

## Summary of Q&A

### FY 2026 Q3 Financial Results IR Conference

- Q1. Regarding the Automotive Business, is the operating loss of ¥4.9 billion in the third quarter mainly due to the startup costs for the new RAV4?  
Also, please explain why, when comparing the third and fourth quarters, vehicle assembly volume is expected to increase while net sales are projected to decline.
- A1. The operating loss of ¥4.9 billion is attributable not only to the RAV4 production line startup costs but also to sluggish growth in compressor unit volumes. Vehicle sales in the third quarter benefited from strong parts sales. As for electric compressors, the primary factor behind the slowdown is a shift in EV demand toward engine-type vehicles. While the Company had prepared for a production capacity of 12 million units of electric compressors, growth in electric-type compressors has decelerated.
- Q2. How did the third-quarter results compare with the plan, and please explain the background behind the significant decline projected for fourth-quarter performance.
- A2. In the cumulative third-quarter results compared with the previous fiscal year, unit volumes of forklifts and compressors remained sluggish; however, net sales increased due to higher sales of diesel engines and logistics solutions. Operating profit declined significantly due to the posting of engine certification-related costs, a decrease in electric compressor volumes, increased labor costs, and the impact of U.S. tariffs. With regard to the full-year plan, performance is generally recognized as being in line.
- Q3. Please explain the factors behind the year-on-year improvement in performance for the logistics solutions business in fiscal 2025 compared with fiscal 2024, as well as its sustainability.
- A3. The logistics solutions business is one in which it is difficult to assess trends on a quarterly basis. Net sales in fiscal 2025 increased from ¥130.0 billion in the first quarter to ¥180.0 billion in the second and third quarters; however, results fluctuate significantly depending on project progress, and we do not expect the fourth quarter to proceed at the same pace. While a certain level of operating profit has been secured, the business does not have a structure that allows profits to increase steadily every quarter.
- Q4. If the TOB is not completed, will there be any changes to business operations, or is there a possibility of business improvements based on feedback from shareholders?
- A4. We have not discussed scenarios in which the TOB is not completed at this point. We position this TOB as an initiative that contributes to enhancing corporate value over the medium to long term, and therefore we will continue to provide explanations to our shareholders toward its completion.