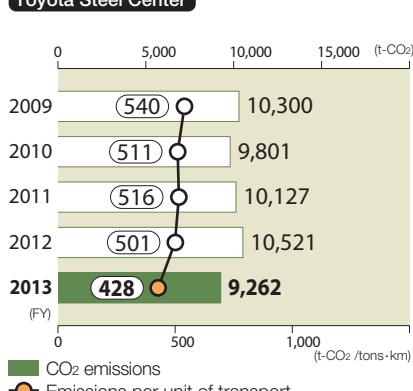
CO₂ emissions during transport

Toyota Tsusho, non-consolidated



CO₂ emissions during transport

Toyota Steel Center



Approach to the environment

3Rs: reduce waste, reuse products and recycle resources.

As part of our waste reduction measures, since fiscal 2012 our head offices have sold to disposal and recycling companies stored paper waste that they previously paid to dispose of, and, from fiscal 2013, they have sold documents for disposal, while group companies have also sold waste oil and batteries.

In fiscal 2013, the Nagoya Head Office implemented a campaign to improve waste separation and waste recycling rates through *kaizen* programs, increasing the number of waste separation bins, e-learning and other awareness programs.

In terms of the landfill waste ratio, which represents the final amount of waste generated, the Nagoya and Tokyo head offices achieved 0% landfill waste ratio in fiscal 2013 based on guidelines set by Japan's Ministry of the Environment for thermal recycling and other measures, while group companies as a whole achieved a landfill waste ratio of 0.31%. The recycling rate reached 88.9% (Nagoya and Tokyo head offices).

Toyota Tsusho Group companies in Japan will continue to maintain and improve 3R waste reduction and zero emissions measures to continually limit

the ratio of landfill waste to 0.5% or less of total waste generated.

Pollution risk countermeasures

Chemical management

Chemical management in consideration of human health and the environment in line with the EU REACH^{*1} regulations.

Some of the substances used in industrial processes pose a pollution risk or can damage human health. The Toyota Tsusho Group uses and manages these substances in compliance with the various rules established by the European Union.

For example, at plastics processing plants and synthetic rubber processing plants manufacturing auto parts, we use plasticizers and flame retardants regulated by REACH. As part of our substance management activities, we manage the amounts of each of the regulated substances and related compounds contained in products. Also, we confirm whether or not certain substances (SVHCs^{*2}) are contained in molded

items, and use and manage chemical substances in consideration of human health and the environment.

^{*1} Short for "registration, evaluation, authorization and restriction of chemical substances" and an EU law on the use, handling and purposes of chemical substances

^{*2} Short for "substances of very high concern" of which there is substantial concern about serious negative impact on the environment or human health

Promoting rapid disposal of PCB waste

Promotion of the early disposal based on laws of PCB content transformers etc.

The Toyota Tsusho Group promotes early disposal of PCB wastes in order to reduce environmental pollution risk. In fiscal 2013, we promoted disposal of low density PCB wastes among Toyota Tsusho Corporation and group companies as a way to improve efficiency.

In fiscal 2014, we will make a disposal scheme for high density PCB wastes, as well as continue to dispose of low density PCB wastes.

Environmental training and environmental awareness

Boosting employee awareness

We are raising employees' awareness of environmental issues through e-learning systems and "environment month" campaigns.

Toyota Tsusho Corporation is also promoting initiatives to heighten the environmental awareness of general employees. In fiscal 2009 we launched intranet-based e-learning courses on ISO 14001 and certifications for environmental specialists (biological diversity and eco-verification). These e-learning courses provide employees with more opportunities to study the environment.

As a member of our Toyota-wide production environment conference, we promote the "All-Toyota Global Environmental Awareness Month" every June.

During environment month in fiscal 2013, we screened the environmental documentary "No Impact Man."



Screening of movie on environmental issues



Chemical & Electronics Division

We have started operation of a chemical substance total management system

In the Chemical & Electronics Division, we officially started operation of a new chemical substance total management system in April 2012. The system was developed in response to more stringent requirements for the management of chemical substances advocated by the International Conference on Chemicals Management (ICCM) and the Strategic Approach to International Chemicals Management, a

policy framework adopted by the ICCM.

Additionally, the division enhanced its compliance structure in response to regulations in China and Taiwan, along with the revision of laws in Japan. To ensure that these improved systems were implemented as planned, the division held seminars for its employees to promote the importance of compliance and specific tasks required under the systems.

Chemical substance management initiatives and plans

FY2013 achievements	FY2014 plans
<ul style="list-style-type: none">Officially began operation of the chemical substance total management system; established a compliance verification structureIn China, took measures to comply with new chemical substance environmental management law and hazardous chemical safety management regulationIn Taiwan, took measures to comply with toxic chemical management law and labor safety and health lawIn Japan, strengthened inspections of imported product components to comply with revised Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc.Held seminars on division's response to legal revisions.	<ul style="list-style-type: none">In China, take measures to comply with Regulations on Safe Management of Hazardous ChemicalsIn South Korea, take measures to comply with K-REACHEstablish compliance structures at chemical sales subsidiaries

We plan to implement a wide range of initiatives to raise the environmental awareness of employees throughout the company.

Number of e-learning course participants (FY)

	2011	2012	2013
ISO 14001 basics, putting it into practice	3,266	3,776	576
Eco-verification (Parts 1-17), biodiversity	10,828	11,692	4,025

Environmental business

Using renewable energy

We have entered the woody biomass power generation business, which utilizes forest resources.

Through the effective use of forest resources, woody biomass power generation has a meaning for society in terms of improving forest environments and promoting the adoption of renewable energy. The Toyota Tsusho subsidiary Ene-Vision Co., Ltd., has established a new subsidiary to begin promoting this business.

In addition to the location requirements, the woody biomass power generation business requires an abundance of forest resources. Business is underway at an industrial park in Gotsu City, Shimane Prefecture, which fulfills all of the requirements. The materials that will be used are largely made up of unused domestic Japanese materials, mainly wood from thinning and timber off cuts, mixed partially with imported PKS (palm tree seed husks).

The planned generation amount per annum is projected to be approximately 86,000 MWh, with a maximum annual income of approximately 2.4 billion yen. We are aiming to begin production by April 2015.



Conceptual image of wood-fuel biomass power plant under construction

Promoting the adoption of fuel-cell vehicles

We are operating Japan's first commercial-use hydrogen stations in Aichi Prefecture.

Fuel-cell vehicle motors are driven by electricity gained from a chemical reaction from hydrogen and oxygen captured from the air. As it emits only water, and not carbon dioxide, it is called the "ultimate eco car."

Toyota Tsusho has established a new company with Air Liquide Japan called Toyota Tsusho Air Liquide Hydrogen Energy Corporation to establish commercial-use hydrogen stations to supply fuel-cell automobiles with hydrogen. The new company will set up hydrogen stations at two locations in Aichi Prefecture, and we aim to start operation at the beginning of 2015 when automobile manufacturers will introduce fuel-cell vehicles.

The Air Liquide Group, which is the parent company of Air Liquide Japan, has so far established hydrogen stations for fuel-cell vehicles in 60 locations around the world. By acquiring an ideal partner with a wealth of experience, Toyota Tsusho will build up expertise and achievements in connection to hydrogen infrastructure by operating the two newly planned hydrogen stations, and will be able to contribute to the adoption of fuel-cell vehicles in Japan.



Conceptual image of completed hydrogen station

Installing energy-saving air conditioning at large scale facilities

We are proceeding with a proving test for a new type of fan made in the United States.

With the appearance of such social issues as global warming and summer heatstroke, there is a need for improved working environments at industrial facilities in the summer, non-air conditioning heatstroke countermeasures at physical training facilities, the creation of pleasant environments at commercial facilities, energy-saving throughout the year and more.

In order to meet such demands, Toyota Tsusho has entered a contract with The Big Ass Fan Company of the

United States, which is the largest manufacturer of HVLS (high volume low speed) fans, to become the exclusive Japanese agent, and sales have started through the group company, Toyotsu Machinery Corporation.

HVLS fans are extremely energy efficient fans that use a high-efficiency motor to rotate a huge blade at a low speed, which creates a high volume of airflow in large spaces. At the end of 2013, we donated and installed three fans at Spa Resort Hawaiians in Fukushima prefecture. By means of a trial run and a proving test, we were able to confirm energy conservation results of between 1 and 1.5 million yen per month during periods of heater usage. The proving test will continue even after full-scale operation.



Donation ceremony at Spa Resort Hawaiians in Fukushima Prefecture

Human resource initiatives

While employee and corporate growth are a matter of course, Toyota Tsusho Corporation promotes CSR based on our Principles Concerning Employees so as to realize our Corporate Philosophy of “Living and prospering together with people, society and the Earth, we aim to become a value-creating company that contributes to the creation of a prosperous society.”

Principles concerning employees

We aim to realize our management strategies without being constrained by past experiences or preconceptions and based on the watchwords “real source” and “On site, Hands on, In touch.” Accordingly, from the perspective of overall optimization, the Toyota Tsusho Group will employ, develop and advance employees who can cooperate and lead the way to an even better future.

Key points for promoting CSR from an employee perspective

Point ①

Build an environment that allows employees to work with vitality.

To enable a company and its employees to realize continuous growth, it is essential to create a workplace environment and systems that make employees' work rewarding and fulfilling. With this in mind, we are devising a number of measures to build such an environment and systems.

Point ②

Create frameworks for promoting constant and autonomous reforms and *kaizen*.

We regard a company's responsibility as enabling employees to act with self-initiative, with an unceasing desire to pursue reforms and *kaizen* (continuous improvement). Toyota Tsusho is building systems and frameworks that promote such actions.

Point ③

Develop human resources capable of responding flexibly, quickly and sincerely to changes in the global business environment.

The management environment is evolving at a breathtaking pace. Even so, we will work to strengthen our business functions and develop human resources capable of continually undertaking sincere business activities.

Point ④

Promote teamwork with an eye toward overall optimization as an organization.

We are building organizations that enable overall optimization by respecting individuality and including diversity. To do so, we believe it is essential to have a corporate culture that fosters mutual respect and ensures sufficient vertical, horizontal and diagonal communication. We are currently creating a framework for such a corporate culture.

To achieve the GLOBAL 2020 VISION, we are fostering a corporate culture in which a diverse human resources can thrive.

At Toyota Tsusho Corporation, we practice *kaizen* on a daily basis to create workplaces in which all Toyota Tsusho Group employees, including those at overseas subsidiaries and at our affiliates, can work with a high level of motivation and energy. Based on our Principles Concerning Employees, this approach ensures that our group companies and our employees can grow sustainably.

In fiscal 2013, with the aim of achieving our Global 2020 Vision, we emphasized “globalization” and “promoting diversity and inclusion” in taking new measures to promote the development of our human resources and foster a corporate culture in which diverse human resources can thrive.

As one example, we introduced new programs to nurture management employees who can build mutually trusted relationships with the management of top global companies and as well as employees who can launch new business endeavors. In this program, Toyota Tsusho Corporation employees joined employees of our overseas sites for training sessions featuring liberal arts and action learning. All the sessions were held in English. In fiscal 2014, we plan to expand our initiatives to nurture employees who can contribute to solving global issues.

In terms of diversity, we launched a new project team tasked with finding ways to promote the roles of a diverse range of employees, including employees at overseas sites, senior employees, and younger employees. In fiscal 2013, the project team focused on promoting the roles of female employees. The team implemented measures to enhance awareness and motivation while expanding opportunities for female employees to build their careers and acquire skills amid various life events. In fiscal 2014, we plan to take specific measures to promote the role of female employees,

including the dissemination of messages across the group and holding seminars on the topic.

This year we also newly established a Career Development Group to encourage the role of older employees. This group will plan and operate a system to facilitate human resources exchanges among group companies so that affiliates can take advantage of the wealth of experience offered by older employees. The ultimate goal is to become a company in which a diverse group of human resources can co-create and generate new value.

As the Toyota Tsusho Group pursues business initiatives around the world, the highest priority of the Administrative Division is to establish safe working environments in which employees can focus on executing their work with peace of mind. To that end, in fiscal 2013 we established a Security Management Group and started to build crisis management structures in all the countries in which the Toyota Tsusho Group does business. We also provide crisis management training to employees and their families prior to overseas assignment as a way of improving our level of crisis management.

Our business is formed by our people. Moving forward, we will continue to ensure that both the company and employees can grow sustainably and make contributions to society through our business.

Kuniaki Yamagiwa

Managing Director and Chief Division Officer of the Administrative Division



Personnel systems

Basic stance

We work to conduct employee performance evaluations that are fair and performance-based.

Toyota Tsusho Corporation considers “overall optimization” a core value that relates to all human resources initiatives, including hiring, training, evaluation and rotation. To exist as an organization and provide greater value to stakeholders, Toyota Tsusho believes that in addition to boosting individual performance, cooperation from multiple human and organization resources is essential.

Toyota Tsusho Corporation strives to perform fair employee evaluations based solely on performance and without bias to gender, age or nationality. When evaluating performance levels each year, we require interviews between the employee and the evaluator. We also hold modification meetings at various stages of the process of performing evaluations to ensure that employee performance is assessed fairly from multiple perspectives.

Similarly, we work to ensure fair and results-based systems of employee classification, compensation and rotation.

Challenge rotation

We boost employee motivation toward their jobs by meeting their posting requests.

To foster a high level of employee motivation, Toyota Tsusho Corporation operates a “challenge rotation” system in which the company strives to accommodate assignment requests from employees with a strong interest in a specific field of business.

In fiscal 2013, 50 employees applied for “challenge rotation” and 15 were assigned to new positions.

Commendation systems

We present commendations to organizations and employees contributing to the realization of our corporate vision, judging their achievements from diverse perspectives.

Every year, we present commendations to organizations and individuals in Japan and overseas in recognition of their efforts to realize our corporate vision.

Division GV (G'VALUE) Awards are given to organizations with high levels of performance. Among the award-winning

organizations, one is selected to receive the President's Award.

In fiscal 2013, the Automotive Division received the President's Award for successfully acquiring shares of CFAO and launching a strategic alliance with the company.

Principal commendation systems and FY2013 award recipients

Name	Target	Recipients
The President's Award	Organizations achieving the highest performance from among the Division GV Excellence Awards	1 award
Co-creation Award	Organizations achieving exemplary co-creation with other divisions	1 award
Break-through Award	Organizations achieving an exemplary breakthrough by launching a new business or project	1 award
Division GV Excellence Award	Organizations achieving the highest level of achievement from among the Division GV Award winners	8 awards
Division GV Award	Organizations providing superior contributions to the company throughout the year	38 organizations
Commendation for Qualification Acquisition	People obtaining company recommended qualifications	203 awards
Commendation of Social Contribution	Individuals volunteering to make social contributions	14 persons
Excellent Kaizen Proposal Awards	Individuals successful in making operational kaizen	44 persons

Human resource development

Basic stance

We develop human resources who can practice the Toyota Tsusho Group Way.

Toyota Tsusho Corporation implements a diverse range of educational and training programs to develop personnel capable of practicing the keywords of the Toyota Tsusho Group Way: “SHOKON (A passion for business),” “GENCHI, GENJITSU, GENBUTSU (On site, Hands on, In touch)” and “TEAM POWER (Teamwork)” and to raise employee skill levels.

We are striving to foster a corporate culture that encourages co-creation through the activities of a diverse workforce. Within this culture, we are prioritizing the development of employees capable of launching global businesses and management talent capable of building relations with counterparts at global leading companies.

Education and Training

We expand training programs to support our global business growth.

We offer rank-based training to young employees (in their second and fourth years) and newly appointed manager class of the same. The purpose of rank-based training is to develop employees with a global TTC group-wide perspective aimed at maximizing the performance of overall organization, as well as to enable employees to acquire in stages “global,” “Toyota Tsusho Group Way leadership,” and “business professional” perspectives, which are necessary for global business creation and management promotion, and then leverage these capabilities.

In addition, for younger employees we provide Innovation Leader Incubation Institute (“I.I.I.”) to develop the entrepreneurship for creating new businesses. We also provide practical knowledge courses and training programs for studying business skills, including e-learning programs. Some of the programs can be taken by employees of overseas companies locally at their sites.

For leading general manager class of employees, we offer the Global Advanced Leadership Program (GALP), which is taken jointly with the employees of overseas companies to discuss the company’s issues and the Toyota Tsusho Group Way. We also provide head office employees enrolled in the Breakthrough Seminars to.

In fiscal 2014, we plan to hold further joint training sessions between domestic and overseas participants in the Innovation Leader Cultivation Seminars as a way of stimulating global communication.

We provide self-development support system to match employee ambition.

We are providing a self-development support system for all employees, including contract and part-time employees, by providing subsidies to cover course fees for correspondence courses and other external learning opportunities. We publicize this system by intranet bulletin board and other systems and by emailing eligible employees so as to encourage more of them to take advantage of it.

We are developing a variety of educational systems at our Toyota Tsusho Group companies as well, and are working to improve the quality of human resources development throughout the entire Toyota Tsusho Group.

Human resource initiatives

Training results (FY2013)

Toyota Tsusho, non-consolidated

Category	Course name	Number of attendees
Personnel in charge of specific tasks*1		
Long-term program	Breakthrough Seminars	16 persons
	Innovation Leader Incubation Institute	24 persons
Rank-based training	Training for newly appointed group leaders	42 persons
	Practical training for newly appointed managers	59 persons
	Training for newly appointed L-staff	50 persons
	Training for existing T1 staff	43 persons
	Training for newly appointed T1	54 persons
	Mid-grade accounting	73 persons
	Strategy and marketing	76 persons
	Career design/ability to involve others	51 persons
	Problem-solving and questioning	70 persons
	Beginning accounting	79 persons
Business skills used throughout the company (elective)	Second year training	99 persons
	M&A	27 persons
	Logical writing	38 persons
	Writing emails in English	70 persons
OJT-related	OJT leader training	90 persons
According to goal	Pre-overseas appointment training	169 persons
Administrative staff*2		
Long-term program	TRY-1 women's program	8 persons
	Practical career NEO training	22 persons
Rank-based training	Training for newly-appointed SG	13 persons
	Training for newly-appointed G1	19 persons
	Training for newly-appointed G2	44 persons
	Second year training	27 persons

*1 Employees who may be relocated to different regions. Also called "career-track employees."

*2 Personnel who handle backup work for personnel in charge of specific tasks or routine tasks in a specific region. Also known as "general employees."

All young employees are sent on overseas assignments by their seventh year with the company.

As a trading company, Toyota Tsusho Corporation posts employees to overseas assignments on a frequent basis. To further develop employees who can handle such postings, we have put in place an Overseas Foreign Language Study system for young personnel in

Impressions of an overseas trainee

I'm applying the study of local customs and practices to my work

I joined Toyota Tsusho in 2009 and was dispatched to Indonesia in April 2014 for overseas training. I'm now helping local affiliates establish personnel systems.



Mitsutaka Hashimoto
PT. TOYOTA TSUSHO INDONESIA

By living in Indonesia, I've developed a deep understanding of the local customs and practices, which I can apply to my work. The engagement I've had with local human resources staff has left a strong impression on me.

I plan to use the experience gained from this training program to support the growing number of overseas affiliates with their personnel systems. I'd also like to utilize my personnel know-how to become more involved in business management.

charge of specific tasks. Following one year of language study at an overseas university or language education institution, employees taking advantage of this system undergo approximately one year of practical training under the guidance of an expatriate stationed at an overseas branch or trading subsidiary. This system therefore functions as a program that offers language study opportunities as well as enables participants to experience local customs and cultures, while helping to vitalize career development and the practice of job rotation.

We have made progress on a plan initiated in 2012 to have all employees be sent to an overseas site by their seventh year with the company. During fiscal 2013, we increased the number of assignments to France in particular taking into consideration our joint venture with major French trading company CFAO.

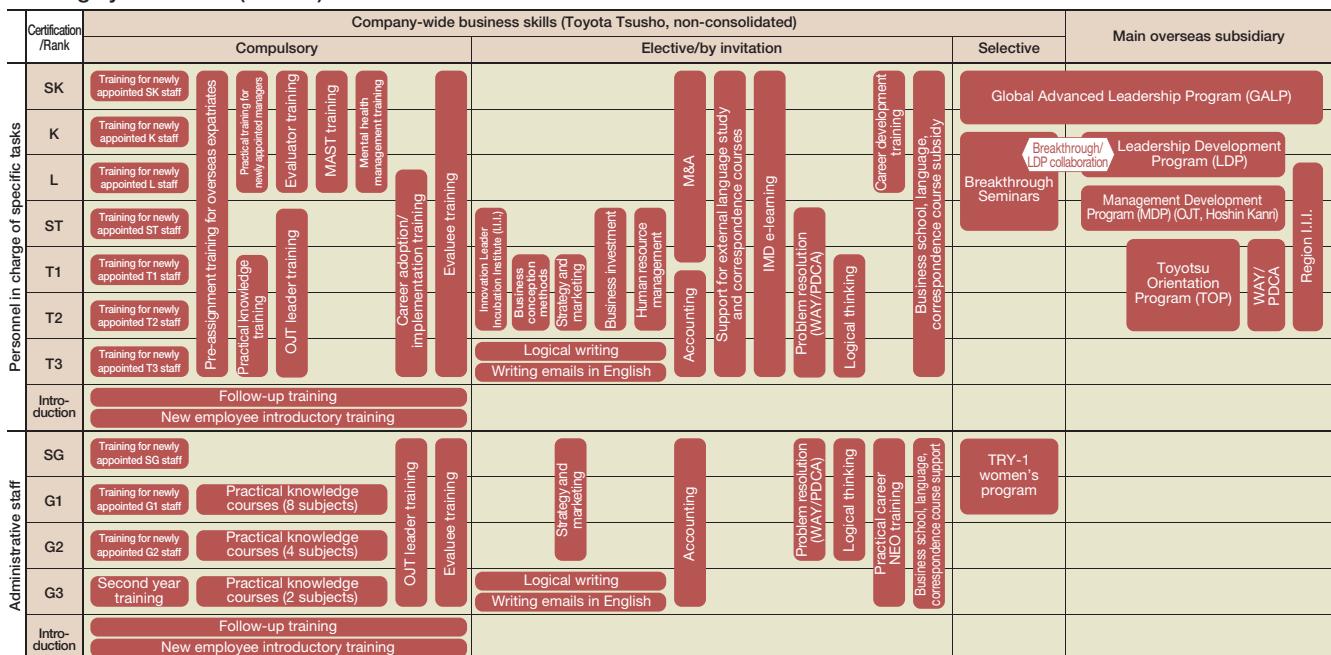
People dispatched overseas for foreign language study and their study locations

Toyota Tsusho, non-consolidated

(FY)

Category	2010	2011	2012	2013
Argentina	1	0	1	0
Egypt	1	0	0	0
Mexico	1	1	0	0
China	1	1	2	2
Russia	0	1	0	1
Brazil	0	1	1	1
France	0	0	1	3
Total	4	4	5	7

Training system chart (extract)



We are promoting the cultivation of human resources overseas.

In recent years, our overseas business ratio has increased, and the need has grown to share our Corporate Philosophy, values and objectives globally. Accordingly, Toyota Tsusho Corporation is stepping up its efforts to train personnel hired locally in the Toyota Tsusho Group Way and Global 2020 Vision.

In implementing our training programs, we prepare global contents in English and Chinese and have human resources trainers administer the contents at overseas subsidiaries.

We also strive to develop managerial employees at overseas subsidiaries. We have made the personnel systems at our primary subsidiaries consistent, and provided training programs for managers and the Innovation Leader Incubation Institute at overseas sites. In addition, to encourage the development of global managers, as mentioned above, GALP and the LDP (see right column on p. 36) are held so that staff at head offices and overseas subsidiaries can learn together, impartially, and engage in debate.

Besides these programs, we provide Toyotsu Orientation Program (TOP) and

invite employees of overseas subsidiaries to Japan during fixed periods for training purpose.

Respect for human rights

Basic stance

We strive to ensure respect for human rights, based on our Behavioral Guidelines.

Toyota Tsusho Corporation's Behavioral Guidelines state that we will "respect people, and create an active workplace worth working in."

In keeping with this principal, we prohibit discrimination on the basis of gender, age, nationality or disability and encourage respect for human rights.

Consultation office

We have set up a consultation contact point to deal with harassment.

Toyota Tsusho Corporation has set up a contact point for consultation on and reporting of sexual harassment, power harassment, discriminatory language, and other human rights matters. Investigations are launched if necessary after consultation or reporting has been made, and, when required, the person who filed is notified regarding the results. The consultation desk is open to employees of all group companies, regardless of the form of their employment.

In fiscal 2013, there were no cases reported. We will continue to explain the system during new-employee training and newly appointed manager training in order to ensure thorough awareness.

Training and awareness activities

We conduct training and other initiatives to boost employees' human rights awareness.

We conduct training activities, centered on the Human Resources Department. Nearly all Toyota Tsusho employees take the harassment training.

In addition, the same training is conducted at affiliated companies.

Fair hiring

Personnel in charge of hiring undergo human rights training and recruit in an unbiased manner.

To prevent discrimination and prejudice in our recruiting, those in charge of hiring are required to undergo training in human rights. Toyota Tsusho Corpora-

tion's hiring activities avoid discrimination based on gender, age, nationality or disability, and instead focus on fairly determining whether an individual's abilities, skills, motivation and aptitude are consistent with the position Toyota Tsusho seeks to fill.

In fiscal 2013, two human resources personnel took part in both the Tokyo Labor Bureau's employer seminar and the Toyota Group's human rights awareness meeting as a part of our efforts to prevent employment discrimination.

Promoting diversity

Basic stance

We have in place a variety of systems to meet our goal of being an organization that empowers many people with different abilities.

Toyota Tsusho Corporation has established the Diversity Promotion Office, which spearheads our effort to create a workplace that welcomes diversity, under the concept of "establishing an organization that allows everybody to fully utilize their capabilities without discrimination on the basis of gender or age and to create new value."

Our approach includes expanding our systems to support a work-life balance, provide training for female employees to develop their careers, promote the employment of people with disabilities, rehire retired workers, and promote diversity in a host of other ways.

Encouraging female employees

Our practical career training for administrative staff has been renewed.

Toyota Tsusho Corporation has a number of initiatives in place to promote increased roles for female employees.

In fiscal 2013, we enhanced the contents of the TRY1 Women's Program for female employees aiming to advance their careers in the administrative field. As part of the enhanced curriculum, we invited two female managers of other companies to give presentations to trainees. We also encourage female employees to participate in the Chubu Diversity Net* seminar for participants from various industries, which is held once or twice annually.

In addition, we take measures to support the career continuity of female



Global Parts & Logistics Division initiatives

We are cultivating managers at our overseas parts logistics centers

The Global Parts & Logistics Division utilizes a Kaizen Trainer development program to cultivate managerial candidates for its overseas parts logistics centers.

The program consists of a 10-day training session in Japan and a five-day overseas session, after which participants are certified as "Kaizen Trainers." During the Japan session, trainees receive classroom training based on the Toyota Production System (TPS) as well as on-site training at a Toyota Motor parts supply warehouse and the Toyotsu Logistics Service center in Miyoshi. During the overseas training, trainees utilize the Japanese training sessions to make *kaizen* proposals to executives of the local companies.

In fiscal 2013, the program trained seven employees from Asia and Pacific subsidiaries, and four employees from Chinese subsidiaries. In fiscal 2014, the division plans to train another 11 local employees from the Americas and Europe.

Human resource initiatives

employees. For example, a human resources coordinator will arrange talks between a female employee who has taken childcare leave and her superiors one month prior to that employee returning to work, to make possible a smooth return. (Such talks are also arranged for male employees returning from childcare leave.)

*A volunteer organization established by companies in Japan's Chubu (central) region to encourage corporate cultures that recognize and respect diversity among human resources by sharing information and initiatives. Toyota Tsusho is one of the main participating companies.



TRY-1 Women's Program

Work-life balance

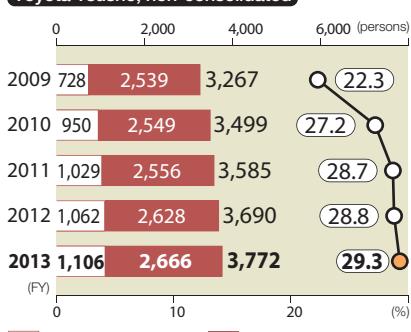
We have systems in place to help employees balance work and life.

Toyota Tsusho Corporation is promoting a variety of systems to help employees balance work and outside life, such as childcare leave and a system of reduced working hours.

We also hold family participation events such as "Welcome to Toyota Tsusho," as well as others that support the efforts of employees who are raising children. These sorts of activities are regularly posted on

Number of employees by gender*

Toyota Tsusho, non-consolidated



□ Female employees ■ Male employees

● Ratio of female employees

*Including Toyota Tsusho employees dispatched to other companies



Welcome to Toyota Tsusho

Indicates the number of people who take childcare leave.

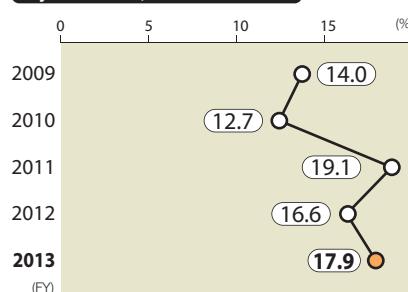
Toyota Tsusho, non-consolidated



□ Female employees ■ Male employees

Ratio of female employees with children

Toyota Tsusho, non-consolidated



Opinion of a user of the work-life balance system

I'd like the company to create a work environment where men can also easily use the welfare systems

I took a year of childcare leave to give birth in July 2011 and raise my first child. I returned to work in May 2012 and after assignments in different departments, I continue to work through the reduced working hour system.

I feel that adequate systems have been established for employees. In the future, so as to ensure a feeling of equality in the workplace, I'd like the company to create an environment in which men can also easily take childcare leave and encourage male employees to utilize the system.



Yumiko Kawasaki
Food & Agribusiness Development Department,
Food & Agribusiness Division

Overview of systems to help achieve a work-life balance by supporting childbirth and child care

Toyota Tsusho, non-consolidated

	Pregnancy	Childbirth		Child care	
	Approx. 8.5 months after pregnancy	Approx. two months after birth	Two years	Three years	Elementary school student
Leave of absence			Childcare leave		
Vacation	Annual paid vacation Vacation to prevent harm during pregnancy	Pre-partum vacation (six weeks) If multiple-child pregnancy, 14 weeks	Post-partum vacation (eight weeks)	Annual paid vacation Child nursing care vacation (five days per year, through elementary school)	
Reduced working hours, etc.	Flextime system			System of shortened working hours for child rearing	
Limited overtime work	Limited overtime work No late-night work (10pm to 5am) permitted		Post-partum vacation (eight weeks)	Limited overtime work No late-night work (10pm to 5am) permitted	
Evaluation		Subject to evaluation if working four months or more during evaluation period (April to end-March)			
Promotion		May be promoted	May be promoted		
Salary		Provided Including pro-rated bonus	Not provided Does not include pro-rated bonus		
Various services		Childcare support site, "wiwiw" (from six months prior to start of maternity leave to six months after returning to work) WELBOX babysitter coupons, day-care center coupons			
Consultation, interview, etc.	Maternity leave and return-to-work interviews Interview prior to maternity leave		Interview prior to returning to work	Interview three months after returning to work	

■ Available only to women

■ Available to women and men

our company intranet to promote our employees' work-life balance.

Employing people with disabilities

We aim to provide a workplace where able-bodied people and people with disabilities can work together in a pleasant environment.

We strive to make our facilities barrier-free, for example by installing elevators and toilets for the use of the physically challenged and placing Braille instructions in passageways and other locations. We have also established the Toyotsu Office Service Corporation as a special subsidiary* under the Disabled People Employment Promotion Act, to encourage the hiring of people with disabilities. In fiscal 2012, we began allowing employees with visual disabilities to use seeing-eye dogs at work sites.

Additionally, we have established in-house massage facilities that we call the "Health Keeper System", which hires sight-impaired nationally certified Amma

massage practitioners. This provides workplaces for people with disabilities while enhancing our welfare offerings.

*A subsidiary that, subject to certain requirements, is considered jointly as a single operating location for the purposes of calculating the parent company's percentage of employees with disabilities.

Rehiring retired workers

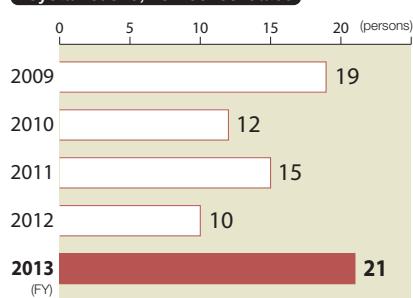
We offer systems that meet diverse needs.

Toyota Tsusho Corporation has set 60 as its mandatory retirement age. However, in fiscal 2006 we set up a system for rehiring former employees who wish to work after retirement. Under this system, employees who wish to be rehired take a one-month vacation prior to being rehired. Our system for rehiring retired workers is flexible and meets diverse requests such as reduced working hours.

In fiscal 2013, we revised the compensation structure and a part of the evaluation methods to enhance the compensation system and reward an increasingly diverse group of rehired employees based on their responsibilities and work duties.

Record of rehiring retired workers

Toyota Tsusho, non-consolidated



Labor-management dialogue

Building good relations based on dialogue

We discussed the personnel system with employees primarily through the Personnel System Evaluation Committee.

A total of 2,569 Toyota Tsusho Corporation associates belong to the Toyota Tsusho Labor Union. All employees in principle are union members*. Each year, labor union representatives meet with executives in charge of human relations approximately 10 times, convening the Personnel System Evaluation Committee to discuss personnel systems and other aspects of a work-life balance.

Furthermore, as in the previous year,

Divisional Labor-Management meeting were held to encourage sharing of opinions between division executives and younger employees.

*Employees of section chief grade or higher, as well as employees with line chief experience, do not qualify for union membership.

Main topics discussed at the Personnel System Evaluation Committee in FY2013:

- Revision of bonus calculation method (continued from previous year)
- Evaluation and compensation methods for rehired retired employees

We held corporate-type defined contribution pension seminars jointly with the labor union.

In fiscal 2013, we held joint seminars with the labor union on the company's matching system for defined contribution pensions (company DC) to raise awareness of the schemes. We are actively backing the schemes as a new type of benefit to support employees' life-planning.

To cooperate with and support the labor union, Toyota Tsusho Corporation also subsidized the cost of the union's annual year-end seasonal party.

Health and safety management

Routine health checks and mental health activities

We take measures to support employees' mental health and prevent disorders.

We provide annual health examinations for all employees, annual comprehensive examinations for employees age 30 and higher, and health examinations for employees prior to and following overseas assignment.

As part of our prevention measures, we have assigned a mental health coordinator in each of our divisions in order to respond quickly to issues on-site and confer with industrial doctors. In addition, employees fill out "mental health checkup" surveys and undergo stress checks. We provide extensive health management for employees on their first overseas assignment. All employees assigned to overseas subsidiaries must take part in a mental health checkup three months following the start of the first assignment.

Our employees and their families also have access to an outpatient consultation center to consult with professionals about their personal issues.

Time management

We work to prevent health damage caused by long working hours.

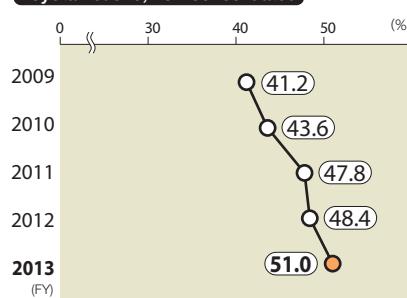
To prevent employees from damaging their health due to long working hours, Toyota Tsusho Corporation has introduced a work monitoring system to ascertain the working hours of all employees.

In fiscal 2014, we upgraded our work monitoring system to ensure compliance with the Labor Standards Act on overtime and holiday work. This upgrade separates working hours from non-working hours to provide us with a more accurate assessment of actual working conditions.

We have achieved steady progress in a program begun in fiscal 2010 to encourage the utilization of paid leaves. In fiscal 2013, the percentage of paid leaves taken rose to 51%. We will continue this campaign in the future to enhance work environments by ensuring employees can easily take paid leaves.

Trends in taking of paid holidays

Toyota Tsusho, non-consolidated



Bolstering overseas crisis management

We have established the Security Management Group to strengthen our overseas crisis management.

Following a terrorist incident in Algeria in January 2013, we established the Security Management Group within the Human Resources Department in April 2013 in order to reinforce the Toyota Tsusho Group's overseas crisis management.

We also provide pre-assignment seminars to ensure that employees and their families understand the importance of maintaining safety and health while living overseas. The seminars have been given four times for assignees (total of 160 participants) and twice for their families (total of 82 participants). Overseas site managers have been provided with crisis management manuals to prepare for potential emergencies.

This organization is enhancing structures to gather accurate information on changes in the international situation and respond rapidly when emergencies occur.

Governance

Toyota Tsusho Corporation is actively pursuing increased management efficiency, transparency, thorough compliance and a healthy financial position on a base composed of our audit & supervisory board member system and the executive officer system.

Corporate governance

Basic stance

We pursue initiatives on the basis of our Fundamental Philosophy.

Our initiatives are designed to fulfill the Toyota Tsusho Group's Fundamental Philosophy. In other words, by "living and prospering together with people, society and the Earth, we aim to be a value-generating corporation that contributes to the creation of a prosperous society." To realize this philosophy, the company is actively pursuing increased management efficiency, transparency, thorough compliance and a sound financial position.

In addition, we consider ways to promote a broader understanding of the Toyota Tsusho Group by further enhancing public relations and investor relations.

Promotion structure

In a first for the company, we have elected three outside directors.

Toyota Tsusho Corporation operates under an audit & supervisory board member system comprising five members elected

at the general shareholders meeting. Three outside audit & supervisory board members are employed to perform audits from a third-party perspective. The audit & supervisory board members are responsible for monitoring the appropriateness of accounting methods and results of audits by an independent auditor, exchanging information and ideas regarding crucial accounting topics, improving quality and efficiency in auditing by promoting cooperation with an independent auditing firm, as well as enhancing corporate governance.

Toyota Tsusho conducts consolidated management through a divisional framework, with divisions responsible for related group companies. At present, this structure comprises eight divisions, including seven sales divisions and the Administrative Division.

Toyota Tsusho also operates an executive officer system. Dedicated executive officers are in place for each division to assist management efforts of chief division officers. In this way, the Board of Directors keeps abreast of both overall company management and the execution of duties associated with the divisions under their charge, intermediating between the two functions.

Directors and executive officers

attend meetings of the Operating Committee, ensuring that information is rapidly disseminated and shared.

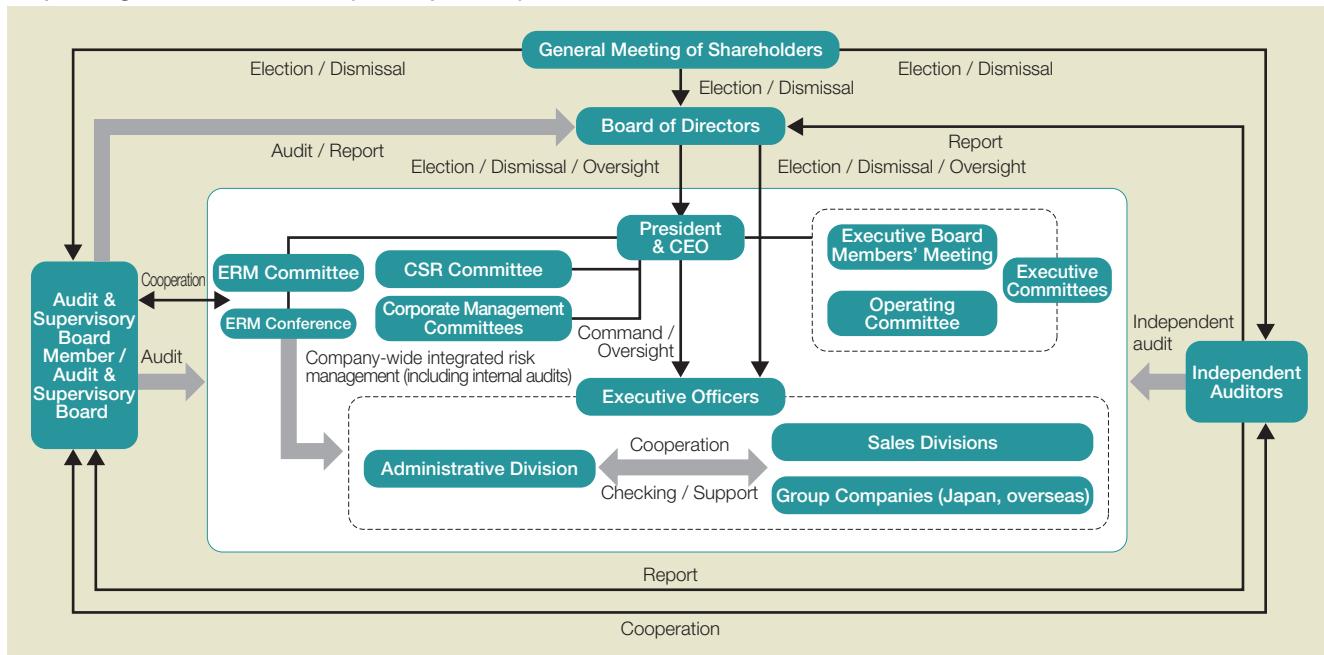
Additionally, Toyota Tsusho has established corporate management committees to enable directors and executive officers to discuss measures to resolve management issues from a company-wide perspective, and consult the Board of Directors as necessary.

Moreover, in June 2014, three outside directors were newly elected. The aim of this is to reflect the extensive experience and knowledge of outside directors in our company's decision-making while also ensuring that the execution of duties is overseen from an independently positioned fair and neutral viewpoint.

We implement governance throughout the group.

In order to ensure the appropriateness of business activities, Toyota Tsusho Corporation promotes group-wide policies and initiatives through a domestic affiliates governance coordination meeting (15 companies participate in the Nagoya meeting; 12 companies participate in the Tokyo meeting) and a domestic group company credit managers management coordination staff

Corporate governance structure (As of April 2014)



meeting (23 companies participate in the Nagoya meeting; 11 companies participate in the Tokyo meeting).

We also monitor and manage the financial positions and important business matters of group companies without obstructing the companies' business operations. When necessary, our directors and audit & supervisory board members are dispatched to group companies to oversee and audit business operations. The ERM Department also conducts internal audits of group companies.

Group companies subject to internal audit are selected based on risk assessments. The audit cycle is generally three to five years. In fiscal 2013, internal audits were conducted on seven divisions of Toyota Tsusho Corporation and 17 domestic group companies.

Issues identified through internal audits are reconfirmed through follow-up audits to ensure the progress of kaizen (continuous improvement).

Compliance

Internal controls

We have established a CSR committee that is chaired by the president & CEO.

Toyota Tsusho Corporation implements a variety of measures to ensure that executives and employees carry out their duties in accordance with laws and regulations and the Articles of Incorporation.

We have established the CSR committee, chaired by the president & CEO, which deliberates and formulates plans related to compliance, safety and the envi-

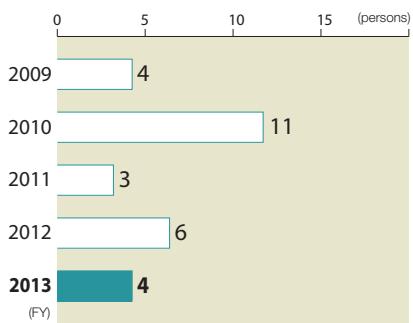
ronment, labor and personnel, social contribution and other topics. The ERM Department, which is responsible for company-wide integrated risk management, carries out the evaluation, management, checking and monitoring of business execution in business processes. Other duties of the ERM Department include ensuring the reliability of financial reporting, operating internal reporting systems and taking charge of internal audits.

In fiscal 2013, there were 19 reports in Japan and 23 reports overseas of suspected compliance violations, but in each case the proper response was made through discussions between the respective department and the Administrative Division.

We have established internal and external reporting lines.

All employees, including temporary staff members and contract employees, have access to internal (ERM Department) and external (law offices) reporting lines for reporting and consultation on items concerning business ethics. We use our intranet and compliance training sessions to make employees aware of these lines.

Reports made through internal reporting system



Principal compliance training conducted (FY2013)

	Target	Content	Activities in FY2013
Legal seminars for officers	Toyota Tsusho Corporation officers	General compliance	36 people
Compliance seminar for new employees	New employees of Toyota Tsusho Corporation	General compliance	113 people
Training on specific themes	Toyota Tsusho Corporation employees	Subcontract Law, handling third-country monetary payments, the basics of intellectual property rights, etc.	672 people
e-Learning	Toyota Tsusho Corporation employees	Subcontract Law	3,853 people
Seminar for people in charge of human resources at affiliated companies in Japan	People in charge of human resources at principal group companies in Japan	<ul style="list-style-type: none"> • Responding to personnel issues • Response to the Labor Standards Act • Application of Off-JT 	136 people (total of 3 times)
Legal seminars conducted during trips to domestic branches	Domestic branch employees	Subcontract Law	128 people
Training for newly appointed officers of domestic group companies	New directors of principal group companies in Japan	General compliance	42 people in 25 companies
Risk management training prior to overseas assignments	Employees being assigned overseas	Internal controls, improper behavior prevention	102 people
Officer study meetings	Toyota Tsusho Corporation officers	Regarding compliance implementation	36 people

In accordance with the Whistleblower Protection Act, we take sufficient care to protect persons who file such reports. The names of filers and other details are kept strictly confidential, and we prohibit any disadvantage accruing to filers in terms of position, rank, compensation or others. Moreover, the ERM Department general manager provides feedback on progress after a filing has been made.

Four reports or consultations were filed in fiscal 2013, and all were dealt with appropriately.

We pursue initiatives to eliminate illegal entities.

Our Nagoya and Tokyo head offices and our Osaka branch are members of local countermeasures associations, through which we follow instructions from police authorities and share information about anti-social forces.

Furthermore, we respond to any unlawful demands via collaboration with the police, other relevant institutions and legal counsel.

Compliance training

We conduct training and hold seminars for group companies in Japan and overseas.

We have published Code of Ethics Guidelines (first published in fiscal 1998) which is distributed to all employees and officers of Toyota Tsusho Corporation and domestic group companies (portable versions are also distributed). In fiscal 2013, the guide was updated to incorporate the Toyota Tsusho Supply Chain CSR Behavioral Guidelines and the Toyota Tsusho Group Basic Policy for Business Continuity. We also utilize DVD

Governance

materials, training events, and seminars to promote more detailed behavior guidelines that employees should follow during their daily business activities.

In fiscal 2013, we provided discussion-style training for overseas expatriates prior to their assignments in order to raise compliance awareness. Furthermore, during study sessions for officers, compliance was used as a theme for group discussions.

CSR management for the supply chain

We have established the Toyota Tsusho Supply Chain CSR Behavioral Guidelines and are requesting that suppliers comply with them.

The Toyota Tsusho Group is building a

diverse global value chain and procuring materials and goods from countries around the world. Forced labor and child labor are concerns in some of those countries, so we believe it necessary to promote CSR management across the supply chain in conducting our business.

We have established the Toyota Tsusho Supply Chain CSR Behavioral Guidelines in order to achieve mutual sustainable growth with our suppliers by sharing an awareness of CSR and promoting coordinated CSR efforts. We request that our suppliers adhere to these guidelines. The guidelines have been published on the group intranet to promote awareness among all group employees.

In fiscal 2013, we dedicated a special feature page in the employee magazine for CSR topics to stimulate interest

among employees.

Through these initiatives, we will strengthen and promote CSR management across the supply chain.

Toyota Tsusho Supply Chain CSR Behavioral Guidelines

- Respect the human rights of employees and refrain from inhumane treatment of others.
 - Prohibit forced labor, child labor, and insufficiently compensated labor.
 - Strive to furnish a safe, hygienic, and healthy work environment.
 - Refrain from discrimination in hiring.
 - Comply with all related laws and international rules, conduct fair trading and thoroughly prevent corruption.
 - Ensure the quality and safety of goods and services.
 - Strive to maintain a sound global environment.
 - Promptly and appropriately disclose information concerning the above.
- (Enacted April 1, 2012)



Metal Division initiatives

We request suppliers to certify that they do not use conflict minerals.

The Metals Division has adopted a policy of not using conflict minerals (tin, tantalum, tungsten, and gold) produced in the Democratic Republic of the Congo or surrounding regions. This policy was introduced from a humanitarian viewpoint to prevent human rights violations and environmental destruction in conflict regions.

The division's policy is in accordance with U.S. conflict minerals regulations^{*1} that took effect in fiscal 2013. Under the policy, the Nonferrous Metals Department No. 2, on behalf of the company and its customers, requests tin metals suppliers to certify that conflict minerals are not used at its refineries. The department also requests that business sites participate in the Conflict-Free Smelter (CFS)^{*2} program championed by the Electronic Industry Citizenship Coalition (EICC)^{*3}.

^{*1} Under U.S. financial system reform laws (Dodd-Frank Act) enacted in 2010, companies are required to report the source and usage of four types of conflict minerals used in electronic components to the Securities Exchange Commission (SEC). The purpose is to eliminate the source of funding to armed group involved in civil wars in the Democratic Republic of Congo, where conflicts have continued since 1996.

^{*2} A voluntary initiative for refineries and refining companies in which third parties audit the sources of raw materials and confirm that the materials are not sourced from conflict regions.

^{*3} An action group comprising electronic machinery manufacturers. The coalition sets standards for safe working environments, respect for workers' fundamental human rights, and environmental impact responsibility for the industry's supply chain.

Risk management

Risk management

We are promoting appropriate ascertainment and management according to the nature of risks.

The ERM Department appropriately manages all types of risk information for the Toyota Tsusho Group. The department establishes and strengthens risk management systems on a consolidated basis. We operate an ERM Committee chaired by the president & CEO. This committee strives to monitor risks across the group and identify problems while promoting necessary countermeasures.

Risks that require a response by the entire group are categorized as "risks requiring serious response." The quarterly ERM Conference discusses detailed countermeasures for this type of risk. Additionally, we hold monthly ERM coordination meetings to share information and plan countermeasures for risks unique to certain products or sales activities.

In fiscal 2013, we strove to strengthen governance at group companies and identified 11 risks requiring serious response. We utilized regular reporting at the ERM Conference to manage progress in these initiatives.

With regard to credit risk and product risk, which were newly added to the risks requiring serious response, we reformed the management structure to better cope with these risks.

Regarding country risks, we actively gather external information and categorize countries with potentially dangerous environments as "special caution countries" or "countries of concern," and cre-



Consumer Products & Services Division initiatives

We are strengthening management of our supply chain to eliminate forced labor and child labor in the apparel business.

The Consumer Products & Services Division's apparel business procures goods from garment factories and other facilities making up its supply chain, and there is a risk that such facilities rely on forced or child labor. Our customers and society as a whole are demanding the elimination of the use of such labor. Toyota Tsusho recognizes this as an important CSR issue and is striving to strengthen its countermeasures.

At garment factories in which we have

a capital stake, we confirm the ages of job applicants by requesting personal identification. Additionally, prior to beginning business relations with new suppliers, we demand that the suppliers confirm the ages of their employees so as to eliminate forced and child labor.

At the present time, we have not received any reports on forced labor or child labor within our supply chain.

ated a framework for sharing a common approach and taking coordinated countermeasures among group companies before risks materialize.

Fiscal 2013 Risks Requiring Serious Response

(*indicates risks added in fiscal 2013)

- Resource allocation risk
- Business investment risk
- Credit risk*
- Product risk*
- Country risk
- Contract risks
- Legal compliance / law and regulation response risk
- Employee improper behavior risk
- Labor risk
- Information security risk
- Disaster risk

Information security

We revised rules on the management of confidential information and strove to instill the new rules among employees.

Toyota Tsusho Corporation has drafted “Document Regulations” and “Handling Protocols for Management and Storage of Documents” to support information storage and management, as well as “Regulations for Confidential Information and Personal Information” to thoroughly manage confidential information. We conduct various training programs to improve employee awareness of information security.

We are taking initiatives to improve the level of information security throughout the group and to implement detailed measures. As one measure, we have established consultation offices to provide guidance on information security to domestic and overseas sites.

In fiscal 2013, we revised the “Regulations for Confidential Information and Personal Information” and strove to instill the new rules throughout the group. At domestic group companies, explanations of the revisions were provided in accordance with their business circumstances in order to promote related rule revisions at these domestic companies. Additionally, an “Information Security Fundamental Knowledge Checklist” was created and distributed to Toyota Tsusho Corporation and group company employees in order to raise the level of information security worldwide. We also held training sessions for officers and general managers to enable them to deal with targeted attack emails, which are causing increased damages at companies.

In fiscal 2014, we plan to support enhanced implementation of the revised “Regulations for Confidential Information and Personal Information” by holding

explanatory meetings at overseas group companies to promote their rule revisions. We will also continue training employees to cope with targeted attack emails by providing DVD-based training to group employees in and outside Japan.

Information disclosure (communication with stakeholders)

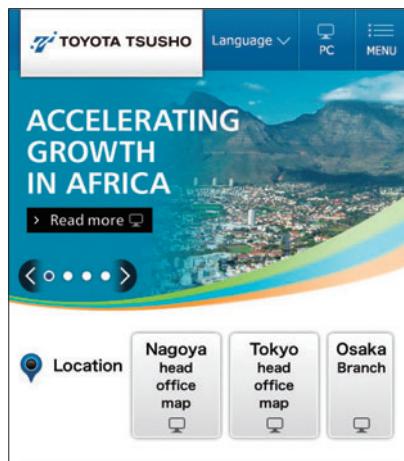
Website

The website was completely redesigned to provide improved access for smartphone and tablet users.

Toyota Tsusho Corporation’s website provides substantial information, including basic corporate information and information on business activities, finances and employment opportunities. The website includes contact information for stakeholders to request materials or make inquiries. In this way, we encourage two-way communication with various stakeholders.

In December 2013, we completely redesigned the website. The design of the feature and topics pages has been optimized for access by smartphone and tablet users.

Moving forward, we will continue striving to disseminate easy-to-understand information as we strengthen communication with our stakeholders.



New website designed for smartphone and tablet users

IR activities

We are increasing opportunities for direct dialogues with our investors.

Toyota Tsusho Corporation promotes disclosure and dialogue by holding financial results briefings as well as individual meetings with institutional shareholders, including those located overseas.

We aimed to increase opportunities for direct dialogue with investors in fiscal 2013, and in addition to holding more than 200 private meetings with investors, we also held small group meetings when necessary.

To serve overseas investors, we actively participated in international conferences held in Japan and responded to requests for teleconferences. In Japan, we held briefings in Tokyo, Nagoya, and other major cities to promote a better understanding of our business among private investors. We plan to hold similar briefings in smaller cities in the future.

In addition, videos of the financial results briefings have been posted online in Japanese and in English, with two of the four annual briefings taking the form of teleconferences.

In the future, we will continue to make engagement with investors a priority. Investors’ opinions will continue to be provided immediately to our executives to help us in forming management policies.

General Meeting of Shareholders

We avoid holding our General Meeting of Shareholders on days when there is a large concentration of other shareholder meetings.

To allow as many shareholders as possible to attend our General Meeting of Shareholders, we avoid holding this meeting on days when there is a large concentration of other shareholder meetings. For shareholders and other stakeholders who are unable to attend the meeting, we provide on-demand viewing through our website following the meeting.

We send out our shareholder meeting convocation notice three weeks prior to the meeting to facilitate the exercise of voting rights by shareholders. We also participate in platforms for the exercise of voting rights to enable institutional investors in and outside Japan to smoothly exercise their rights.

Additionally, from fiscal 2011, we began posting notes appended to financial statements on our website to conserve paper.

Social contribution activities

We pursue activities along three key themes—education (people), the environment (Earth) and welfare (society)—in accordance with our Corporate Philosophy of “living and prospering together with people, society and the Earth.”

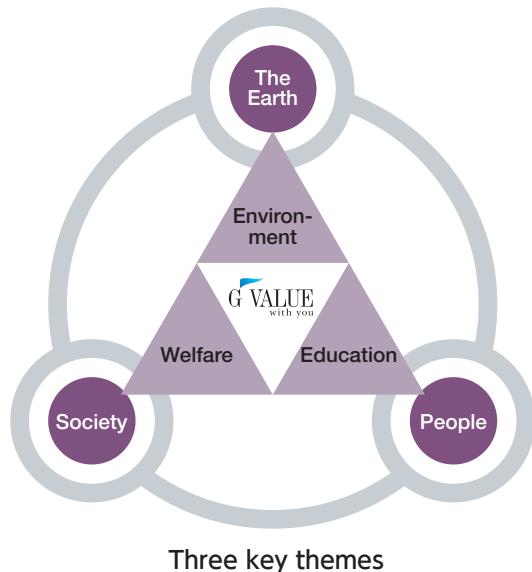
Basic Policy for Social Contribution Activities

As a good corporate citizen, Toyota Tsusho Corporation aims to “live and prosper together with people, society and the Earth,” and to contribute to the creation of a prosperous society.

Promotion of Activities

Toyota Tsusho positions people (education), the Earth (environment) and society (welfare) as key themes in light of its Corporate Philosophy, and vigorously promotes social contribution activities around the world to help realize a more prosperous society.

In terms of specific activities, we select and implement substantive and effective programs that strike a balance among the following three approaches of “by company,” “by officer and employee” and “by business activity.” Toyota Tsusho also encourages officers and employees, supporting their participation in these activities, while the company as a whole voluntarily participates in activities in an autonomous manner aimed at realizing the creation of a prosperous society and at fulfilling our social responsibilities.



Three key themes

Environment

We believe that the preservation of the Earth's environment is essential to creating prosperous communities. Based on this principle, we are contributing to the realization of a low-carbon and recycling-oriented society through our business activities, while striving to maintain and preserve biodiversity and ecosystems through social contribution activities.

Volunteers help protect saplings on Mt. Fuji

Since 2008, Toyota Tsusho has participated in the Mt. Fuji Reforestation Project, an environmental conservation project organized by OISCA International. The project aims to rejuvenate Mt. Fuji's forests by planting beech, Mongolian oak, maple and other trees throughout 100ha of prefectural forest around the third stage of Mt. Fuji (Narusawa, Yamanashi Prefecture), where forest has been lost to disease and pests.

In fiscal 2013, about 70 employee volunteers and their family members joined in activities to protect the newly

planted saplings. While learning about Mt. Fuji's flora, volunteers and their children also took part in an environmental education program on dyeing handkerchiefs with plant dyes.



70 employees and family members gather at the base of Mt. Fuji

We participated in the Fujimae Tidal Flat cleanup campaign.

We participated in the Fujimae Tidal Flat cleanup campaign organized by the NPO Fujimae wo Mamorukai. The Fujimae Tidal Flat (area of 323ha) is well-known as one of Japan's largest migratory bird areas. The tidal flat was registered under the Ramsar Convention in November 2002 as an important international wetlands.

In fiscal 2013, the first year of our participation in the campaign, about 20

employees took part in both the spring and autumn events, helping to pick up PET bottles, empty cans, plastic bags and other oil-based products washed ashore.



Volunteers carefully clean up plastics and broken glass

We support a public hygiene project in Kenya.

Toyota Tsusho East Africa Ltd. and Toyota Kenya Co., Ltd., a wholly owned subsidiary of Toyota Tsusho, partnered with Organic Solutions Japan Ltd. (OSJ) to supply Kenyan elementary schools with microorganism fermentation cultures used to eliminate bad odors and sanitize wastewater. Commonly caused by unhygienic toilets and insufficient wastewater management, diarrhea is one of the three leading causes of death

among infants in Kenya. We are contributing to children's health in Kenya by promoting the use of culture fluids and educating people about public health.



Liquids cultured through lactic acid bacteria and yeast are used for hygiene.

Education

We are involved in various education-related activities including a scholarship program to provide a better educational environment for exchange students from overseas, and support to improve the educational environments in regions where there is little access to education.

We support elementary education in Myanmar through book donations to a mobile library.

Since November 2013, the Toyota Tsusho Yangon Office has been making donations to the DKK Foundation* to provide better educational opportunities to Myanmarese children living in rural areas with an underdeveloped educational environment.

The foundation uses the donations to purchase picture books and other children's reading materials and support a mobile library with the donation of new books each month. This program contributes to improving the educational environment in Myanmar's rural communities.

* The Daw Khin Kyi (DKK) Foundation was established in 2012 and is led by Aung San Suu Kyi. The foundation engages in a wide range of social welfare projects, from school and hospital construction to infrastructure development.



Excited children enjoy the mobile library

Children from a local community experienced the workplace.

Toyota Metal Corporation invited six families to tour its automobile recycling plant as part of the Kids Workshop Festival, a publicly advertised workplace experience organized by the Handa municipal gov-

ernment in Aichi Prefecture.

Children experienced the operations of an end-of-life vehicle recycling plant, where automobiles are dismantled and turned into metal scrap. Through the experience, parents and children learned the important role of automobiles and metal recycling in the domestic recycling of resources.



Children gain a rare opportunity to study the structure of airbags.

We support African students' school enrollment through scholarship programs.

Only 5% of high school students in Sub-Saharan Africa enroll in universities. This has become a serious social issue for the entire continent.

In 2001, CFAO introduced a scholarship program for children of its employees in Africa. In fiscal 2013, 628 students used the program to enroll in universities.

The company also offers a scholarship program to support younger students who want to further their education in such practical fields as business management and accounting. In fiscal 2013, 140 students utilized this program.



A scholarship ceremony in Ivory Coast is attended by the presidents and CEOs of Toyota Tsusho and CFAO.

Welfare

We are supporting various welfare programs around the world, including programs for people with disabilities, poverty countermeasures in developing countries, and efforts to improve diets.

We support learning environments and student autonomy in Colombia.

Toyota Tsusho de Colombia partners with The Children of the Andes Foundation* to support children who have lost

homes and families due to conflicts and suffer from poverty.

In fiscal 2013, we donated school bags, study tools and other educational materials to these children. Company employees also visited with the children to deepen the exchange.

Many of the children live in deprived environments and have even lost the opportunity to study their native dialect. By promoting their learning environments, we aim to support the independence of as many children as possible as they grow and bear responsibility for their country's future.

*A non-profit organization promoting children's living environments and autonomy



Employee volunteers and children join for a commemorative photo.

Our company cafeterias introduced a program to provide food to developing countries.

Since 2008, Toyota Tsusho has been participating in the Table For Two (TFT) program organized by NPO Table For Two International.

In this program, for each healthy meal employees order from a designated menu, ¥20 is donated through TFT to subsidize the cost of one meal in a developing country. The program promotes employees' diets by encouraging employees to eat nutritious meals, while ensuring the provision of food at schools in developing countries. In this way, we are helping to eliminate imbalances in global food supplies.

Through 2013, we had donated a total of 111,127 meals to children in developing countries.



Table For Two vending machines are located on each floor of the Head Office.

We are striving to prevent diabetes in Africa.

In recent years, the number of diabetes

Social contribution activities

patients in African and other emerging markets has been rising in tandem with economic development.

CFAO has undertaken a variety of initiatives at its sites to solve the problem of diabetes in Africa. In 2013, CFAO promoted initiatives throughout the company by launching a comprehensive program in collaboration with NGO Santé Diabète.

As part of the program, both CFAO and Santé Diabète have focused on distributing educational materials to company officers and employees.



Diabetes treatment is provided at a health clinic.

Great East Japan Earthquake recovery support

We continue to respond to the recovery needs of the disaster region through support for specially designated guidance classrooms and study halls for children living in temporary housing and disaster region towns, as well as volunteer work with the Disaster Area Recovery Support by Toyota Group.

We host bazaars to support the recovery of disaster regions and the independence of people with disabilities.

Since 2012, Toyota Tsusho has supported the Minna DE Kauya project aimed at promoting the recovery of the disaster region and the independence of people with disabilities.

The project organizer sells goods and food products made at vocational aid centers in areas affected by the Great East Japan Earthquake at cooperating companies and events throughout Japan. Each year, Toyota Tsusho sets up sales areas in employee cafeterias and sells goods with the help of employee volunteers.

About 200 officers and employees visited the sales areas in fiscal 2013.



Employees crowd a sales area.

We held exchanges with disaster victims evacuated far from home.

Toyota Tsusho group employee volunteers participated in an exchange event with Great East Japan Earthquake evacuees living outside their home prefectures.

Sponsored by NPO Medical Network Support Center, the event provides mental health support by linking evacuees with friends from their own hometowns and volunteers.

In fiscal 2013, the event was held at the Tokyo Head Office of Toyota Motor Corporation and was attended by 126 evacuees housed in the Tokyo area. During the event, Fukuske Corporation donated 350 pairs of socks and Toyota Tsusho All Life Corporation donated 200 cleaning towels to participants.



Participants join in a chorus under the instruction of a chorus group.

We have started cotton growing to support the region's recovery.

Group companies Toyo Cotton Co., Ltd. and Fukuske Corporation began participating in the Tohoku Cotton Project in 2014. The project aims to support the region's recovery by planting cotton in fields where rice production has become difficult due to the after-effects of the tsunami.

Toyo Cotton is leveraging its expertise in the field to offer seeds and cotton-growing technologies. Fukuske is assisting with commercialization of the harvested cotton.

Employees of both companies are volunteering for planting and harvesting activities.



Tohoku Cotton Project website

Volunteer activities in which employees participated

- 6th Wheelchair Twin Basketball Kariya Tournament
- Service Dog Festival 2013
- Fujimae Tidal Flat cleanup campaign
- Mt. Fuji Reforestation Project
- Campaign to distribute picture books
- 29th Nagoya City Handi Marathon
- All-Toyota Big Holiday Volunteer Plaza
- 3rd Osaka Marathon
- 10th Tajimi Wine Festival
- Exchange event with Great East Japan Earthquake evacuees living outside their home prefectures
- Marathon Festival Nagoya-Aichi 2014
- Great East Japan Earthquake Disaster Region Volunteers (Toyota Group initiative)

Third-party opinion



Ms. Makiko Akabane

Director of CSR Asia Japan Office

Profile

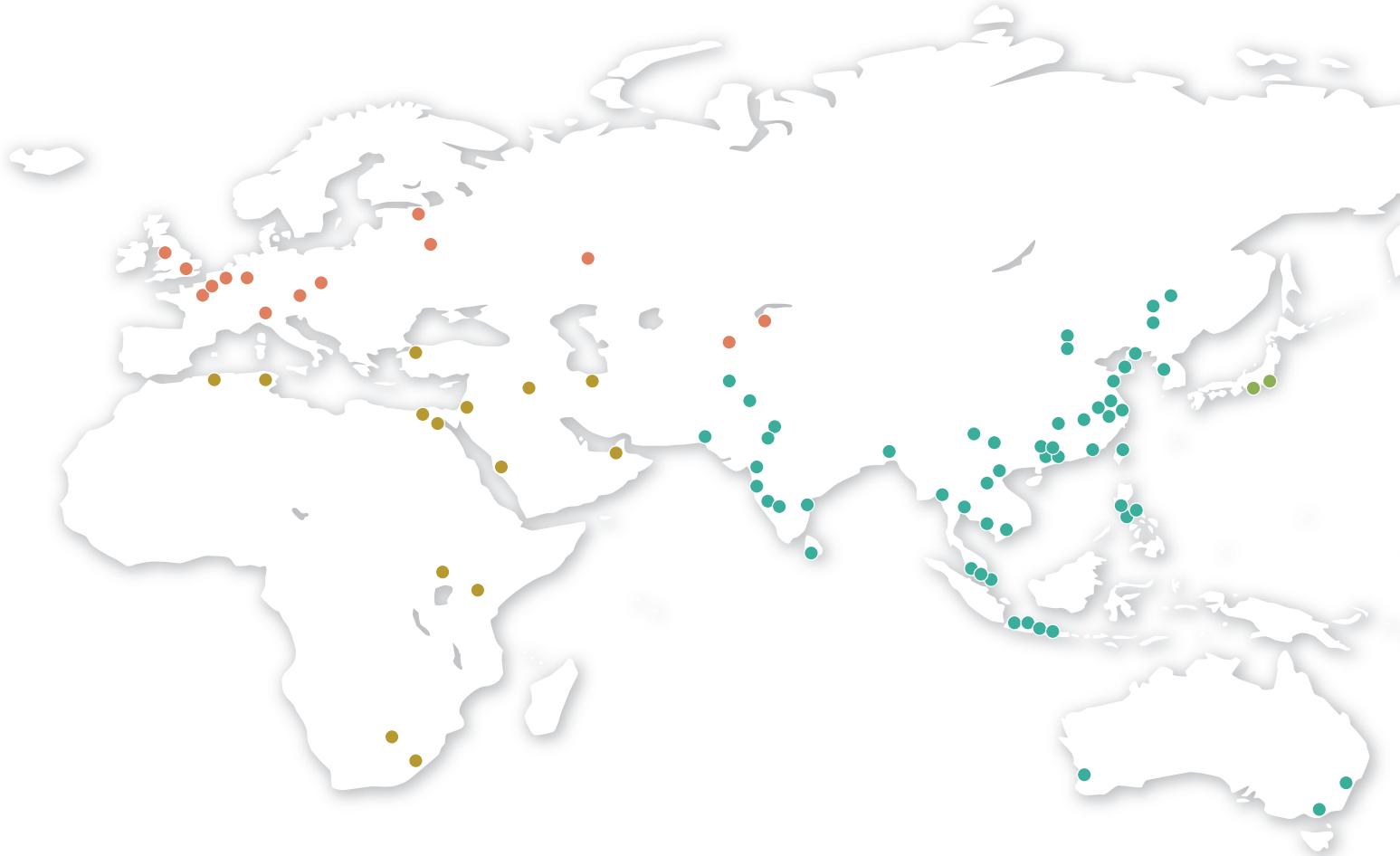
Ms. Akabane has a BA in Political Science and a BS in Biology from Waseda University and studied at graduate schools in the University of California Riverside, Tufts University and Keio University. She has over 10 years' experience in corporate social responsibility in multisector and multinational companies. She has started up CSR sections of Starbucks Coffee Japan, salesforce.com foundation, and Nikko Asset Management.

Toyota Tsusho's diverse CSR is unique in that the company equates the creation of new added-value business models designed to solve social issues with its management. This approach is clearly explained in the top message, in which President Karube states that Toyota Tsusho regards fulfilling corporate social responsibility as "the essence of management" and focuses management on maximizing the value that the company creates for the greater good of society. To implement this approach, the company has defined its activities as Social Issue Resolution Model and Local Contribution Model Businesses. These businesses include solving China's environmental problems by leveraging the company's long-held expertise in auto recycling to launch a similar business in China. Toyota Tsusho has also developed sugarcane-based PET resins for global markets to reduce the use of fossil-fuel resources, prevent global warming, and contribute to solving global environmental issues. The company pursues wind and solar power generation businesses globally to support the stable supply of power and switch to renewable energy sources. In Mauritius, Toyota Tsusho has established a social contribution-type venture fund to create jobs for young Africans, alleviate poverty and develop human resources. As such, Toyota Tsusho is combining its mission to solve global social issues with its business activities.

Regarding the Corporate Responsibility Execution Model (CSR foundation), Toyota Tsusho is systematically implementing CSR as a social value-creating company. The company has defined a comprehensive policy for domestic safety and environmental activities and established a management-led promotion structure that has taken root internally. The company evaluates its CSR results both quantitatively and qualitatively. In terms of quantitative CSR evaluation, Toyota Tsusho assesses results in the areas of safety, the environment, human resources and governance. For qualitative evaluation, the company assesses results in the areas of compliance, risk management, and information disclosure. Toyota Tsusho also comments on the issues identified by the evaluations, reflecting its commitment to improving its CSR activities.

There are some aspects of the Corporate Responsibility Execution Model (CSR foundation) that require improvement in consideration of Toyota Tsusho's role as a prominent global company conducting business around the world. Namely, instead of simply quantifying the results of activities (output), the company should also measure the effect of the activities (impact). For example, Toyota Tsusho emphasizes safety, environmental, and human resources training, and significant investments are being made in domestic training programs. The effects, however, are measured only in terms of the number of participants, and it is difficult for external stakeholders to understand the actual effect of the training. The company could expand its analysis by explaining what percentage of employees receive training, the results of the training, and how exactly the training programs led to improvements in safety and environmental performance.

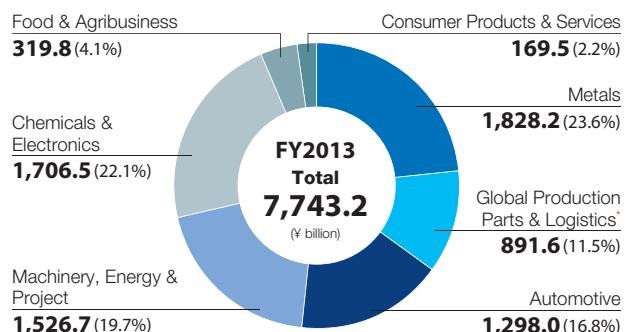
Another area for improvement is an explanation of the CSR structure and activities at overseas sites. This report lacks a detailed explanation of the systems used to implement CSR activities outside Japan, the actual activities, and their results. Since the CSR Report is also published in English, many non-Japanese stakeholders can be expected to have an interest in activities outside Japan. I would recommend that Toyota Tsusho explain more about overseas CSR activities in the future. Outside Japan, there are many types of activities that cannot be implemented exactly as they are in Japan. Active engagement with stakeholders outside Japan will enable Toyota Tsusho to develop a better understanding of their needs and expectations of the company.



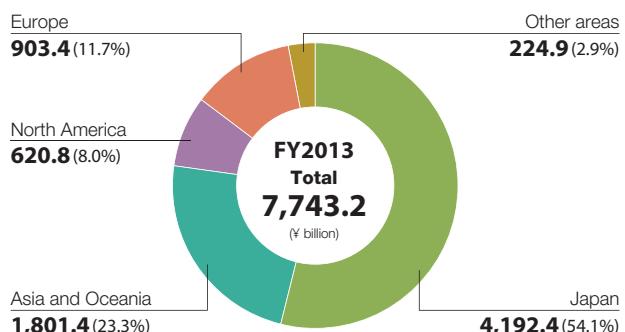
Subsidiaries and affiliates by segment (as of March 2014)

	Japan	Asia and Oceania	North America	Europe	Other areas	Total
Metals Division	20	48	14	8	8	98
Global Production Parts & Logistics Division*	9	38	14	4	5	70
Automotive Division	4	87	0	40	116	247
Machinery, Energy & Project Division	51	54	81	29	6	221
Chemical & Electronics Division	22	70	10	32	36	170
Food & Agribusiness Division	16	14	4	2	2	38
Consumer Products & Services Division	21	22	2	0	2	47
Administrative Division and local subsidiaries	4	21	16	14	9	64
Total	147	354	141	129	184	955

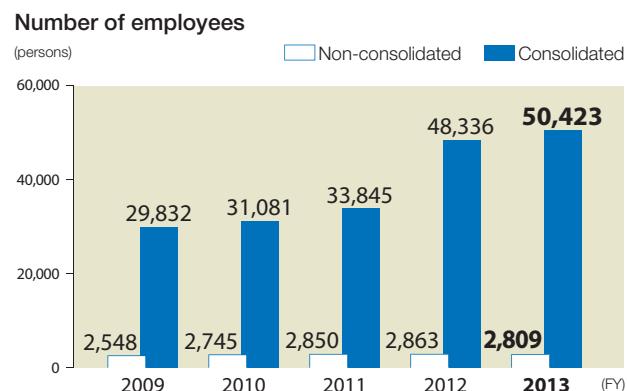
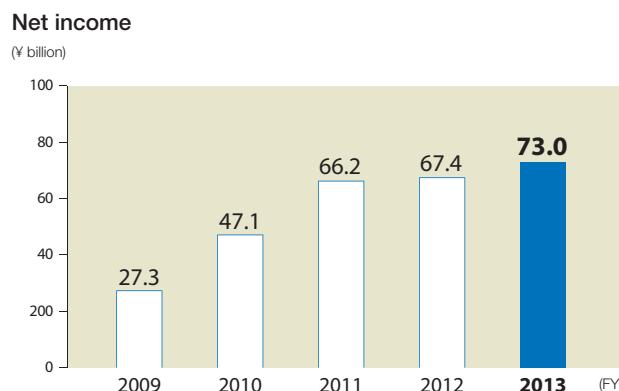
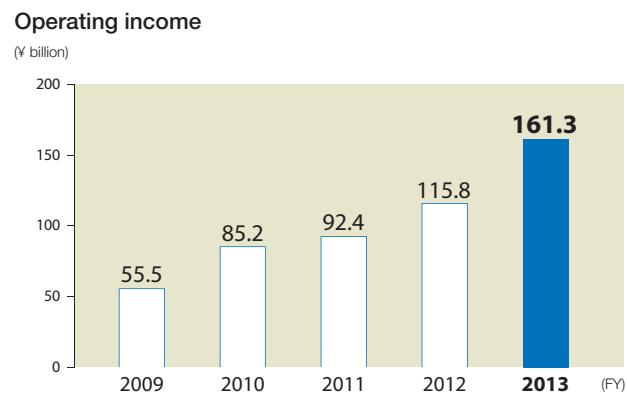
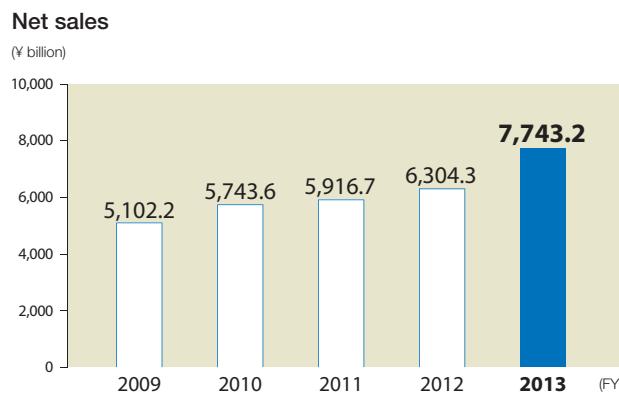
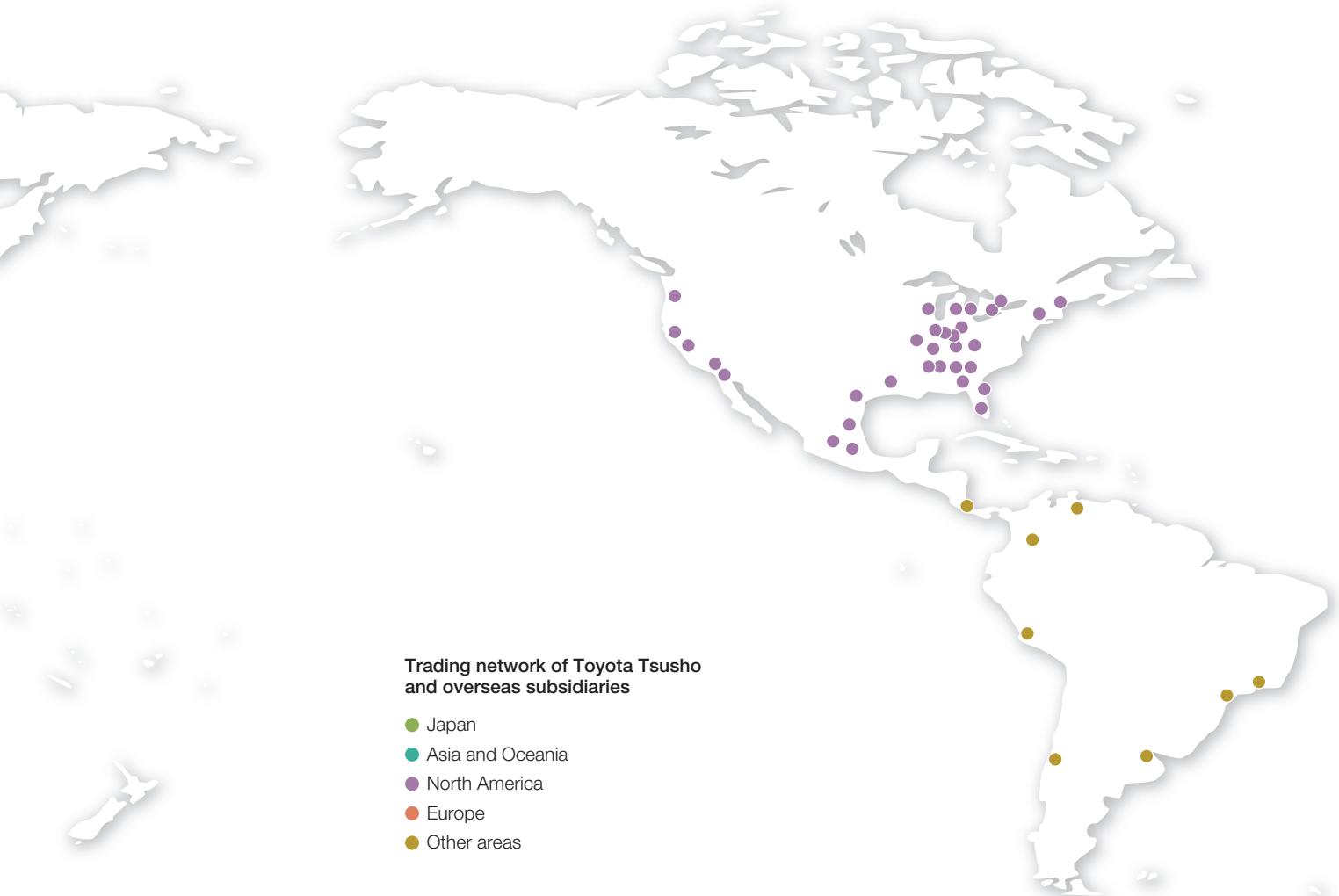
Segment sales



Regional sales



* Effective April 1, 2014, the Global Production Parts & Logistics Division changed its name to Global Parts & Logistics Division.





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