

# **FY2025 2Q Financial Results**

# **IR Conference**

**November 1, 2024**



# I . Financial Results

## II . Updates on Initiatives to Enhance Corporate Value

# I . Financial Results

## Points of Financial Results for FY2025 2Q

- Net sales and profits increased YoY due mainly to the positive effect of weaker yen, despite decreases in unit sales in the Materials Handling Equipment and Car air-conditioning compressor segments
- Revises the full-year financial forecast downward, considering the weaker market trends than initially anticipated
- Interim dividends is planned at ¥140, annually at ¥280

# FY2025 2Q Performance

(Billions of yen)

	FY2024 2Q	FY2025 2Q	Change amount	Change %
<b>Net sales</b>	1,837.4	<b>2,015.4</b>	+ 178.0	+ 9.7%
<b>Operating profit</b>	122.0	<b>126.3</b>	+ 4.3	+ 3.5%
<b>Profit before income taxes</b>	180.5	<b>192.8</b>	+ 12.3	+ 6.8%
<b>Profit attributable to owners of the parent</b>	138.8	<b>147.4</b>	+ 8.6	+ 6.2%
<b>Dividends per share</b>	¥100	<b>¥140</b>	+ ¥40	-

&lt;Exchange rate&gt;

<b>US \$</b>	¥141	<b>¥153</b>	+ ¥12	-
<b>Euro</b>	¥153	<b>¥166</b>	+ ¥13	-

Net sales and profits increased due to the positive effect of the weaker yen as well as sales expansion of each business, despite the declining trend in unit sales of the Material Handling equipment and the Car Air-conditioning Compressor business

## FY2025 2Q Segment Information - Automobile

			FY2024 2Q	<b>FY2025 2Q</b>	Change Amount	Change %
	Vehicle	Sales units [k]	165	<b>165</b>	0	+ 0.4%
		Net sales [¥bn]	49.2	<b>50.5</b>	+ 1.3	+ 2.6%
	Engine	Sales units [k]	515	<b>511</b>	(0.4)	(0.8%)
		Net sales [¥bn]	179.5	<b>171.6</b>	(7.9)	(4.4%)
	Car Air-conditioning Compressor	Sales units [k]	15,974	<b>15,616</b>	(35.8)	(2.2%)
		Net sales [¥bn]	228.4	<b>239.9</b>	+ 11.5	+ 5.0%
	Electronics parts and others	Net sales [¥bn]	93.4	<b>107.9</b>	+ 14.5	+ 15.5%
	<b>Automobile</b>	Net sales [¥bn]	550.7	<b>570.1</b>	+ 19.4	+ 3.5%
		Operating Profit [¥bn]	32.7	<b>26.4</b>	(6.3)	(19.1%)

Vehicle : Net sales increased due to unit sales increase of RAV4 for the domestic market

Engine : Net sales decreased due mainly to unit sales decrease of diesel engines

Car Air-Conditioning Compressor : Net sales increased due mainly to the increase in unit sales of e-compressor

## FY2025 2Q Segment Information - Materials Handling Equipment and Others

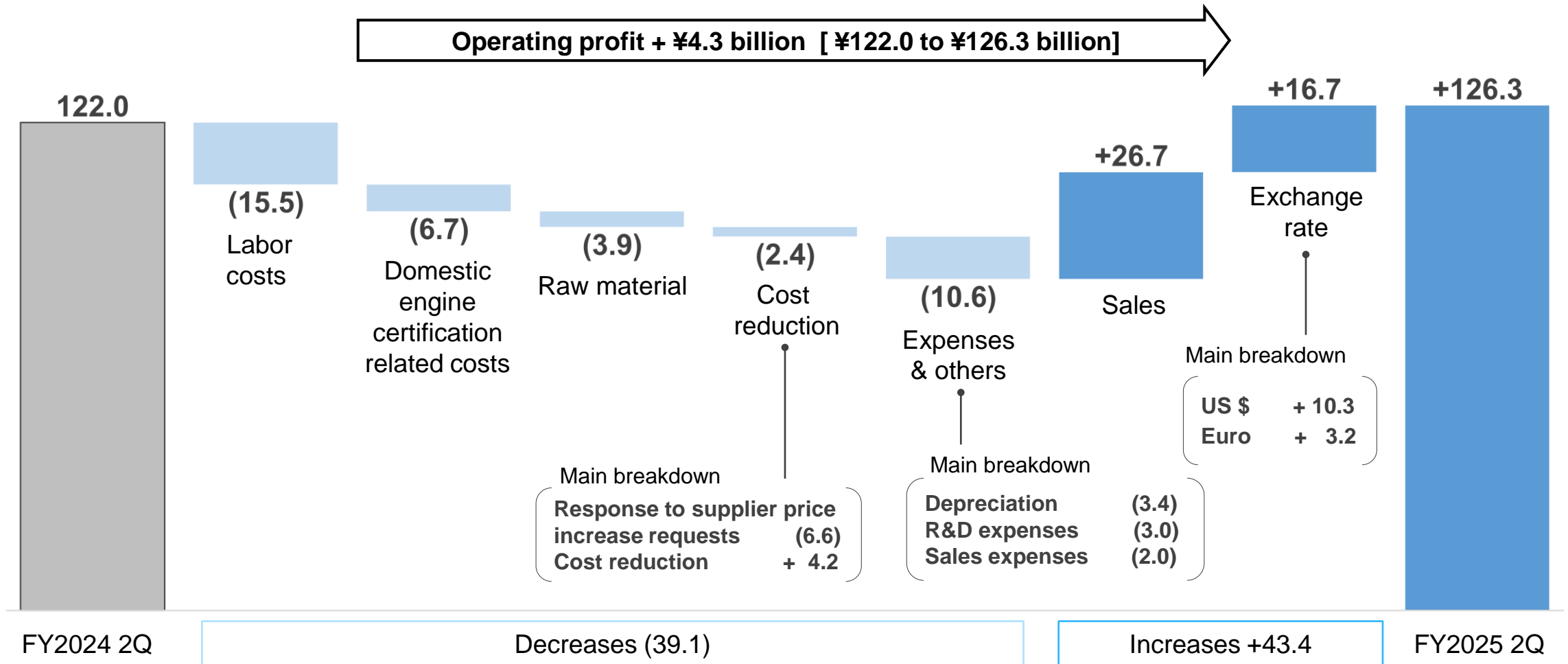
		FY2024 2Q	FY2025 2Q	Change Amount	Change %
<b>Materials Handling Equipment</b>	Sales units [k]	151	<b>144</b>	(7)	(4.4%)
	Net sales [¥bn]	1,215.4	<b>1,379.8</b>	+ 164.4	+ 13.5%
	Operating Profit [¥bn]	81.1	<b>95.9</b>	+ 14.8	+ 18.2%
<b>Textile Machinery</b>	Net sales [¥bn]	44.0	<b>37.2</b>	(6.8)	(15.3%)
	Operating Profit [¥bn]	4.2	<b>0.3</b>	(3.9)	(92.7%)
<b>Others</b>	Net sales [¥bn]	27.2	<b>28.2</b>	+ 1.0	+ 3.6%
	Operating Profit [¥bn]	3.9	<b>3.7</b>	(0.4)	(9.9%)
<b>Total</b>	Net sales [¥bn]	1,837.4	<b>2,015.4</b>	+ 178.0	+ 9.7%
	Operating Profit [¥bn]	122.0	<b>126.3</b>	+ 4.3	+ 3.5%

Materials Handling Equipment : Net sales and profit increased due to the expansion of the forklift value chain and positive effect of weaker yen

Textile Machinery : Net sales and profit decreased due to poor performance in the textile testing equipment business

# Changes in Operating Profit from FY2024 2Q to FY2025 2Q

(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, other expenses and engine certification related costs



## FY2025 2Q Investments in tangible assets and Depreciation

(Billions of yen)

	FY2024 2Q	FY2025 2Q	Change Amount	Change %
<b>Investments in tangible assets*</b>	78.3	<b>92.0</b>	+ 13.7	+ 17.4%
<b>Depreciation*</b>	50.8	<b>55.7</b>	+ 4.9	+ 9.8%

\* 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, Electronics parts and others, and Materials Handling Equipment businesses

## FY2025 2Q Assets, Equity and others

(Billions of yen)

	As of March 31, 2024	As of September 30, 2024	Change Amount	Change %
<b>Total assets</b>	11,078.4	<b>9,295.8</b>	(1,782.6)	(16.1%)
<b>Total equity</b>	6,153.3	<b>4,970.6</b>	(1,182.7)	(19.2%)
<b>Ratio of equity attributable to owners of the parent</b>	54.6%	<b>52.3%</b>	-	-
<b>Consolidated subsidiaries</b>	277社	<b>277社</b>	-	-

Total assets decreased due mainly to a decrease in other financial assets, such as investment securities

# FY2025 Forecast Performance

(Billions of yen)

	FY2024	FY2025 Forecast	Change %	Previous plan July 31, 2024
<b>Net sales</b>	3,833.2	<b>3,900.0</b>	+ 1.7%	<b>3,900.0</b>
<b>Operating profit</b>	200.4	<b>220.0</b>	+ 9.8%	<b>250.0</b>
<b>Profit before income taxes</b>	309.1	<b>325.0</b>	+ 5.1%	<b>355.0</b>
<b>Profit attributable to owners of the parent</b>	228.7	<b>245.0</b>	+ 7.1%	<b>260.0</b>
<b>Dividends per share</b>	¥240 [¥140]	<b>¥280</b> <b>[¥140]</b>	-	<b>¥280</b> <b>[¥140]</b>
<b>Payout ratio</b>	32.6%	<b>35.0%</b>	-	<b>33.4%</b>

&lt;Exchange rate&gt;

(October 2024 - March 2025)

(July 2024 - March 2025)

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



## FY2025 Forecast Segment Information - Automobile

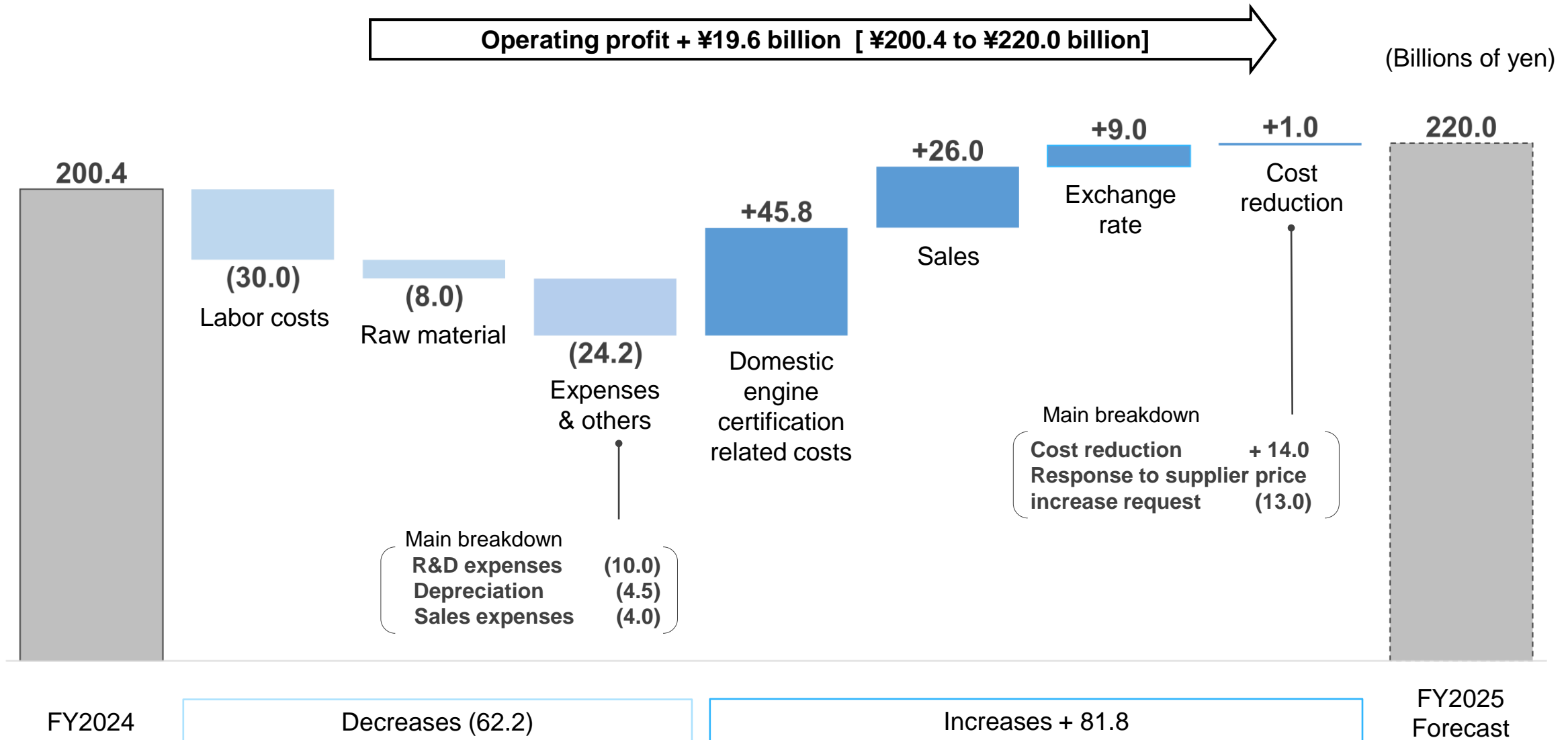
			FY2024	FY2025 Forecast	Change %	Previous plan July 31,2024	
	Vehicle	Sales units [k]	337	341	+ 1.3 %	327	
		Net sales [¥bn]	100.8	101.0	+ 0.2 %	98.0	
	Engine	Sales units [k]	987	1,045	+ 5.9 %	1,073	
		Net sales [¥bn]	330.8	342.0	+ 3.4 %	350.0	
	Car Air-conditioning Compressor	Sales units [k]	31,849	32,000	+ 0.5 %	32,500	
		Net sales [¥bn]	466.1	490.0	+ 5.1 %	494.0	
	Electronics parts and others	Net sales [¥bn]	198.5	240.0	+ 20.9 %	240.0	
	Automobile		Net sales [¥bn]	1,096.4	1,173.0	+ 7.0 %	1,182.0



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

		FY2024	FY2025 Forecast	Change %	Previous plan July 31, 2024
<b>Material Handling Equipment</b>	Sales units [k]	308	<b>287</b>	(6.8%)	304
	Net sales [¥bn]	2,587.2	<b>2,594.0</b>	+ 0.3 %	2,585.0
<b>Textile Machinery</b>	Net sales [¥bn]	93.3	<b>79.0</b>	(15.4%)	79.0
<b>Others</b>	Net sales [¥bn]	56.2	<b>54.0</b>	(3.9%)	54.0
<b>Total</b>	Net sales [¥bn]	3,833.2	<b>3,900.0</b>	+ 1.7%	3,900.0
	Operating Profit [¥bn]	200.4	<b>220.0</b>	+ 9.8%	250.0

# Changes in Operating Profit from FY2024 to FY2025 Forecast



# FY2025 Forecast Investments in tangible assets and Depreciation

(Billions of yen)

	FY2024	<b>FY2025 Forecast</b>	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.

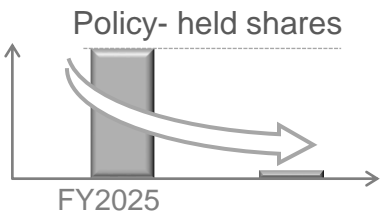
## Ⅱ . Updates on Initiatives to Enhance Corporate Value



Generation and Allocation of Funds (Disclosed on May 13, 2024)

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	Shareholder returns
Approx. ¥1 trillion	Approx. ¥0.7 trillion
Cash flows from operating activities	Growth investment
Approx. ¥1.2 trillion	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.



## Progress in 1H FY2025 (1)

### 1 Growth Investments Including M&A

#### Strategic investment in Gideon, Croatia (released on September 5)

- Strategic investment agreement with Gideon Brothers in Croatia and made an investment in the company through our European subsidiary.
- Gideon develops and offers leading technologies for Autonomous Mobile Robotics (AMR) behaviour and application stack for automating specific processes in warehouse and manufacturing environments.
- TICO will further strengthen its capabilities in vehicle automation by collaborating with Gideon that excels in object detection and automated truck unloading and loading, utilizing navigation technologies such as self-position estimation through camera sensors and artificial intelligence.

#### Acquisition of Shares in Siemens Logistics, a Subsidiary of Siemens in Germany (released on October 31)

- The BOD has resolved to acquire 100% of the outstanding shares of Siemens Logistics (SL), a subsidiary of Siemens in Germany that operates in the airport baggage handling system (BHS) business<sup>\*1</sup>, through our European subsidiary Vanderlande, which provides logistics solutions globally.
- SL specializes in software development using advanced digital technologies and has a proven track record of system implementations at major airports worldwide. Through this acquisition, Vanderlande aims not only to expand its customer base in the strategically important field of BHS but also to leverage SL's technological capabilities to provide even higher value-added products and services.
- The Share Transfer price is 300M Euros (enterprise value)<sup>\*2</sup>. Closing is expected during the calendar year 2025<sup>\*3</sup>.

<sup>\*1</sup>: The development and sale of equipment and management systems that automate baggage transportation, storage, and sorting.

<sup>\*2</sup>: The actual price will be determined after making adjustments to the enterprise value as of the time of the Share Transfer.

<sup>\*3</sup>: Completion of this share acquisition requires the approval of regulatory authorities.

Overview of Business Investment (Disclosed on May 13,2024)

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.

Solution area	<ul style="list-style-type: none"><li>✓ Enhancement of system lineups for strengthening the value chain and logistics digital transformation (DX).</li><li>✓ Enhancement of functionalities in Japan and Asia, and further business expansion in Europe and America.</li><li>✓ Participation in the physical internet domain in Japan.</li><li>✓ Investing in unique technologies that deepen automation and carbon neutrality based on safety, benefiting people and the environment.</li><li>✓ Expanding the range of power sources to meet needs.</li></ul>
Synergy area	<ul style="list-style-type: none"><li>✓ Hydrogen Production Key Device through Water Electrolysis(inspired by knowledge of materials developed for vehicle batteries).</li><li>✓ Enhancement of fuel cell (FC) units (applying knowledge and technical expertise cultivated in the FCEV domain to the forklift domain).</li><li>✓ Enhancement of product strength and contribution to carbon neutrality through meeting demands for high-voltage electrified vehicles.</li><li>✓ Utilize AI to enhance development capabilities as well as intelligentize forklifts.</li></ul>
Mobility area	<ul style="list-style-type: none"><li>✓ 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.</li><li>✓ Diverse development leveraging technologies in electric compressors, electronics products, and bipolar nickel-metal hydride batteries.</li><li>✓ Investment in the maintenance and upgrading of existing facilities.</li></ul>

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.



## Progress in 1H FY2025 (2)

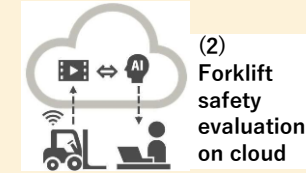
### 2 Initiatives for Growth (Growth and Infrastructure Investments)

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.

#### Solution area

- ✓ M&A (Strategic investment in Gideon, Acquisition of shares in Siemens Logistics)
- ✓ May 17: Signing of MOU with ITOCHU, KDDI, Mitsui Fudosan, and Mitsubishi Estate for creation of physical internet business
- ✓ July 16: Japan's first trial operation of level 4 autonomous cargo transport within airport restricted areas (right (1))
- ✓ July 23: Toyota Material Handling Japan and Fujitsu launch Japan's first service for evaluating forklift safety in the cloud using AI (right (2))
- ✓ Sep 10: Toyota Material Handling Japan delivers advanced automation system to BEAMS Co's new distribution center (right (3))
- ✓ Sep 10: Japan's first full-scale operation of autonomous four-fork forklift compatible with truck loading and unloading - Coca-Cola Bottlers Japan and TICO start demonstration experiment- (right (4))
- ✓ Sep 17: Toyota L&F Launches New 2.5-ton Fuel Cell Forklift (right (5))



(1) Autonomous tow tractor



(3) Linear motor AMR



(4) Autonomous four-fork forklift



(5) New FC forklift

#### Synergy area

- ✓ May 30: TICO develops precious metal-free, high-performance electrode for hydrogen production equipment
- ✓ 1H FY2025: The new vehicle parts logistics building adjacent to the Nagakusa Plant, where Toyota RAV4 is produced, has commenced operation (right (6))



(6) New vehicle parts logistics building

#### Mobility area

- ✓ Production preparation of overseas production of compressors and car electronics products is currently underway
  - Compressor: To enhance production capability of electric compressors in North America and Europe to reach an annual production capacity of 12 million units in 2025.
  - Car electronics: In preparation for our first production of DC-DC converters in the US, starting operations in 2025 (right (7))



(7) Car-electronics new plant in the US

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.



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## Progress in 1H FY2025 (3)

### ③ Shareholder returns

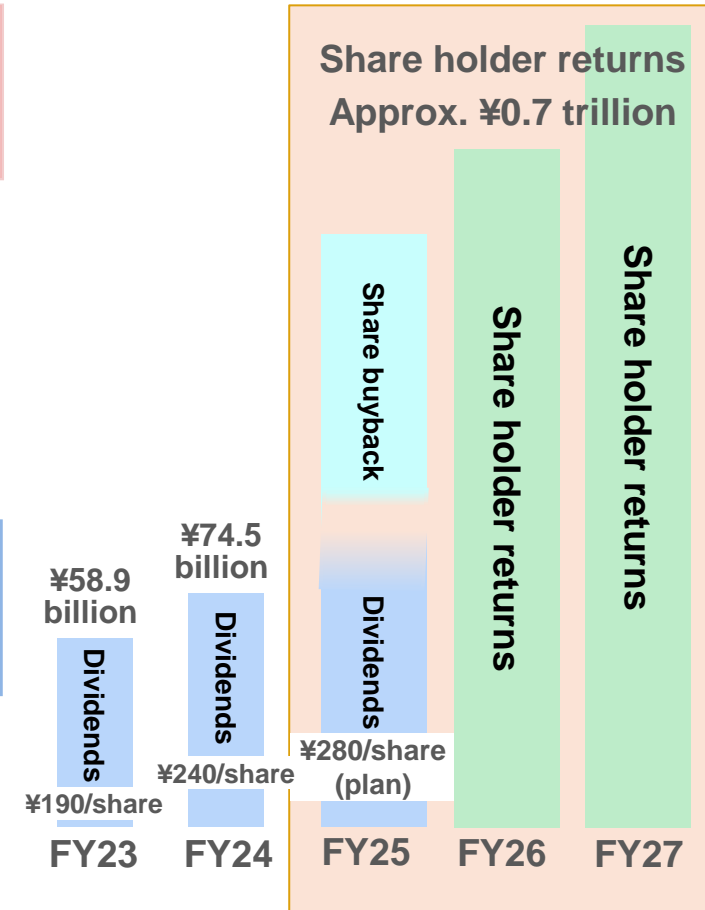
#### Dividend increase (FY24 ¥240/share -> FY25 ¥280/share)

- Regarding dividends, we aim to provide continuous dividends with a target consolidated payout ratio of 30%, taking into account overall performance and capital requirements.
- For FY2025, dividends forecast is ¥280/share, ¥40 increase YoY (¥140 interim, ¥140 year-end)
- We intend to continue enhancing shareholder returns.

#### Share buyback (Resolved on May 10)

- Total number of shares to acquire: up to 10 million shares  
(The Ratio to the Total Number of Outstanding Shares (Excluding Treasury Stock) : 3.22%)
- Total acquisition cost of shares: up to ¥180 billion
- Acquisition period: May 13, 2024 to May 12, 2025

<Rough image>



## Progress in 1H FY2025 (4)

### ④ -1 Reduction of policy-held shares

#### Partial sale of AISIN shares (7259) (released on June 27)

- As one of the sellers, sold 12,964,900 shares (approximately 63.3 billion yen) of Aisin's stock in their offering
- Continues to maintain business relationship with AISIN

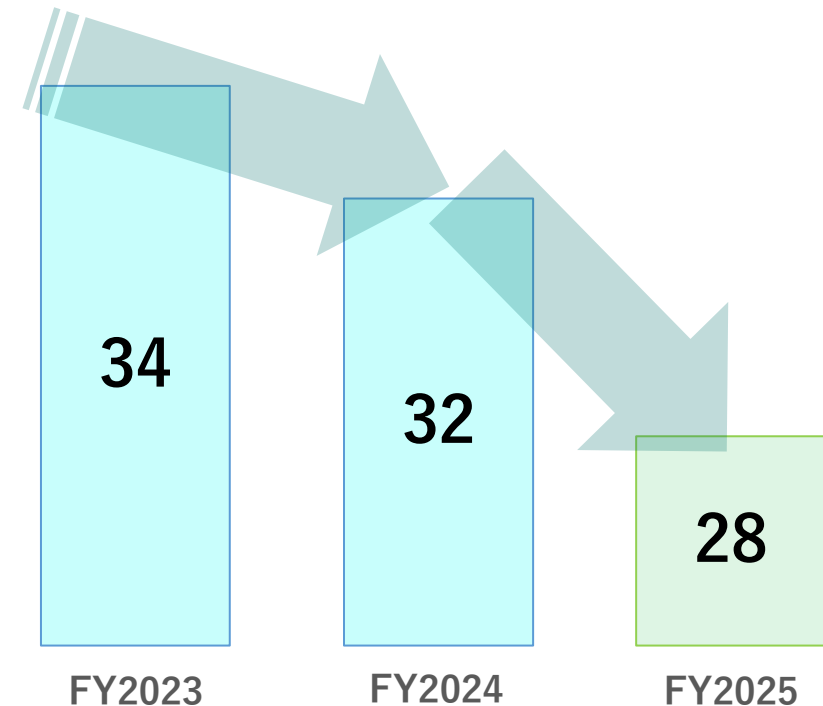
#### Sale of all DENSO shares (6902) (released on October 31)

- To sell all held shares of DENSO's stock (184,897,656 shares)
- Period of sale is planned from December 2024 to March 2027
- Method of sale is to be determined
- Continues to maintain business relationship with DENSO

- ✓ Sold policy-held shares worth ¥300.9 billion in the one-year period up to October 31.
- ✓ We will also scrutinize our other held shares in the future.

### ④ -2 Reduction in the number of stocks

Planned reduction in the number of held stocks in FY25: Four (from 32 to 28)



## 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.*