

Briefing for Fiscal Year 2025 First Quarter Q&A

《FY2025 Full-Year Forecast》

Q1 : The Stamping and plastic molding business is performing well, but please explain if there is a possibility that full-year operating profit could outperform the forecast, assuming that Toyota's production volume from Q2 onwards remains at the same level as in Q1.

A1 : In Q1, Toyota's production volumes remained steady in Japan, the U.S. of America, and China. Particularly in the U.S. of America, higher demand spurred by increased tariffs led to a surge in production volume. As a result, there are concerns of a decrease in production volume in Q2 compared to Q1. Overall, we expect production volume to remain steady. After reassessing our financial forecast based on multiple factors, there are no significant changes from the previous forecast, and we have maintained our full-year financial forecast.

《Regarding the MBO》

Q2 : Please explain your view on the likelihood of the MBO being successfully completed.

A2 : At this time, we would like to refrain from further comment. However, we are recommending that our shareholders tender their shares in the TOB.

Q3 : Please explain in detail the background behind President Ogawa and the management decision to proceed the MBO. Also, this fiscal year, Toyota Industries Corporation has gone private; please explain whether there was any information exchange with other companies in the process of making your own MBO decision.

A3 : The background for the decision to proceed the MBO is as described in the tender offer notification. Given the accelerating electrification trend, the need to consider our business plans and initiatives from a more mid-to-long-term perspective has increased. Specifically, we anticipate that growth for BEVs and PHEVs in the automotive market will take longer than initially anticipated. For our company, it is important to maintain the speed of technological development, make appropriate proposals to customers, and seize market opportunities without delay. On the global stage, we must make faster decisions than ever before regarding growth strategies and revision of investments for our overseas subsidiaries in Japan domestic, U.S. of America, China, ASEAN, and Europe, considering the trends in

each market. We judged that this was necessary as a mid-to-long-term management strategy to maintain competitiveness and survive in a challenging market environment. There has been no information exchange regarding the MBO with any other company. We began considering the MBO last summer, and decided that now is the appropriate time for the future of our company. Moving forward, we will continue to develop and manufacture products jointly with our customers and employees, aiming for the mid-to-long-term growth of our company.

Q4 : Please explain into which businesses you plan to invest the resources that will be freed up after delisting, and whether there are any plans for partnerships with companies in the same industry.

A4 : Going forward, we plan to invest in a wide range of fields. We will leverage our core technologies outside of automotive parts and take on new businesses that contribute to solving social issues. In the field of vehicle electrification, we anticipate expanding demand for HEVs, and, rather than focusing solely on BEVs and PHEVs, we are pursuing a broad technology strategy for multi-pathway type, including new businesses. At present, there are no specific plans for partnerships with other companies, though some collaboration may be necessary in the future. We will continue to combine our technological capabilities and the strength of our employees in an effort to outperform the market competition.

Q5 : Please explain whether you will continue to focus on both the Stamping and plastic molding business and the Valve business as your core businesses after the company goes private.

A5 : Based on our mid-to-long-term business plan "Beyond the OCEAN," and mid-term business plan "NEXUS-26," we remain committed to growth centered on three core fields: Stamping and plastic molding business, Valve business, and new businesses, even after going private. We will enhance the global production structure for the Stamping and plastic molding business to expand orders. In the Valve business, that carried on since our company's establishment, we are maintaining a high market share while starting Electric expansion valve production in a new plant and working to develop and expand sales for Electrified vehicles. We are also progressing with the launch and development of new products in new business areas and will continue to take on such challenges in the future.

Q6 : Please explain your customers' reactions to the MBO.

A6 : Our major customer understands our MBO and has commented that there will be no changes in the relationship between the two companies going forward.

Q7 : When making disclosures regarding the MBO, did you refer to the new MBO rules, that is “Revisions to the Listing Rules Regarding MBOs and Subsidiary Conversions” announced by the Tokyo Stock Exchange this year ? If so, please specify which aspects you referred to?

A7 : With reference to the new MBO rules, we have included detailed information on the deliberations of the special committee in the report released to the press. In the valuation of our equity, we have also clearly disclosed the various underlying assumptions.