Summary of Q&A

FY 2026 Q2 Financial Results IR Conference

Q1. Regarding the class-action lawsuit in the U.S. stemming from the engine certification issue, what is the extent of its impact? Are there similar investigations in other regions, such as Europe? Also, are there any factors that might impact the company's future performance?

A1. As part of the forklift engine certification costs, ¥44.6 billion was recorded for settlement payments related to the U.S. class-action lawsuit, combined with other expenses, resulting in a year-on-year decrease of ¥64.7 billion in operating profit for Q2.
Regarding future impacts, both the timing and amount remain uncertain at this point. Investigations by U.S. judicial authorities, environmental agencies, and California state environmental authorities are ongoing, and the company will continue to respond appropriately. At present, there is no information to share regarding similar investigations in other regions, but the company is committed to cooperating sincerely should any arise.

Q2. Regarding the forklift engine certification issue, how many forklifts sold in North America were subject to settlement in the U.S. class-action lawsuit?

A2. In terms of sales volume, the company's forklift sales in North America in the previous fiscal year totaled 95,000 units. Among these, engine-powered models accounted for 20–30%.

Q3. For car air-conditioning compressors, the annual outlook projects a drop of 1 million units, including a 500,000-unit reduction in North America. Additionally, the forecast for electric compressors was revised down by 700,000 units. Could you elaborate on the differences compared to the initial plan, including specifics on customers and regions?

A3. The initial plan may have been somewhat optimistic. The uncertainty around car sales arising from U.S. tariffs has had an impact. The decline in electric compressors reflects weaker performance by European automakers and reduced sales volumes of advanced country automakers in China.

Q4. Forklift sales forecasts were revised downward. Earlier this year, the order market was expected to recover toward the latter half, but what changes occurred to lead this revision?

A4. Regarding forklift orders, the North American market is slightly weaker than expected.
While the order market for the calendar year is forecasted to be similar to the prior year, company-specific orders are expected to trend slightly weaker.
The supply-demand balance is improving as production and delivery delays resolve. Consequently, demand trends are being reflected more quickly in manufacturing and sales.

Q5. Can you provide details on the impact of U.S. tariffs?

A5. At the Q1 financial results briefing, we shared our estimation of a gross impact of around ¥50 billion and noted measures being taken to address it. As of Q2, the net impact amounts to ¥15 billion, reflecting the effect of these measures. Key actions include forklift price hikes and negotiations of price pass-throughs with automakers for compressors; however, there is lead time before results are realized. The annual impact is estimated at ¥25 billion, accounting for timing differences. Recovery of current year's losses is expected in the future.

Q6. The operating profit for Q2 includes impacts from factors such as engine certification costs and U.S. tariffs. Would it be correct to assume that the company's underlying operating profit for the full year is around ¥200 billion when excluding such one-off impacts?

A6. One-off factors include engine certification-related costs, the impact of U.S. tariffs, and roughly ¥9 billion in subsidiary stock sale gains recorded in Q1. When excluding these factors, the adjusted figure should reflect the company's underlying operating performance.