

**FY2024**

# **Financial Results**

**May 13, 2024**



- I . Financial Results
- II . Engine Certification Issue
- III . Initiatives to Enhance Corporate Value

# I . Financial Results

## Points of Financial Results for FY2024

■ Net sales and profits for FY2024 increased YoY due to unit sales increases in automobile related businesses, along with positive effect of weaker yen

■ Dividends for FY2024 is ¥240, ¥50 increase from FY2023  
Dividends plan for FY2025 is ¥280, ¥40 increase from FY2024

■ Increases in net sales and profits are expected for the FY2025 forecast

# FY2024 Performance

(Billions of yen)

	FY2023	FY2024	Change amount	Change %
<b>Net sales</b>	3,379.8	<b>3,833.2</b>	+ 453.4	+ 13.4%
<b>Operating profit</b>	169.9	<b>200.4</b>	+ 30.5	+ 18.0%
<b>Profit before income taxes</b>	262.9	<b>309.1</b>	+ 46.2	+ 17.6%
<b>Profit attributable to owners of the parent</b>	192.8	<b>228.7</b>	+ 35.9	+ 18.6%
<b>Dividends per share [Year end]</b>	¥190 [¥100]	<b>¥240</b> <b>[¥140]</b>	+ ¥50 [+ ¥40]	-
<b>Payout ratio</b>	30.6%	<b>32.6%</b>	-	-

&lt;Exchange rate&gt;

<b>US \$</b>	¥135	<b>¥145</b>	+ ¥10	-
<b>Euro</b>	¥141	<b>¥157</b>	+ ¥16	-

Net sales and profits increased due to unit sales increases in the automobile related business and the positive effect of weaker yen, despite higher labor costs and increased expenses related to domestic certification issues for engines.



## FY2024 Segment Information - Automobile

			FY2023	FY2024	Change Amount	Change %
Vehicle	Sales units [k]		290	<b>337</b>	+ 47	+ 16.3%
	Net sales [¥bn]		83.1	<b>100.8</b>	+ 17.7	+ 21.3%
Engine	Sales units [k]		847	<b>987</b>	+ 140	+ 16.6%
	Net sales [¥bn]		322.4	<b>330.8</b>	+ 8.4	+ 2.6%
Car Air-conditioning Compressor	Sales units [k]		30,937	<b>31,849</b>	+ 912	+ 2.9%
	Net sales [¥bn]		429.7	<b>466.1</b>	+ 36.4	+ 8.5%
Electronics parts and others	Net sales [¥bn]		122.5	<b>198.5</b>	+ 76.0	+ 62.0%
<b>Automobile</b>	Net sales [¥bn]		957.8	<b>1,096.4</b>	+ 138.6	+ 14.5%
	Operating Profit [¥bn]		34.6	<b>18.2</b>	(16.4)	(47.4%)

Vehicle : Net sales increased due to unit sales increase of RAV4 overseas

Engine : Net sales increased mainly due to unit sales increase of gasoline engines

Car Air-Conditioning Compressor : Net sales increased mainly due to unit sales increase in North America and Europe

## FY2024 Segment Information - Material Handling Equipment and Others

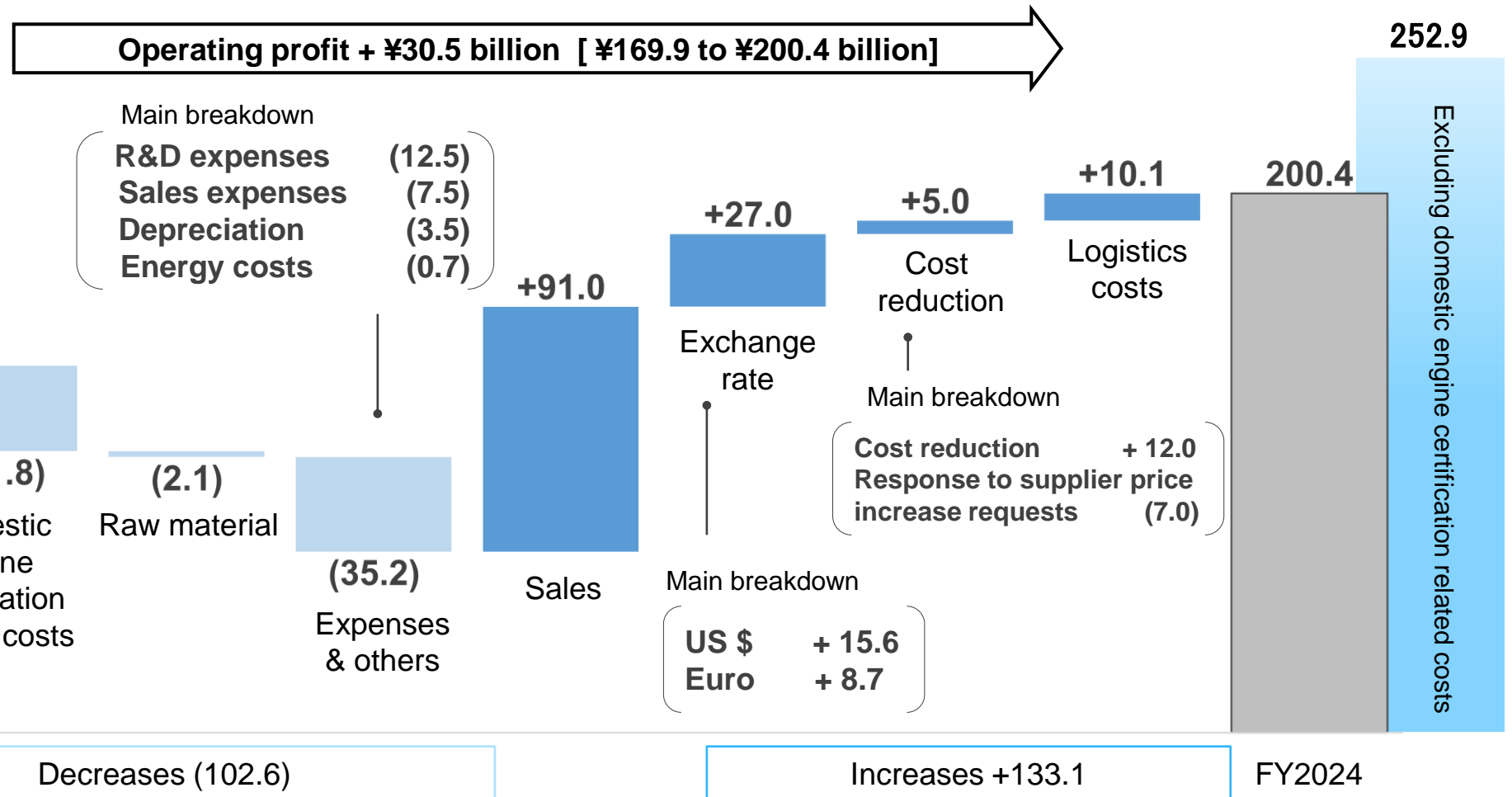
		FY2023	FY2024	Change Amount	Change %
<b>Material Handling Equipment</b>	Sales units [k]	317	<b>308</b>	(9)	(2.7%)
	Net sales [¥bn]	2,283.8	<b>2,587.2</b>	+ 303.4	+ 13.3%
	Operating Profit [¥bn]	121.8	<b>165.6</b>	+ 43.8	+ 35.9%
<b>Textile Machinery</b>	Net sales [¥bn]	84.3	<b>93.3</b>	+ 9.0	+ 10.7%
	Operating Profit [¥bn]	7.8	<b>8.0</b>	+ 0.2	+ 3.3%
<b>Others</b>	Net sales [¥bn]	53.9	<b>56.2</b>	+ 2.3	+ 4.2%
	Operating Profit [¥bn]	5.4	<b>8.8</b>	+ 3.4	+ 62.6%
<b>Total</b>	Net sales [¥bn]	3,379.8	<b>3,833.2</b>	+ 453.4	+ 13.4%
	Operating Profit [¥bn]	169.9	<b>200.4</b>	+ 30.5	+ 18.0%

Material Handling Equipment : Net sales and profit increased due to price increase in forklifts and positive effect of weaker yen

Textile Machinery : Net sales and profit increased due to increase of air-jet loom and spinning machinery

# Changes in Operating Profit from FY2023 to FY2024

(Billions of yen)



YoY profit increased due mainly to increases in sales and positive effect of weaker yen, despite increases in labor costs, raw materials, and other expenses including engine certification related costs



## FY2024 Investments in tangible assets and Depreciation

(Billions of yen)

	FY2023	FY2024	Change Amount	Change %
<b>Investments in tangible assets*</b>	144.4	<b>170.5</b>	+ 26.1	+ 18.1%
<b>Depreciation*</b>	99.9	<b>105.7</b>	+ 5.8	+ 5.9%

\* Investments in tangible assets and depreciation apply to property, plant and equipment. They do not include material handling equipment leased under operating leases.

Investments in tangible assets increased overall due to increases in Vehicle, Car Air-conditioning Compressor, and Material Handling Equipment businesses

## FY2024 Assets, Equity and others

(Billions of yen)

	FY2023	FY2024	Change Amount	Change %
<b>Total assets</b>	<b>7,821.1</b>	<b>11,078.4</b>	+ 3,257.3	+ 41.6%
<b>Total equity</b>	<b>3,935.4</b>	<b>6,153.3</b>	+ 2,217.9	+ 56.4%
<b>Equity attributable to owners of the parent per share</b>	<b>¥12,359.66</b>	<b>¥19,472.48</b>	+ ¥7,112.82	-
<b>Percentage of equity attributable to owners of the parent</b>	<b>49.1%</b>	<b>54.6%</b>	-	-
<b>Consolidated subsidiaries</b>	<b>271</b>	<b>277</b>	+ 6	-

Total assets increased mainly due to an increase in other financial assets, such as investment securities

# FY2025 Forecast Performance

(Billions of yen)

	FY2024	FY2025 Forecast	Change amount	Change %
<b>Net sales</b>	3,833.2	<b>3,900.0</b>	+ 66.8	+ 1.7%
<b>Operating profit</b>	200.4	<b>250.0</b>	+ 49.6	+ 24.7%
<b>Profit before income taxes</b>	309.1	<b>355.0</b>	+ 45.9	+ 14.8%
<b>Profit attributable to owners of the parent</b>	228.7	<b>260.0</b>	+ 31.3	+ 13.6%
<b>Dividends per share</b>	¥240 [¥140]	<b>¥280</b> <b>[¥140]</b>	+ ¥40 [± ¥0]	-
<b>Payout ratio</b>	32.6%	<b>33.4%</b>	-	-

&lt;Exchange rate&gt;

<b>US \$</b>	¥145	<b>¥145</b>	-	-
<b>Euro</b>	¥157	<b>¥155</b>	(¥2)	-



## FY2025 Forecast Segment Information - Automobile

		FY2024	FY2025 Forecast	Change amount	Change %
Vehicle	Sales units [k]	337	<b>327</b>	(10)	(2.9%)
	Net sales [¥bn]	100.8	<b>98.0</b>	(2.8)	(2.8%)
Engine	Sales units [k]	987	<b>1,073</b>	+ 86	+ 8.7%
	Net sales [¥bn]	330.8	<b>350.0</b>	+ 19.2	+ 5.8%
Car Air-conditioning Compressor	Sales units [k]	31,849	<b>32,500</b>	+ 651	+ 2.0%
	Net sales [¥bn]	466.1	<b>494.0</b>	+ 27.9	+ 6.0%
Electronics parts and others	Net sales [¥bn]	198.5	<b>240.0</b>	+ 41.5	+ 20.9%
<b>Automobile</b>	Net sales [¥bn]	1,096.4	<b>1,182.0</b>	+ 85.6	+ 7.8%



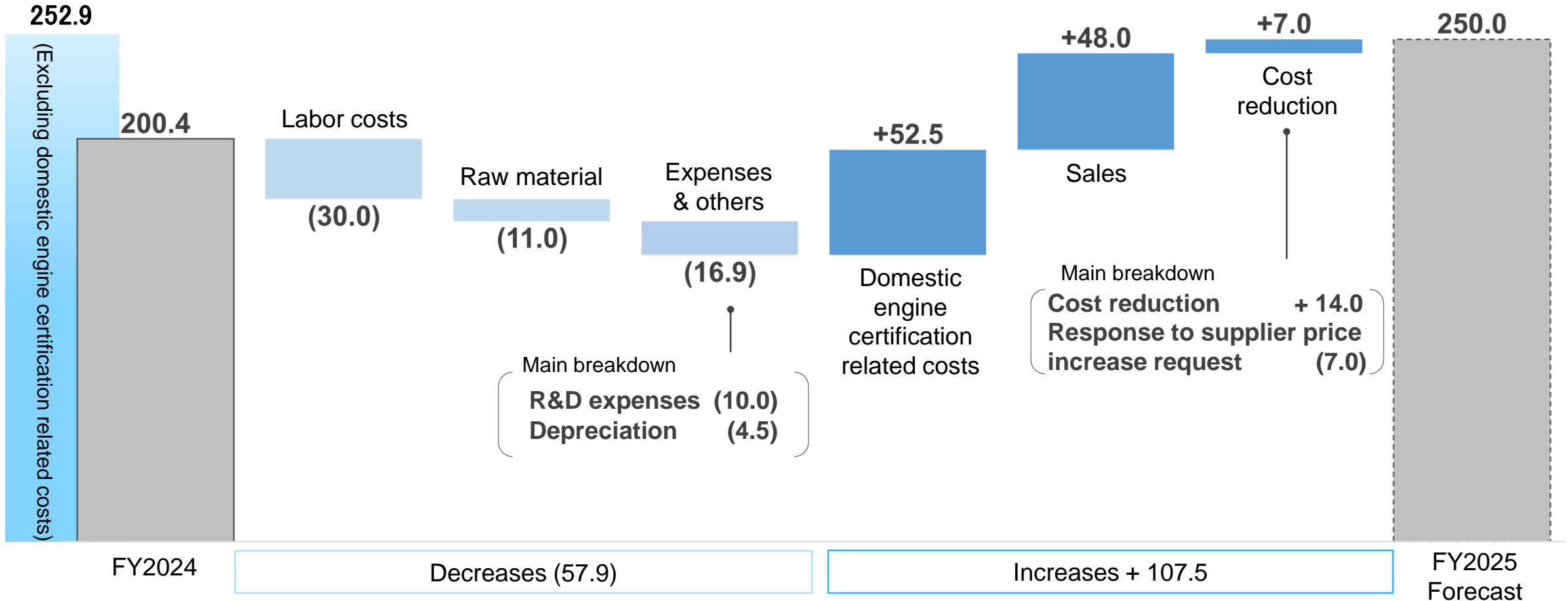
## FY2025 Forecast Segment Information - Material Handling Equipment and Others

		FY2024	FY2025 Forecast	Change amount	Change %
<b>Material Handling Equipment</b>	Sales units [k]	308	<b>304</b>	(4)	(1.1%)
	Net sales [¥bn]	2,587.2	<b>2,585.0</b>	(2.2)	(0.1%)
<b>Textile Machinery</b>	Net sales [¥bn]	93.3	<b>79.0</b>	(14.3)	(15.4%)
<b>Others</b>	Net sales [¥bn]	56.2	<b>54.0</b>	(2.2)	(3.9%)
<b>Total</b>	Net sales [¥bn]	3,833.2	<b>3,900.0</b>	+ 66.8	+ 1.7%
	Operating Profit [¥bn]	200.4	<b>250.0</b>	+ 49.6	+ 24.7%

# Changes in Operating Profit from FY2024 to FY2025 Forecast

Operating profit + ¥ 49.6billion [¥ 200.4 to ¥ 250.0 billion]

(Billions of yen)



## FY2025 Forecast Investments in tangible assets and Depreciation

(Billions of yen)

	FY2024	FY2025 Forecast	Change Amount	Change %
<b>Investments in tangible assets*</b>	170.5	<b>220.0</b>	+ 49.5	+ 29.0%
<b>Depreciation</b>	105.7	<b>110.0</b>	+ 4.3	+ 4.0%

\* Investments in tangible assets and depreciation apply to property, plant and equipment. They do not include material handling equipment leased under operating leases.

# II . Engine Certification Issue



# Background on Engine Certification Issue

- Mar. 17, 2023 ■ Disclosure of legal violations for four industrial vehicle engine models  
Suspension of shipments of these engines and lift trucks equipped with these engines  
Establishment of the Special Investigation Committee
- Apr. 11, 2023 ■ Recall of lift trucks equipped with two types of engines that do not conform to standards
- Apr. 26, 2023 ■ Cancellation of type designation for these two engine models
- Jan. 29, 2024 ■ Publication of report by the Special Investigation Committee
- Jan. 30, 2024 ■ Announcement of Toyota Group Vision
- Feb. 22, 2024 ■ Issuance of correction order by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)
- Mar. 5, 2024 ■ Cancellation of type designation for three engine models, including one engine model that does not conform to standards
- Mar. 22, 2024 □ Report on recurrence prevention measures

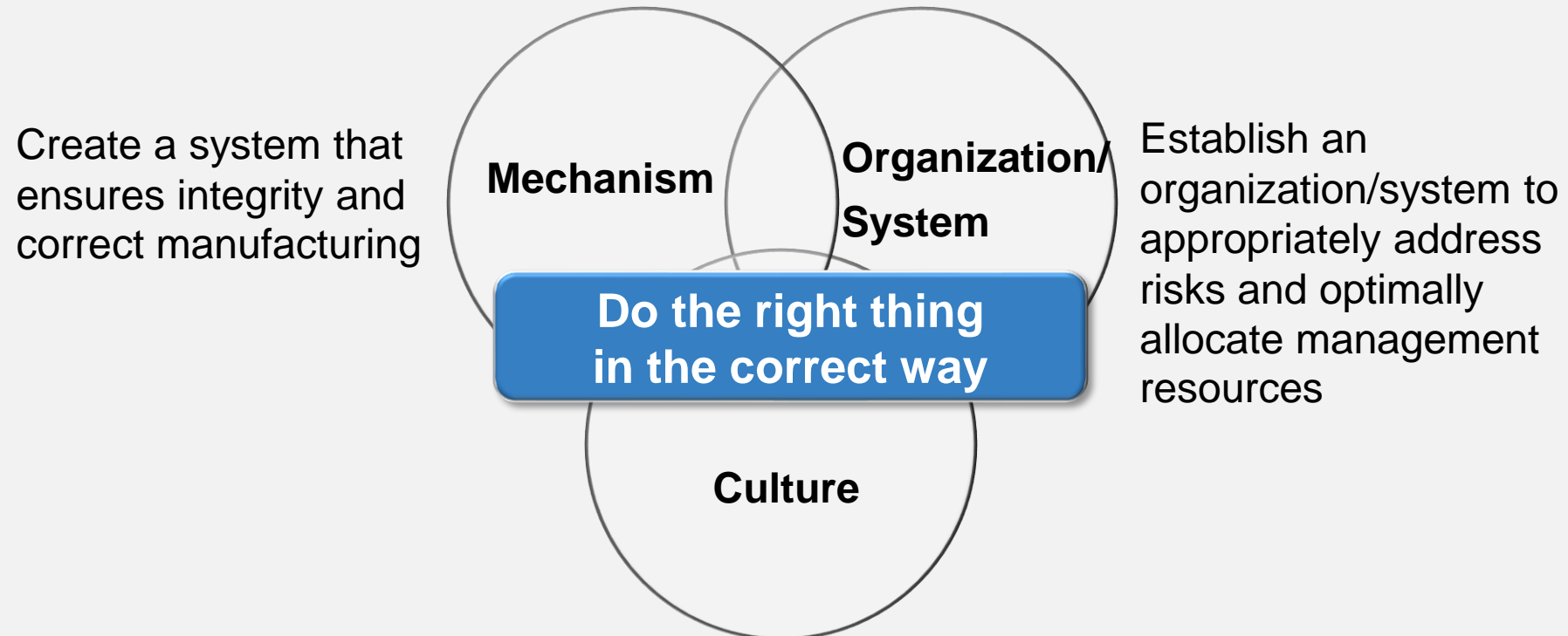
# Review

As the entire TICO Group grew,

- **We failed to grasp changes in the environment, think through what we should do in step with the latest trends in laws, regulations and markets and foster the mindset and commitment** to take relevant initiatives and make appropriate responses.
- **We failed to properly allocate the necessary personnel, tools and funds** because we did **not accurately and sensitively recognize the changes** in the tightening of exhaust gas regulations for industrial vehicle engines and understand the certification system.
- **We failed as an organization to understand the concerns and hardships of the factory floor and workplace** by creating an environment in which **small-scale businesses and functions with less authority** were compelled to engage in misconduct.
- **We failed to speak up, recognize our mistakes and start over** despite our commitment to engage in daily work for the benefit of our customers.

## Go Back to the Basics and Make a Fresh Start

In order to continue contributing to society by providing safe and reliable quality products to our customers, we will go back to the basics and make a concerted commitment to three reforms to do the right thing in the correct way.



Create a system that ensures integrity and correct manufacturing

Establish an organization/system to appropriately address risks and optimally allocate management resources

Foster a culture in which, when we become aware of a mistake, we pause and collaborate to make improvements

# III. Initiatives to Enhance Corporate Value



## Our Milestones to Date

### ✓ Founding period

- 1926 Toyota Industries established to manufacture and sell **Type G automatic looms**.
- 1935 **Model A1 passenger car** prototype completed.
- 1937 Automobile Department spun off and Toyota Motor Co., Ltd. (now Toyota Motor Corporation) established.
- 1940 Steel Production Department spun off and Toyoda Steel Works, Ltd. (now Aichi Steel Corporation) established.

### ✓ Business diversification and scale expansion

- 1953 Production of **Type S engines** launched; **assembly of automobiles** launched.
- 1954 Toyoda de Mexico established (withdrew from the country in 1961 due to changes in the surrounding environment).
- 1956 Production of **lift trucks** launched (started as part of new businesses).
- 1958 Agricultural machinery business launched (withdrew from the business in 1966 due to performance and sales issues).
- 1960 Production of **car air-conditioning compressors** launched.
- 1967 The Nagakusa Plant commences production of **small passenger cars**.

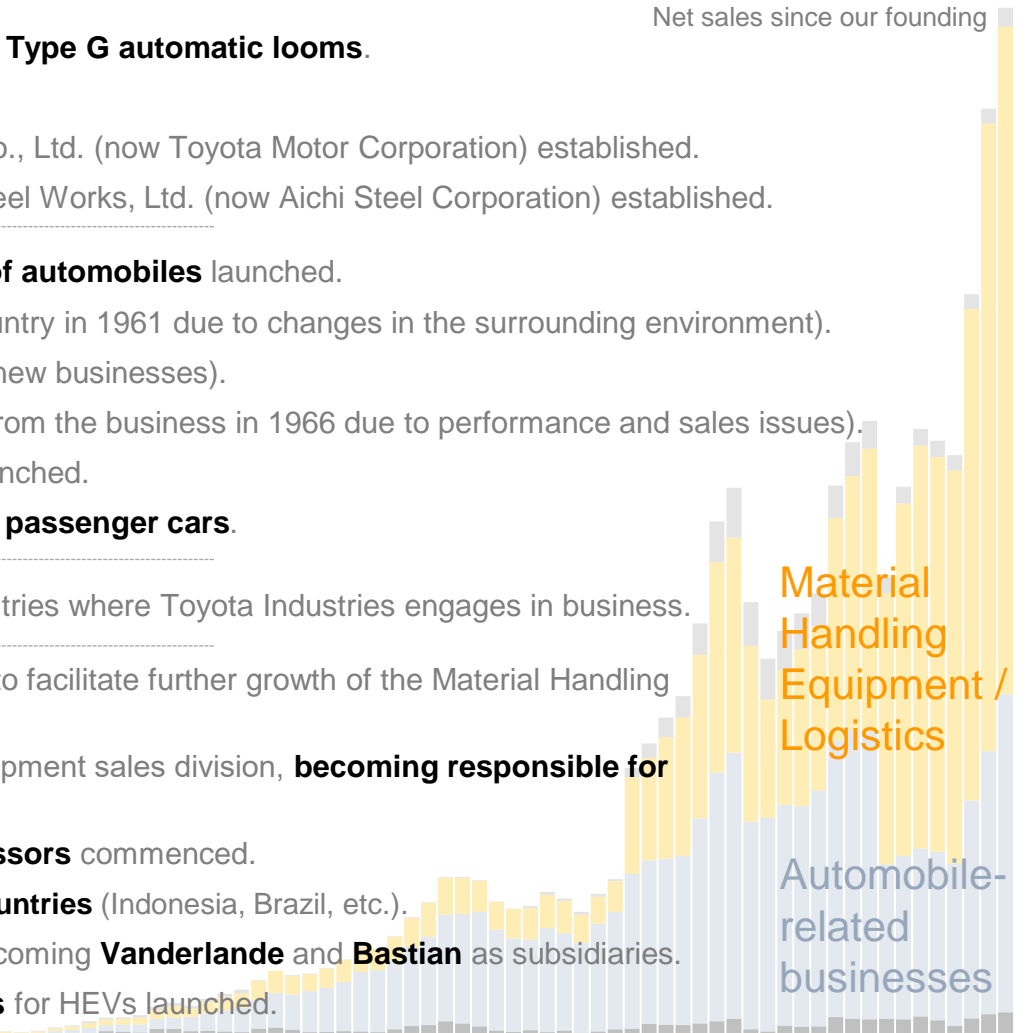
### ✓ Full-fledged global expansion

- 1988 Responding to an increase in demand in various countries where Toyota Industries engages in business.

### ✓ Expanding business domains utilizing strategic M&As and other schemes

- 2000 Welcomes the **BT Industries Group** as a subsidiary to facilitate further growth of the Material Handling Equipment Business.
- 2001 Takes over Toyota Motor Corporation's industrial equipment sales division, **becoming responsible for both production and sales**.
- 2003 The world's first mass production of **electric compressors** commenced.
- 2011 Accelerates the establishment of plants in **emerging countries** (Indonesia, Brazil, etc.).
- 2017 Augments the **Logistics Solutions Business** by welcoming **Vanderlande** and **Bastian** as subsidiaries.
- 2021 Production of **bipolar nickel-metal hydride batteries** for HEVs launched.

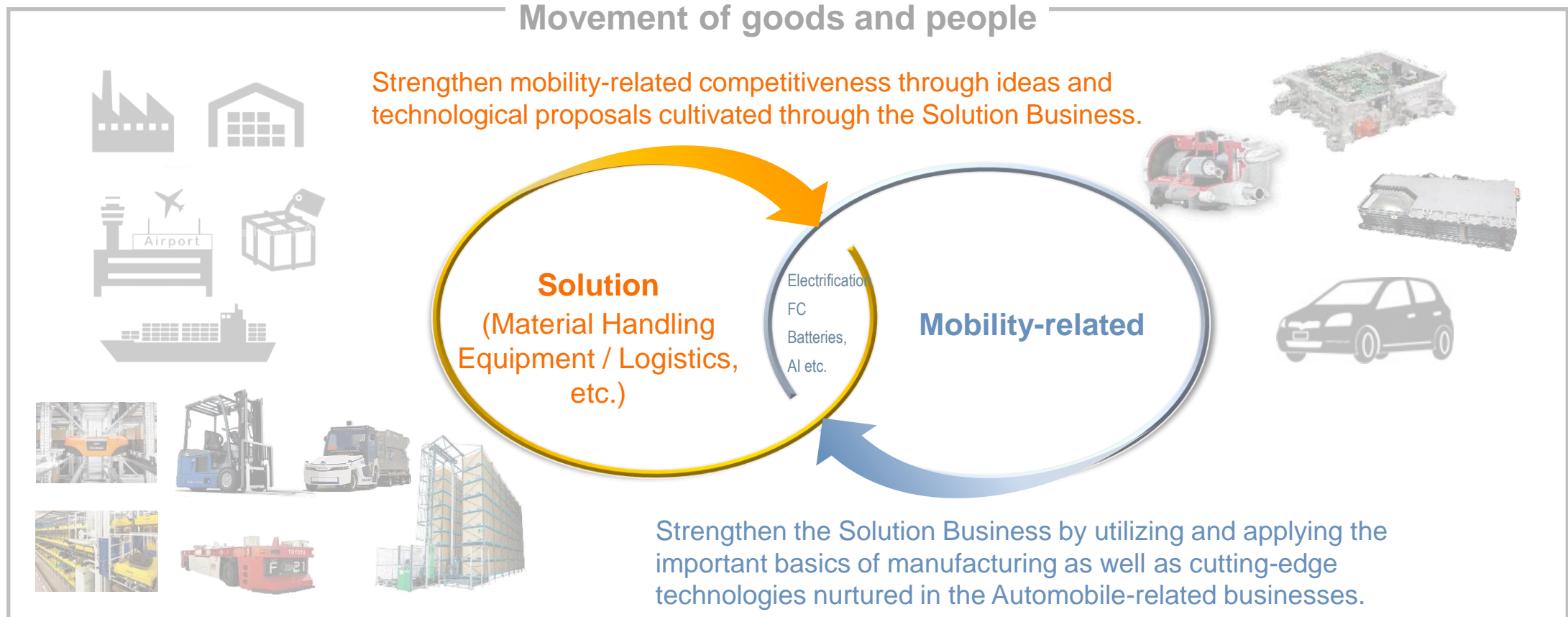
Net sales since our founding



Since our founding in 1926, we have **diversified our businesses** through various challenges, with the Textile Machinery Business as our origin.



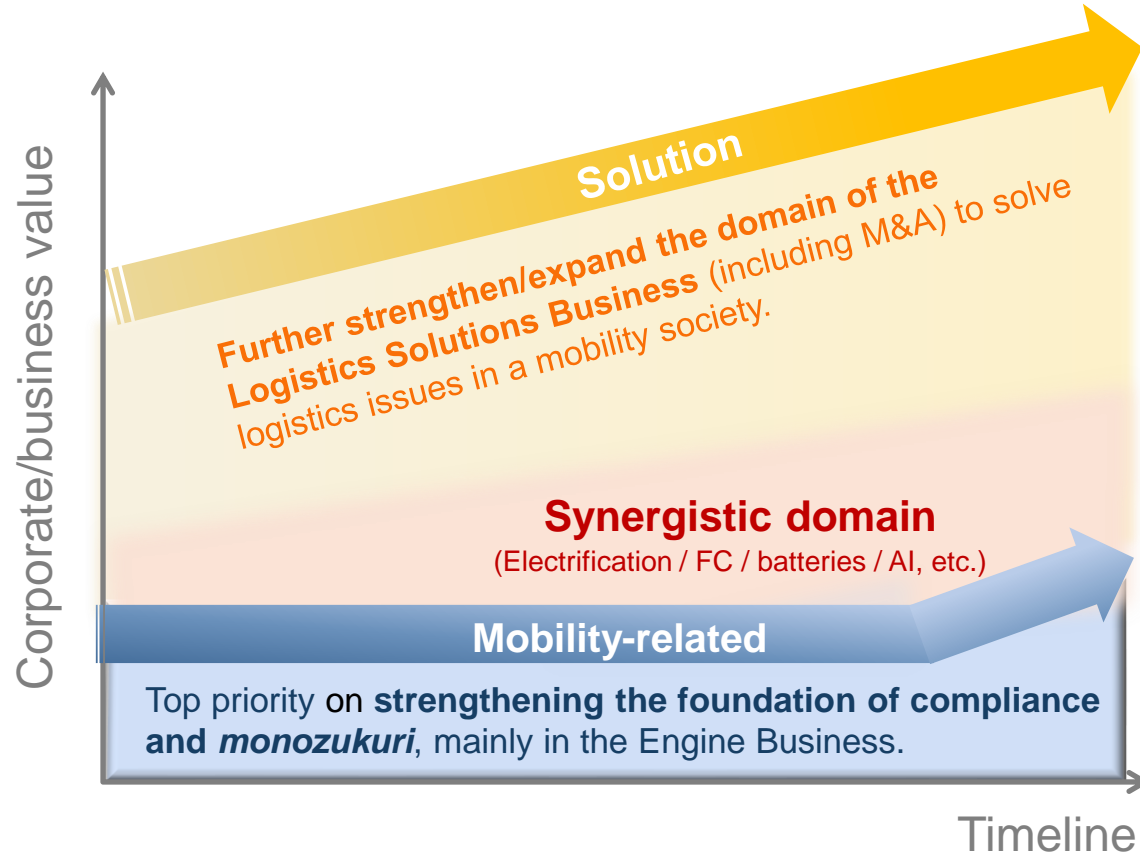
## TICO's Strengths



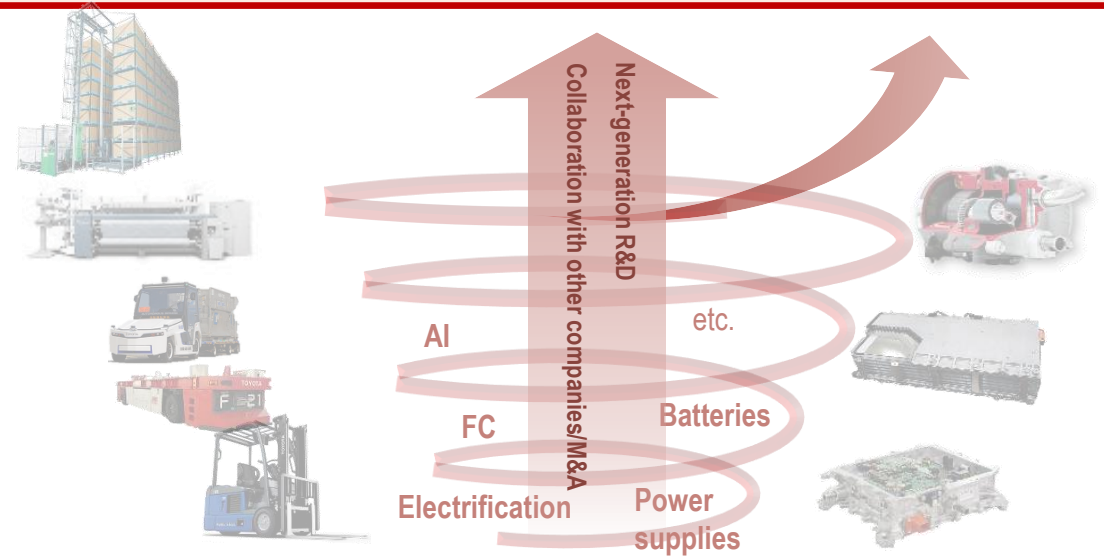
Contribute to communities and society by supporting the movement of goods and people through software and hardware technologies based on our strengths in both solution and mobility-related businesses.



## Growth Trajectory



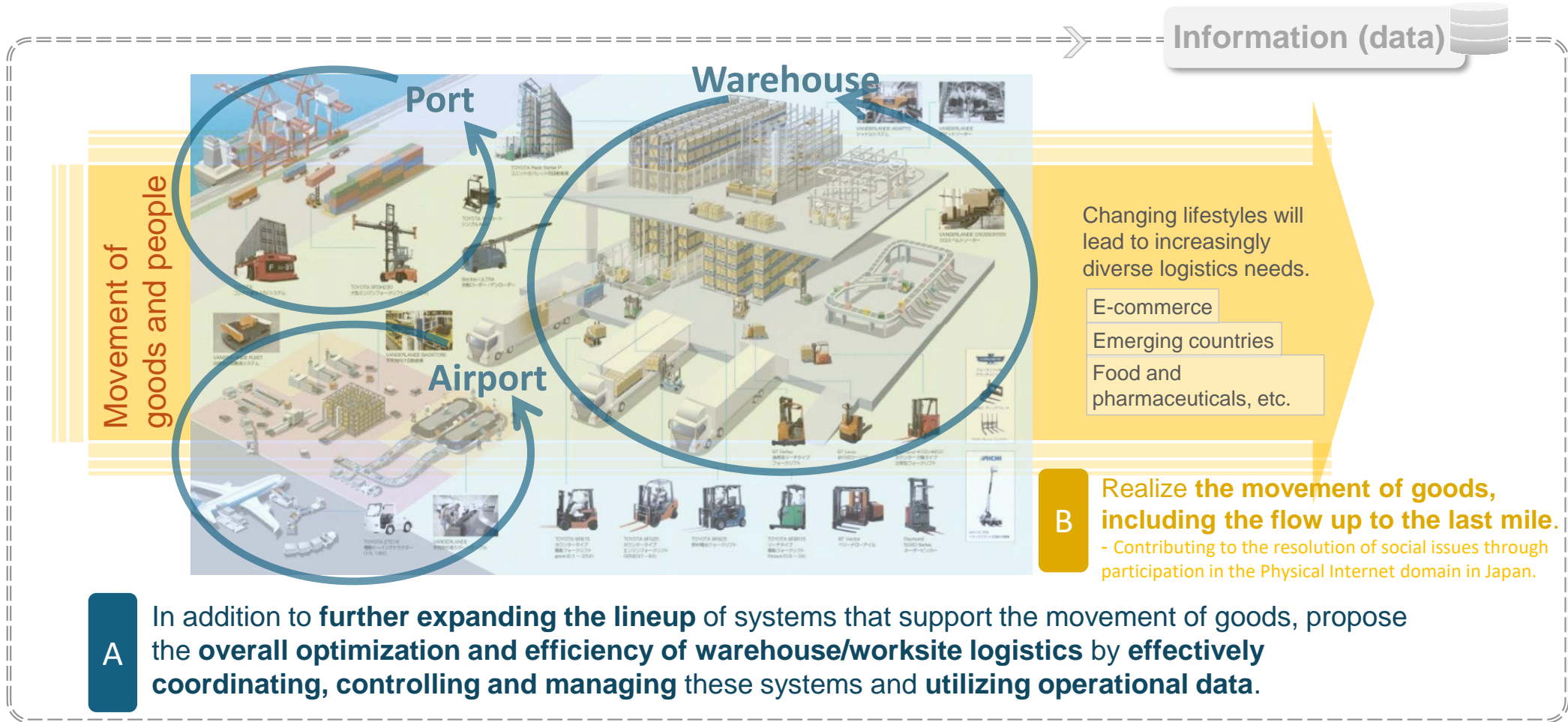
Aggressively invest in **next-generation R&D and collaboration with other companies/M&A** to further expand businesses and enhance value in the Logistics Solutions Business, including **automation and advanced environmental technologies** that optimize and streamline the movement of goods.



While placing **top priority on strengthening the foundation** of compliance, human resources development and *monozukuri*, aim for further growth by **leveraging our comprehensive strengths** closely linked to *monozukuri* capabilities of the Automobile-related businesses and by **taking on the challenge in the fields of next-generation R&D, collaboration with other companies and M&A**, with a primary focus on the Logistics Solutions Business.



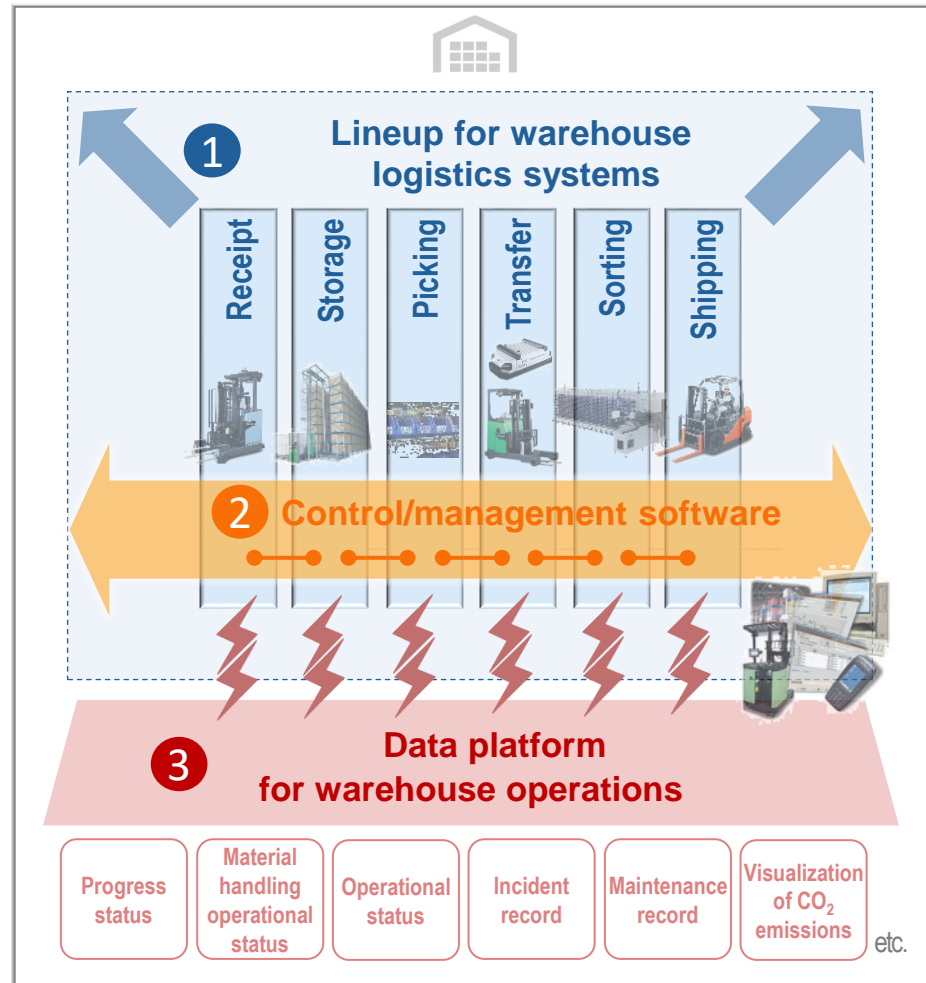
## Vision for the Logistics Solutions Business



Aim to be a **leading company that connects** the globally expanding **movement of goods** of various volumes transported at different speeds.

## Vision for the Logistics Solutions Business

<Example: Efforts at warehouses and worksites>



### 1 Expand lineup for warehouse logistics systems

Expand the lineup of **equipment/systems that form the core** of warehouse operations, including storage, picking, transfer and sorting.

### 2 Strengthen control/management software

Develop/acquire software to link multiple devices/systems for **optimal storage and receipt/shipping of goods**, such as WMS\* and WES\*.

\*WMS: Warehouse Management System, WES: Warehouse Execution System

### 3 Create a data platform for warehouse operations

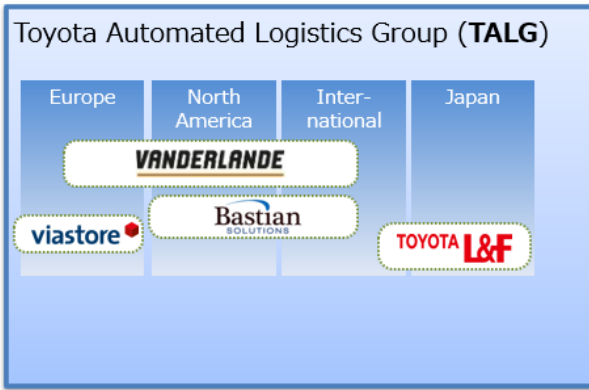
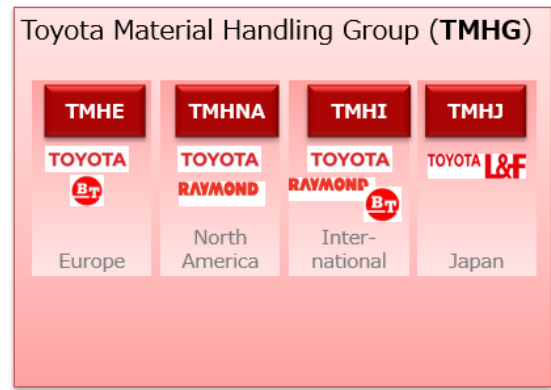
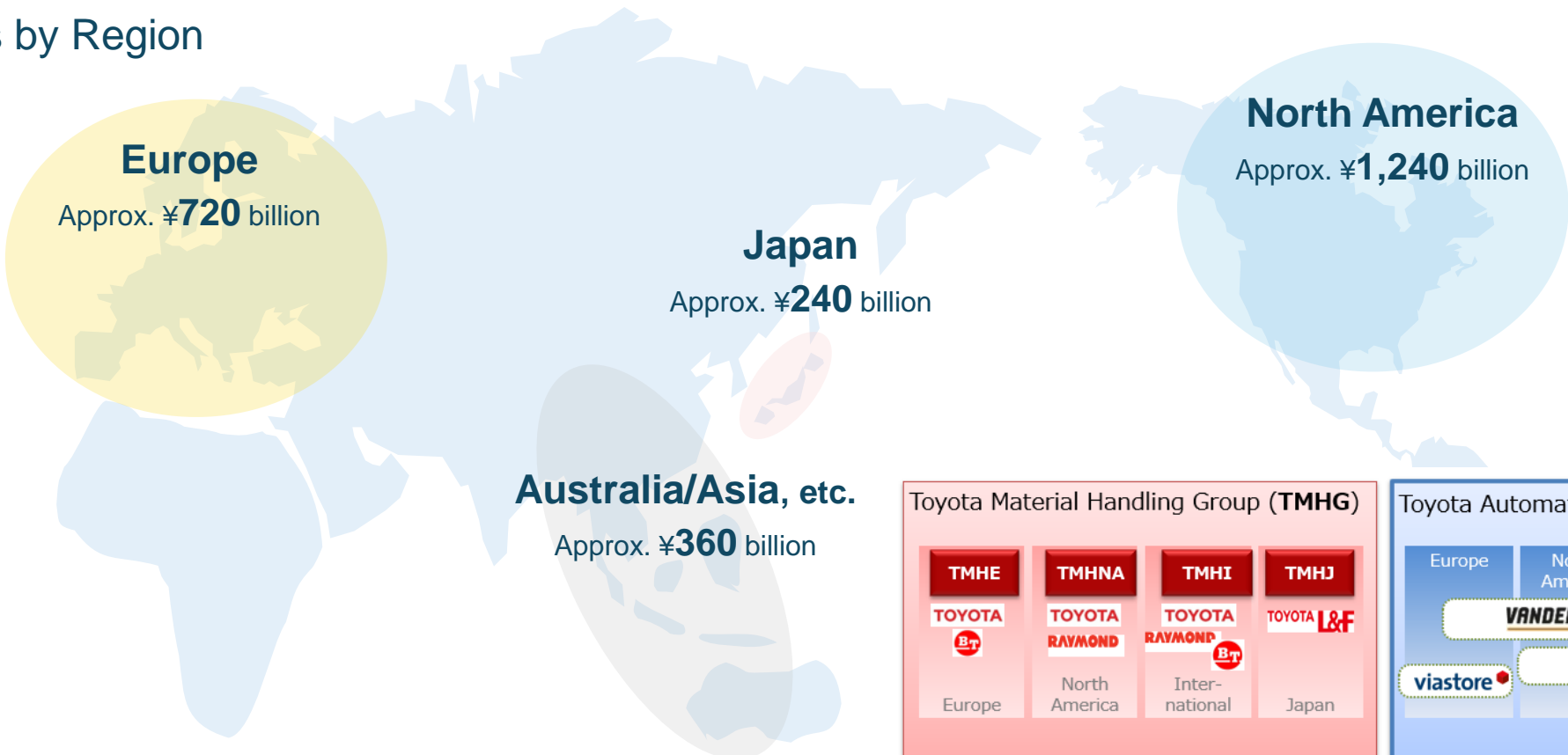
Build a platform that **visualizes data** leading to **preventive maintenance** and **improvement support** as well as provides feedback to customers.

**We achieve the provision of comprehensive services through the enhancement of logistics DX.**



## Vision for the Logistics Solutions Business

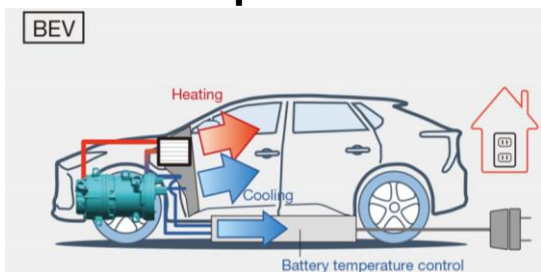
### FY2024 Sales by Region



Aim for further growth by forging a stronger global network and facilitating collaboration among Toyota Material Handling Japan, Bastian, Vanderlande and viastore, thereby expanding business domains and regions in terms of product stock and flow, centered on North America, Europe and Japan.

## Vision for the Mobility-related Business

### Electric compressors

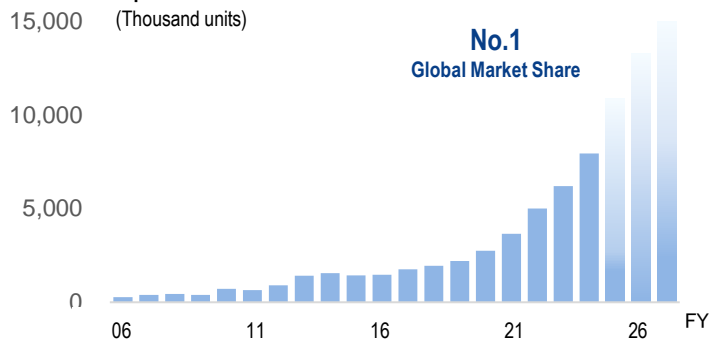


Expanding functions for heating the interior and cooling on-board devices

#### Overseas production plan

Start local production of electric compressors in Europe and the U.S., where the market for battery EVs is expected to expand.

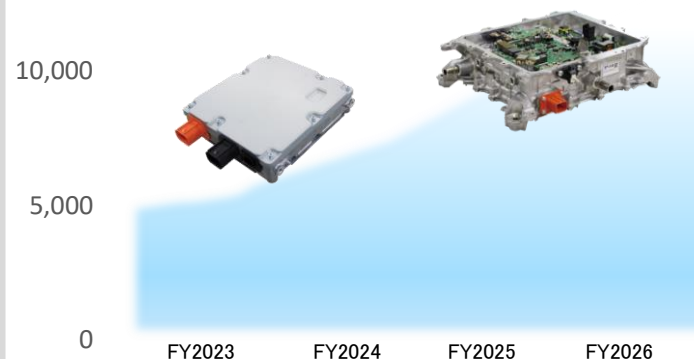
#### Electric compressor sales



### Electronics products

- Focus resources on four products (on-board devices/ESUs, DC-DC converters, reactors and AC inverters)
- Overseas production plan  
New DC-DC converter production plant to be established in the U.S. in FY2026 to respond to Toyota's expansion of electrified vehicles in North America

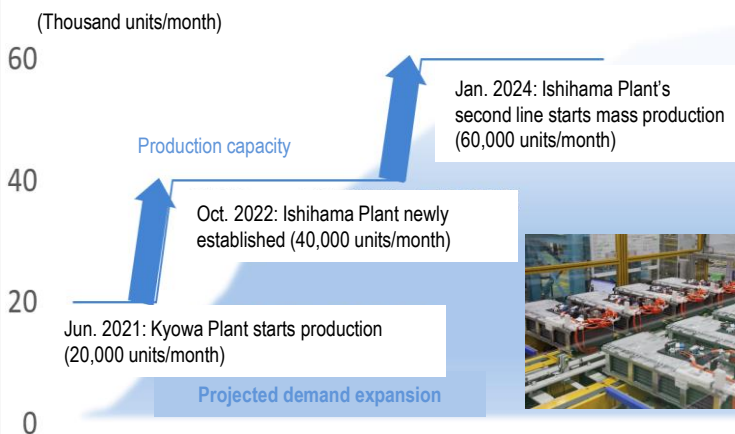
Projected number of products for four main products  
15,000 (Thousand units/year)



### On-board batteries

- Commence mass production of bipolar nickel-metal hydride batteries for HEVs
- Expand production capacity and ensure stable supply to meet future growth in demand for electrified vehicles

Expanding production capacity for bipolar nickel-metal hydride batteries



Contribute to the electrification of automobiles by leveraging the electrification technologies cultivated to date. We will continue to respond to customer needs and expand our business domain.



# Initiatives to Enhance Corporate Value

## Overview of Business Investment

### Growth Investment and Infrastructure Investment

Approximately 1.5 trillion yen in cumulative total over the three fiscal years from FY2025 to 2027 (\*including utilization of M&A).

Approx. 1.5 trillion yen in cumulative total for FY 2025 to 2027.

• • • **Approx. 700 billion yen in infrastructure investment + approx. 800 billion yen in growth investment.**



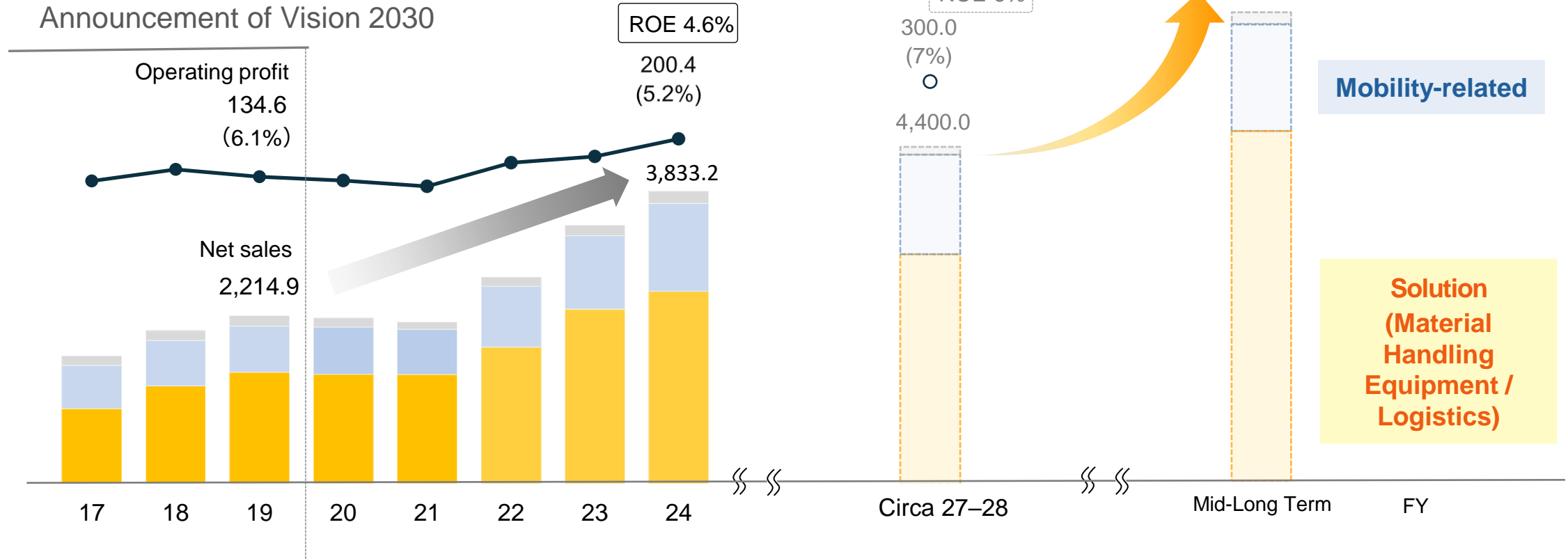
- ✓ Enhancement of system lineups for strengthening the value chain and logistics digital transformation (DX).
  - ✓ Enhancement of functionalities in Japan and Asia, and further business expansion in Europe and America.
  - ✓ Participation in the physical internet domain in Japan.
  - ✓ Investing in unique technologies that deepen automation and carbon neutrality based on safety, benefiting people and the environment.
  - ✓ Expanding the range of power sources to meet needs.
- 
- ✓ Hydrogen Production Key Device through Water Electrolysis (inspired by knowledge of materials developed for vehicle batteries).
  - ✓ Enhancement of fuel cell (FC) units (applying knowledge and technical expertise cultivated in the FCEV domain to the forklift domain).
  - ✓ Enhancement of product strength and contribution to carbon neutrality through meeting demands for high-voltage electrified vehicles.
  - ✓ Utilize AI to enhance development capabilities as well as intelligentize forklifts.
- 
- ✓ Investment in production facilities, IT infrastructure, and research and development to prevent recurrence and strengthen foundations in response to compliance issues such as engine certification issues.
  - ✓ Diverse development leveraging technologies in electric compressors, electronics products, and bipolar nickel-metal hydride batteries.
  - ✓ Investment in the maintenance and upgrading of existing facilities.

**Accelerate growth investments** primarily in the logistics solutions business, as well as in the mobility and synergy domains.  
**Actively utilize M&A** to achieve next-generation growth.



## Management Targets

(Billions of yen)



After the announcement of the Vision 2030, sales have been steadily increasing due to various initiatives. Along with the expansion of profits, we aim for an ROE of 6% in FY2027 to FY2028 and an ROE of 8% in the medium to long term.



## <Reference> Major Initiatives for FY 2020-2024

### (Electrification)

Structure to produce 10 million **electric compressors**

Development and commercialization of **on-board batteries**

Unit integrating a **power supply component** newly developed



### (Fuel cells (FC))

FC air compressor and hydrogen circulation pump newly developed

General-purpose compact **FC module** newly developed

Expanded lineup for **FC lift trucks and towing tractors**



### (Textile machinery)

New **JAT910 air-jet loom** released

### (Autonomous driving)

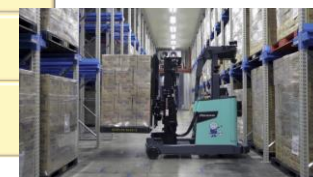
Feasibility test of an **autonomous towing tractor**

Pilot operation of baggage transfer by an **autonomous towing tractor**

**Autonomous lift truck capable of loading onto trucks** developed and released

Feasibility test of an **autonomous lift truck** capable of refrigeration/freezer operation

Release of **automated logistics system** for e-commerce sector



### (Reinforcement of businesses, expansion of value chain)

Acquisition of **viastore**, a logistics system integrator

Acquisition of **Lift-Tek**, a manufacturer and distributor of cargo-handling equipment



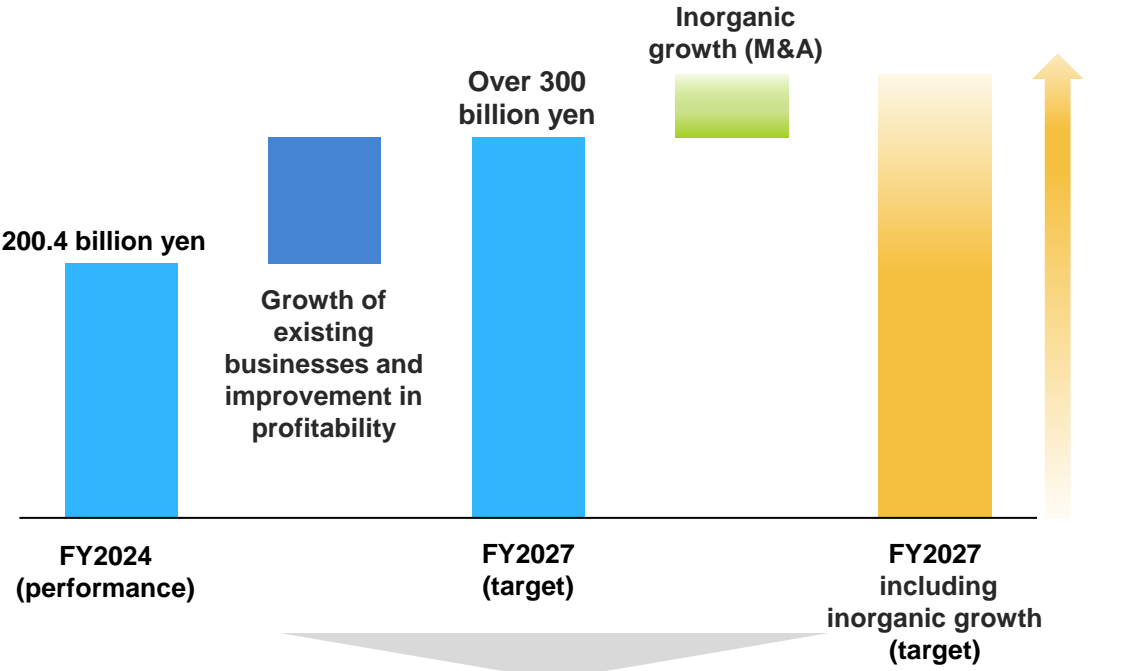
Accelerated **future-oriented initiatives**, such as the development of electrification, FC and autonomous driving technologies and reinforcement of the Logistics Solutions Business, while benefiting from production and business expansion in response to a post-COVID increase in demand.



# Initiatives to Enhance Corporate Value

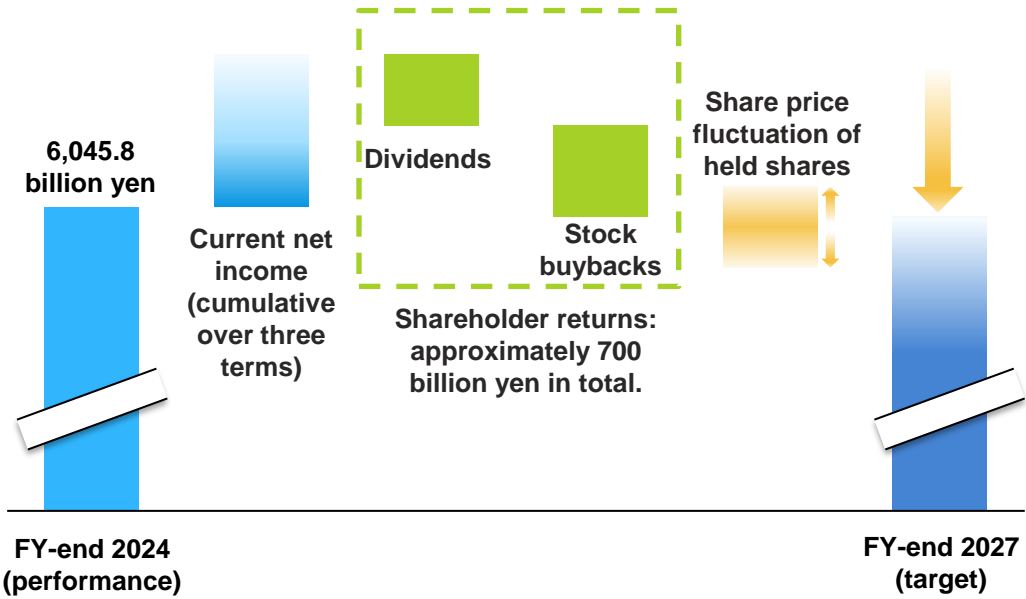
## Measures aimed at achieving a 6% ROE (Return on Equity).

Improvement of R: Operating Profit (FY2025 to 2027)



Strengthening earning power through the acceleration of growth investment and improvement in profitability.

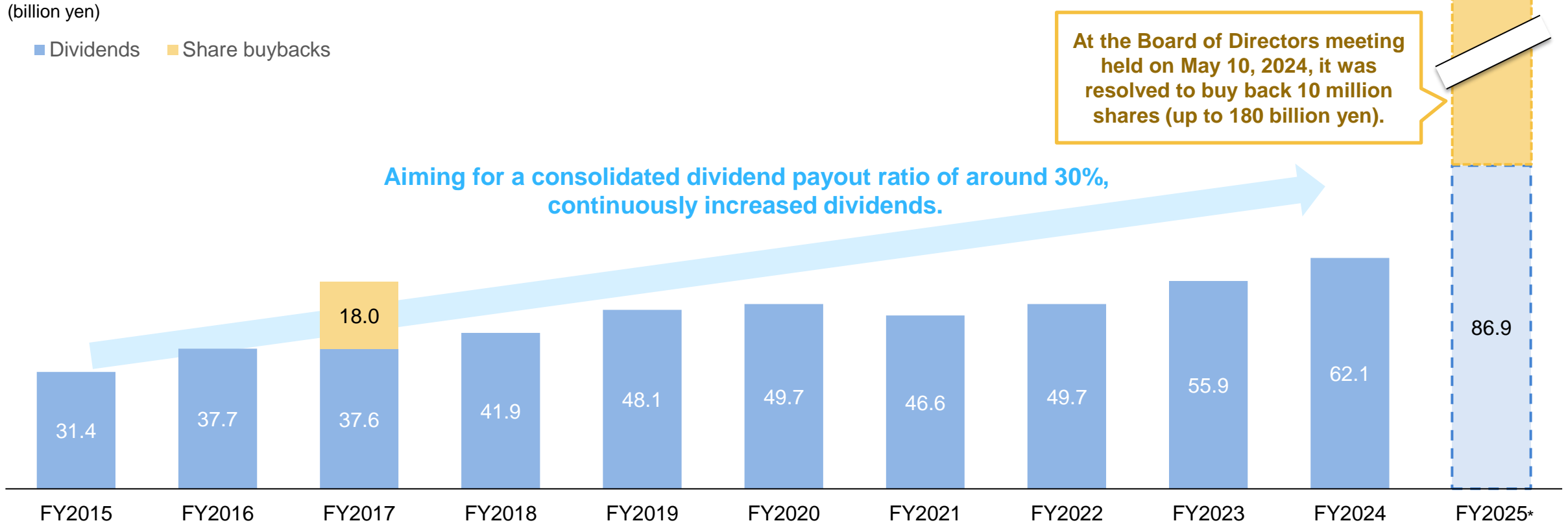
Compression of E: Shareholder's Equity (Cumulative from FY2025 to 2027)



By enhancing shareholder returns, **compressing equity**.

Aiming to **achieve a 6% ROE** through the increase in profits (R) and compression of equity (E).

## Results and forecast of shareholder returns



\*The forecasted dividend for the fiscal year ending March 2025 is 280 yen, calculated based on the number of issued shares excluding treasury stock as of the end of March 2024.

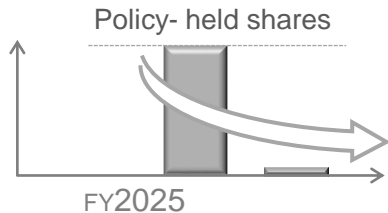
Our company aims for a consolidated **dividend payout ratio of 30%** and plans to gradually strengthen shareholder returns, including flexible share buybacks. We anticipate executing **shareholder returns of approximately 700 billion yen** cumulatively over the three years starting from the fiscal year 2025.



## Generation and Allocation of Funds

**Significant reduction in policy-held shares and utilization of available liquid assets.**

\*Unless there is a rationality for holding policy-held shares, we will not hold such shares.



Similar to policy-held shares, the managerial significance of holding other owned shares will also be scrutinized in the future.

Targets for the next three years

**Generation of funds**

Approx.  
¥1 trillion

**Cash flows from operating activities**

Approx.  
¥1.2 trillion

**Shareholder returns**

Approx.  
¥0.7 trillion

**Growth investment**

Approx.  
¥0.8 trillion

**Infrastructure investment**

Approx.  
¥0.7 trillion

**Shareholder returns through stable dividends**  
**Share buyback**

**Accelerate next-generation growth by leveraging M&A in addition to internal investments and value chain development, particularly in the Logistics Solutions Business.**

Next-generation technologies/R&D (environment, automation, etc.), DX, human resources, facilities, etc.

**Strengthen the foundation for sustainable growth.**

Primary focus on compliance, human resources development and manufacturing, as well as production facilities, IT infrastructure, R&D, etc.

While making **steady investments to strengthen management/business foundation** and **appropriate allocation of funds for shareholder returns**, carry out **proactive investment in R&D and M&A** to enable future growth, primarily in the Logistics Solutions Business, thereby aim to realize ROE and share price-conscious management.

## Cautionary Statement with Respect to Forward-Looking Statements

*This presentation contains projections of business results as well as statements regarding business plans, forecasts, strategies, and other forward-looking statements that are not to be taken as historical fact. Projections and forward-looking statements are based on the current expectations and estimates of Toyota Industries and its Group companies. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available to it at the time of producing this report and are not guarantees of future performance. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries and its Group companies to differ materially from any projections or forward-looking statements appearing in this report. These risks and uncertainties include, but are not limited to, the following: 1) economic trends, 2) various competitive pressures, 3) changes in relevant laws and regulations, and 4) fluctuations in exchange rates.*