

## **Summary of Q&A**

### **FY 2026 Q1 Financial Results IR Conference**

- Q1. Regarding the ¥3.5 billion impact from U.S. tariffs in Q1 operating profit, does this figure represent the gross amount or is it net after price pass-through? Also, what is the estimated full-year impact?
- A1. The ¥3.5 billion impact in Q1 is a net figure. However, due to timing differences, some effects may appear in Q2 and beyond. As for the full-year impact, although it is a rough estimate, we expect a gross impact of around ¥50 billion. We plan to address this through price pass-through, cost reduction and other measures, but some uncertainties remain. Note that the Q2 and onward plans do not include tariff impact.
- Q2. Is the assumption behind the ¥50 billion full-year tariff impact based on a 15% reciprocal tariff between Japan and the U.S., plus an additional 12.5% auto tariff?
- A2. Since the tariff rates were finalized just before the earnings announcement, and shipments to the U.S. come not only from Japan but also from Canada, Mexico, and China, it is difficult to calculate each route precisely. Please consider this as a rough accumulation.
- Q3. The Q1 operating profit includes gains from the sale of subsidiary shares. Were these gains already factored in at the beginning of the period? Is it correct to assume they are recognized under the Materials Handling Equipment segment?
- A3. Yes, the gains were included in the ¥17 billion impact on sales in the full-year operating profit forecast from the beginning of the period, and it is recognized under the Materials Handling Equipment segment.
- Q4. The Q1 operating profit for the Automobile segment is weaker year-on-year. How do you assess overall progress?
- A4. Overall progress is roughly in line with the plan. In the Automobile segment, the Compressor Business saw sluggish performance, especially among European carmakers, and demand from China was also weak. In contrast, the Materials Handling Equipment segment was supported by the service and value chain in terms of both sales and profit. Additionally, the yen was weaker than the initial exchange rate assumption, which contributed positively. Overall, operating profit is expected to follow the planned trajectory.
- Q5. Please share the current status of the forklift market.
- A5. The overall forklift market is expected to be on par with last year on a calendar-year basis. Our order intake is also expected to be similar. While no specific negative data has emerged, inflation concerns due to U.S. tariffs and economic deterioration in Europe are being considered as risks.
- Q6. What is the current status of logistics solutions business?
- A6. The Q1 order amount for logistics solutions was ¥175.3 billion, which is lower than the Q4 FY2025 figure. However, current demand remains firm, and the market is seen as stable. On the other hand, profitability has not yet recovered as of Q1, and no significant improvement has been observed.