

Reaffirming the TOYOTA spirit and
moving forward to a new dawn

Toyota Industries Report

2025

Year ended March 31, 2025



TOYOTA

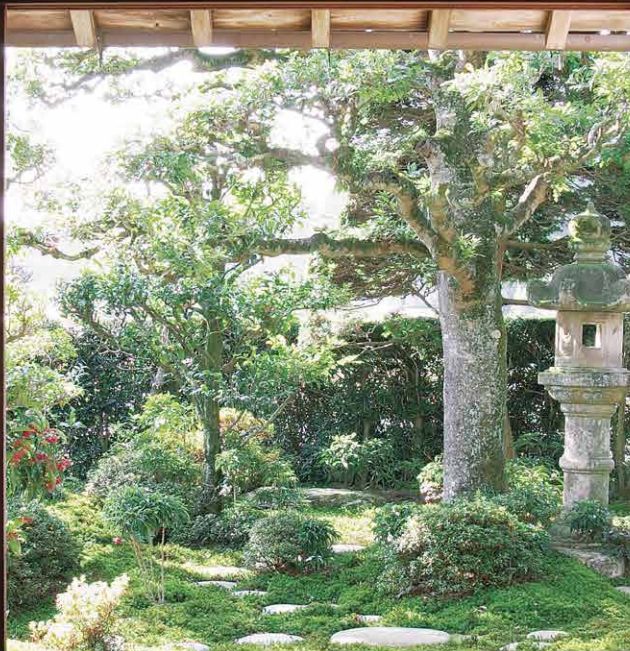
TOYOTA INDUSTRIES CORPORATION

Our Origin

Founded in 1926

Always be studious and creative, striving to stay ahead of the times.

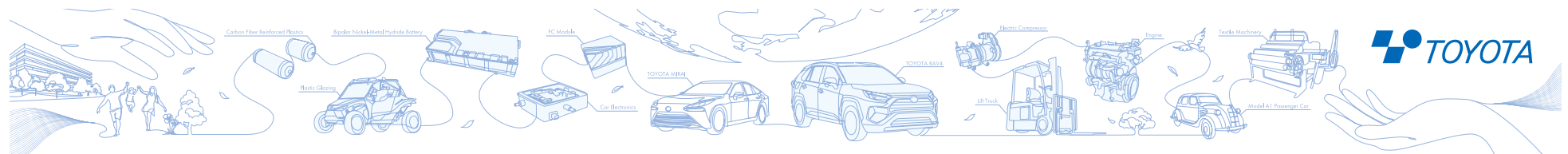
Open the window.
It's a big world out there!



Sakichi Toyoda, who founded Toyota Industries Corporation in 1926, once declared, “Open the window. It’s a big world out there!” and unrelentingly took on challenges. Having inherited this spirit, we have developed various businesses by taking on the challenge of producing new inventions that bring smiles to many people’s faces and contribute to society and daily lives.

Toyota Industries was established in November 1926 to manufacture and sell Type G automatic looms, which were infused with the passion and ingenuity of founder Sakichi Toyoda.

In 1923, the Toyota Boshoku Kariya Test Plant was established in Kariya-shi, Aichi Prefecture, where numerous commercial trials were conducted with the aim of making a completely automatic loom. Then, in 1924, the non-stop shuttle-change Toyoda automatic loom (Type G automatic loom) was completed. The automatic shuttle-changing mechanism fitted to this loom enabled automatic shuttle replacement and supplying weft yarn without any loss of speed during high-speed operation. Other features included a shuttle-change guide, weft break auto-stop, warp break auto-stop, and other devices to provide automation, protection, health, and safety. This loom delivered the world’s top performance in terms of productivity and textile quality. An engineer from Platt Brothers & Co., Ltd. of England, one of the world’s leading manufacturers of textile machinery at the time, admiringly referred to this loom as “the magic loom.”



Corporate
logo



The corporate logo of Toyota Industries Corporation (TICO) is “T”-shaped for the first letter of Toyota and designed to evoke a sense of movement from left to right. The upper left square represents hardware, the upper right circle software, and the center square tradition and foundation, respectively. These three elements are combined to express TICO’s development toward the future.

Toyota Precepts (Corporate Creed) / Basic Philosophy (Corporate Philosophy)



By engaging in value creation based on the Toyota Precepts and basic philosophy, we aim to contribute to making the earth a better place to live, enrich lifestyles, and promote a compassionate society.

Corporate Creed (Founding Spirit): Toyota Precepts

The Toyota Precepts are the founding spirit of the TICO Group since they were codified in October 1935 as our founder Sakichi Toyoda's (photographed upper right) approach to invention, research, and business management. The universal nature of this spirit continues to be the cornerstone of our Group and supports its development even in an age of globalization.

Carrying out the spirit of founder Sakichi Toyoda,

Always be faithful to your duties, thereby contributing to the Company and to the overall good.

Unite our minds from top to each associate and focus on the same goal, contribute to society, people, and the earth by performing one's work with sincerity.

Always be studious and creative, striving to stay ahead of the times.

Widely seek excellent ideas and results in the world, search the depth of your own knowledge and know-how, and continuously create world-leading new value.

Always be practical and avoid frivolousness.

Focus on what is important and make improvement diligently, without being obsessed with appearance.

Always strive to build a homelike atmosphere at work that is warm and friendly.

Promote human resource development and strong team building, based on mutual trust and equal partnership, treating every associate as a family member.

Always have respect for spiritual matters, and remember to be grateful at all times.

Have a sense of gratitude at all times, appreciating that the Toyota Group's activities are directly and indirectly supported by people and society.

Basic Philosophy (Corporate Philosophy)

[Respect for the Law]

Toyota Industries is determined to comply with the letter and spirit of the law, in and outside Japan, and to be fair and transparent in all its dealings.

[Respect for Others]

Toyota Industries is respectful of the people, culture, and traditions of each region and country in which it operates. It also works to promote economic growth and prosperity in those regions and countries.

[Respect for the Natural Environment]

Through its corporate activities, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe, and of high quality.

[Respect for Customers]

Toyota Industries conducts intensive product research and forward-looking development activities to create new value for its customers.

[Respect for Employees]

Toyota Industries nurtures the inventiveness and other abilities of its employees. It seeks to create a climate of cooperation, so that employees and the Company can realize their full potential.

Message from the Chairman and President

Firstly, we would like to extend our sincere appreciation for your continued support of Toyota Industries Corporation (TICO) and the TICO Group.

In FY2025 (ended March 31, 2025), the global economy sustained moderate growth on the background of subsiding inflation. However, the outlook became more uncertain due to geopolitical risks, including the conflicts in Europe and the Middle East, as well as the fluctuations in economic policy trends of various countries. Meanwhile, the recovery of the Japanese economy was moderate despite positive economic trends such as the continuation of wage increases and companies' willingness to commit to investment. In this operating environment, TICO made efforts to satisfy customers in each region and focused on delivering even better products and services based on a quality-first approach. As a result, both net sales and profits outperformed the previous fiscal year, with total consolidated net sales of ¥4,084.9 billion, consolidated operating profit of ¥221.6 billion, and profit attributable to owners of the parent of ¥262.3 billion.

Looking at the surrounding business environment, as the demands to realize a sustainable society progressively diversify and technological innovations rapidly advance, competition has become increasingly fierce in step with advancements in electrification and autonomous driving, as well as changes in the industry structure due to new entrants from different industries. In addition to ensuring a stable supply chain and strengthening our responsiveness to cost increases, we are working on technological innovation and enhancing our manufacturing foundation in the field of next-generation mobility, such as battery, hybrid, and fuel cell electric vehicles. Furthermore, we have been promoting innovative manufacturing aimed at reducing environmental impact and realizing a carbon-neutral society while ensuring the delivery of safe and reliable products to customers.

In March 2024, we formulated fundamental measures to prevent the recurrence of legal violations in domestic engine certification and have been working diligently to implement them. At the same time, we are making a global, Group-wide commitment to raising compliance awareness and strengthening governance. We aim to evolve to a new stage of growth based on the relationships of trust with our stakeholders.

The Toyota Group is currently transforming itself into a corporate group that leads the mobility industry and supports the movement of people, goods, information, and energy. We will further accelerate efforts in our Materials Handling Equipment and Logistics Solutions businesses, continue to contribute to all sites where goods are moved, and play a central role in the movement of goods supported by the Toyota Group.

On June 3, 2025, Toyota Fudosan Co., Ltd. announced the planned commencement of a tender offer for shares, etc., of Toyota Industries Corporation. On the same day, we announced our support for this planned tender offer. We expect the tender offer to be implemented in a few months, and the subsequent procedures will proceed to take the Company private. This is a choice that will allow us to chart a new path, further enhance our corporate value, and continue to be an entity that contributes to society.

In closing, we would like to sincerely ask for continued understanding and support of our stakeholders.

July 2025



Shigeki Terashi

Shigeki Terashi
Chairman

Koichi Ito

Koichi Ito
President

Contents

- 01 Our Origin
- 02 Toyoda Precepts (Corporate Creed) / Basic Philosophy (Corporate Philosophy)
- 03 Message from the Chairman and President
- 04 Contents

ABOUT

- 06 TICO in Figures
- 07 History of the TICO Group
- 08 TICO Group Today
- 09 Business Overview
 - 10 Three Businesses Supporting Everyday Life and Society
 - 11 Materials Handling Equipment
 - 16 Automobile
 - 22 Textile Machinery

INSIGHTS

- 24 Top Message
- 30 Message from the Global Chief Compliance Officer (GCCO)

STRATEGIES

- 34 Toward the Realization of Our 2030 Vision
- 36 Value Creation Process
- 37 Six Strengths We Continue to Reinforce
- 38 Initiatives to Enhance Corporate Value
 - 38 ① Aiming for Growth in the Solution, Mobility-Related, and Synergy Areas
 - 39 ② Human Capital Management
 - 41 ③ Intellectual Property Activities Supporting Research and Innovation

RESPONSIBILITIES

- 43 Contributing to Solving Social Issues through Business
 - 43 ① Contributing to Decarbonization through Advanced Technologies such as Electrification
 - 45 ② Supporting the Front Lines of Logistics through Automation and Labor-Saving Solutions
 - 46 ③ Our Business Supporting the Circular Economy
- 47 Environmental Initiatives
- 51 Strengthening the Global Compliance Program
- 53 Initiatives in Development, Production, and Quality Assurance to Uphold Trust
- 55 Strengthening Partnerships with Suppliers
- 57 Respect for Human Rights
- 60 Initiatives under Our Human Resources Strategy
- 69 Becoming a Company Focused on Well-Being
- 74 Relationship with Our Local Communities
- 76 Corporate Governance
- 83 Risk Management

DATA

- 86 Consolidated Financial and Non-Financial Highlights
- 87 Consolidated Five-Year Summary
- 88 Financial Statements
- 92 Company and Investor Information

Editorial policy

We have been issuing the Toyota Industries Report to realize a deeper understanding of Toyota Industries Corporation (TICO) and the TICO Group among a broad spectrum of stakeholders. In addition to the TICO Group's management policies, the report provides easy-to-understand information regarding its business, environmental and social activities as well as corporate governance over the past year as well as its future direction.

Period covered by the report

This report focuses on activities carried out in FY2025 (April 1, 2024 to March 31, 2025), but also includes some information outside this period.

Organizations covered in the report

Toyota Industries Corporation and its consolidated subsidiaries

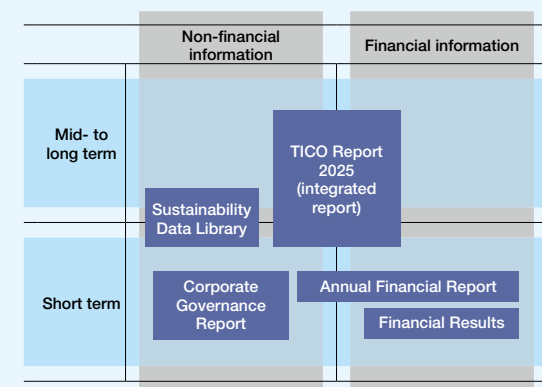
Reference guidelines

- International Integrated Reporting Framework by IFRS Foundation
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation by Japan's Ministry of Economy, Trade and Industry
- Intellectual Property and Intangible Assets Governance Guidelines by Japan's Cabinet Office
- Environmental Reporting Guidelines 2018 by Japan's Ministry of the Environment

Cautionary Statement with Respect to Forward-Looking Statements

This report contains projections and other forward-looking statements that involve risks and uncertainties. The use of the words "expect," "anticipate," "estimate," "forecast," "plan," and similar expressions is intended to identify such forward-looking statements. Projections and forward-looking statements are based on the current expectations and estimates of the Toyota Industries Group regarding its plans, outlook, strategies, and results for the future. All such projections and forward-looking statements are based on management's assumptions and beliefs derived from the information available at the time of producing this report and are not guarantees of future performance. Toyota Industries undertakes no obligation to publicly update or revise any forward-looking statements in this report, whether as a result of new information, future events, or otherwise. Therefore, it is advised that you should not rely solely upon these projections and forward-looking statements in making your investment decisions. You should also be aware that certain risks and uncertainties could cause the actual results of Toyota Industries to differ materially from any projections or forward-looking statements discussed in this report. These risks and uncertainties include, but are not limited to, the following: (1) reliance on certain customers, (2) product development capabilities, (3) intellectual property rights, (4) product defects, (5) price competition, (6) reliance on suppliers of raw materials and components, (7) environmental regulations, (8) success or failure of strategic alliances with other companies, (9) exchange rate fluctuations, (10) share price fluctuations, (11) effects of disasters, power blackouts, and other incidents, (12) latent risks associated with international activities, and (13) retirement benefit liabilities.

Positioning of this report



ABOUT

TICO: Toyota Industries Corporation

To contribute to solving issues in various industries and stay relevant in society, TICO aims to increase its corporate value further by performing our duties with integrity.

06 TICO in Figures

07 History of the TICO Group

08 TICO Group Today

09 Business Overview

10 Three Businesses Supporting Everyday Life and Society

11 Materials Handling Equipment

16 Automobile

22 Textile Machinery

TICO in Figures



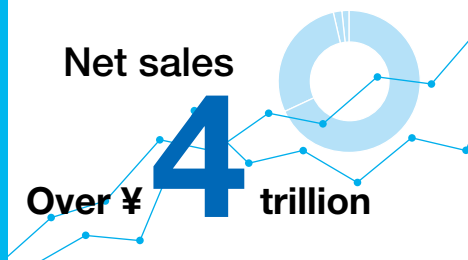
TICO will celebrate its 100th anniversary in November 2026.



With 281 Group companies around the world, we are working to strengthen workplace capabilities and promote active roles for a diverse human resources. (As of March 31, 2025)



TICO has approximately 80,000* employees globally, with the majority working outside Japan.
* 79,454 employees (As of March 31, 2025)



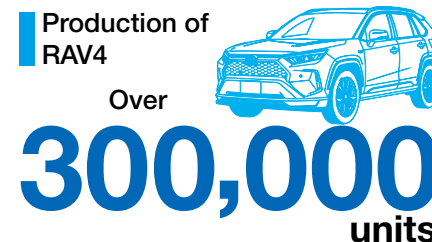
Net sales in FY2025 exceeded ¥4 trillion.



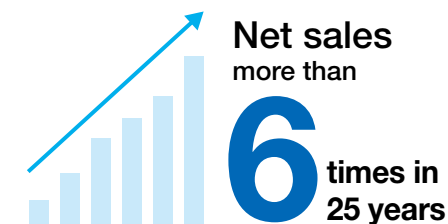
We have maintained the No. 1* position in domestic lift truck unit sales for 59 years.
* According to TICO research



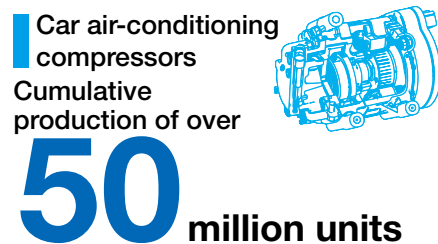
We hold the No. 1* global market share for lift trucks.
* According to TICO research



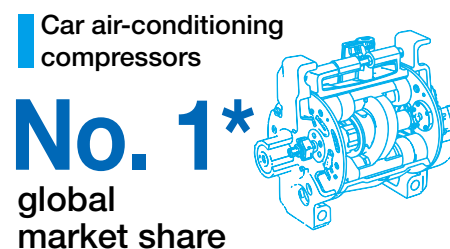
In FY2025, production of the RAV4 exceeded 300,000 units.



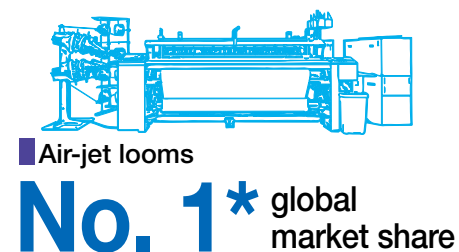
Over the past 25 years through FY2025, our net sales have grown more than sixfold.



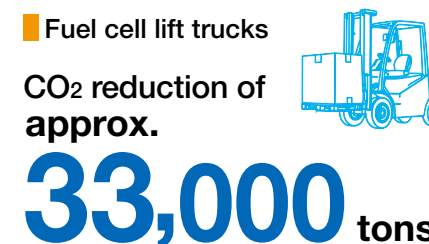
Cumulative production of electric compressors for car air-conditioning systems has surpassed 50 million units.



We hold the No. 1* global market share for car air-conditioning compressors.
* According to TICO research



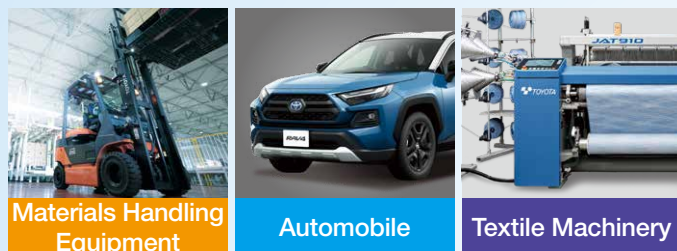
Our air-jet looms, the mainstay product of the Textile Machinery Business, hold the No. 1* global market share.
*According to TICO research



Our fuel cell lift trucks have contributed to a cumulative reduction of approximately 33,000 tons* of CO₂ emissions.
* Calculated based on JIS D6202 standard, 1,375 operating hours/year, using green hydrogen; Compared to gasoline-powered lift trucks

History of the TICO Group

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



Business domain and scale expansion 1953–

- 1953 Production of **Type S engines** launched; **assembly of automobiles** launched.
- 1956 Production of **lift trucks** launched (started as part of new businesses).
- 1960 Production of **car air-conditioning compressors** launched.
- 1967 The Nagakusa Plant commences production of **small commercial cars**.
- 1970 The Takahama Plant commences production of **lift trucks**.
- 1980 Production of **air-jet looms** launched.
- 1982 The Hekinan Plant commences production of **diesel engines**.

Founding period 1926–

- 1926 TICO established to manufacture and sell **Type G automatic looms** invented by Sakichi Toyoda.
- 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.



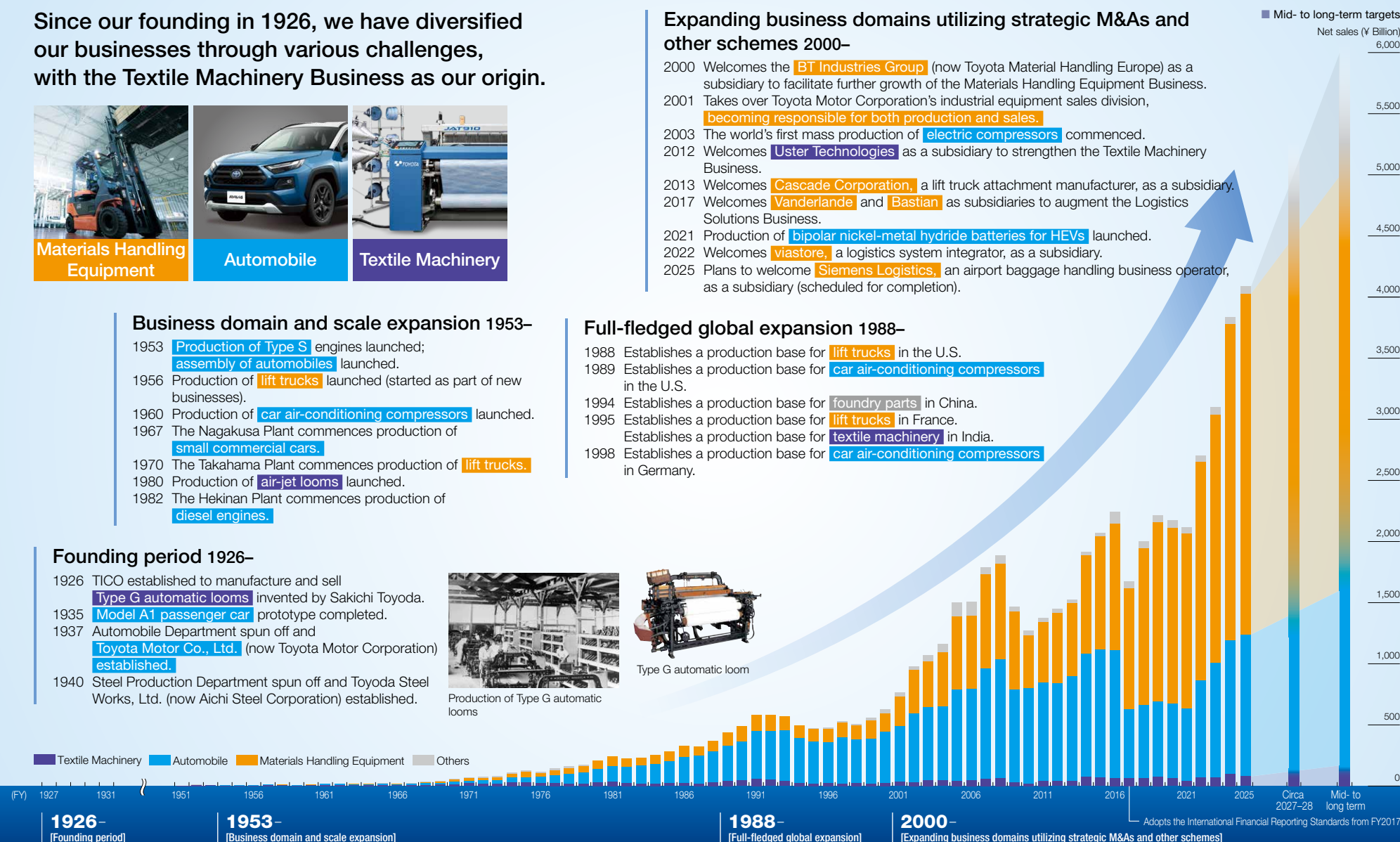
Production of Type G automatic looms

Full-fledged global expansion 1988–

- 1988 Establishes a production base for **lift trucks** in the U.S.
- 1989 Establishes a production base for **car air-conditioning compressors** in the U.S.
- 1994 Establishes a production base for **foundry parts** in China.
- 1995 Establishes a production base for **lift trucks** in France.
- Establishes a production base for **textile machinery** in India.
- 1998 Establishes a production base for **car air-conditioning compressors** in Germany.

Expanding business domains utilizing strategic M&As and other schemes 2000–

- 2000 Welcomes the **BT Industries Group** (now Toyota Material Handling Europe) as a subsidiary to facilitate further growth of the Materials 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.
- 2012 Welcomes **Uster Technologies** as a subsidiary to strengthen the Textile Machinery Business.
- 2013 Welcomes **Cascade Corporation**, a lift truck attachment manufacturer, as a subsidiary.
- 2017 Welcomes **Vanderlande** and **Bastian** as subsidiaries to augment the Logistics Solutions Business.
- 2021 Production of **bipolar nickel-metal hydride batteries for HEVs** launched.
- 2022 Welcomes **viastore**, a logistics system integrator, as a subsidiary.
- 2025 Plans to welcome **Siemens Logistics**, an airport baggage handling business operator, as a subsidiary (scheduled for completion).



TICO Group Today

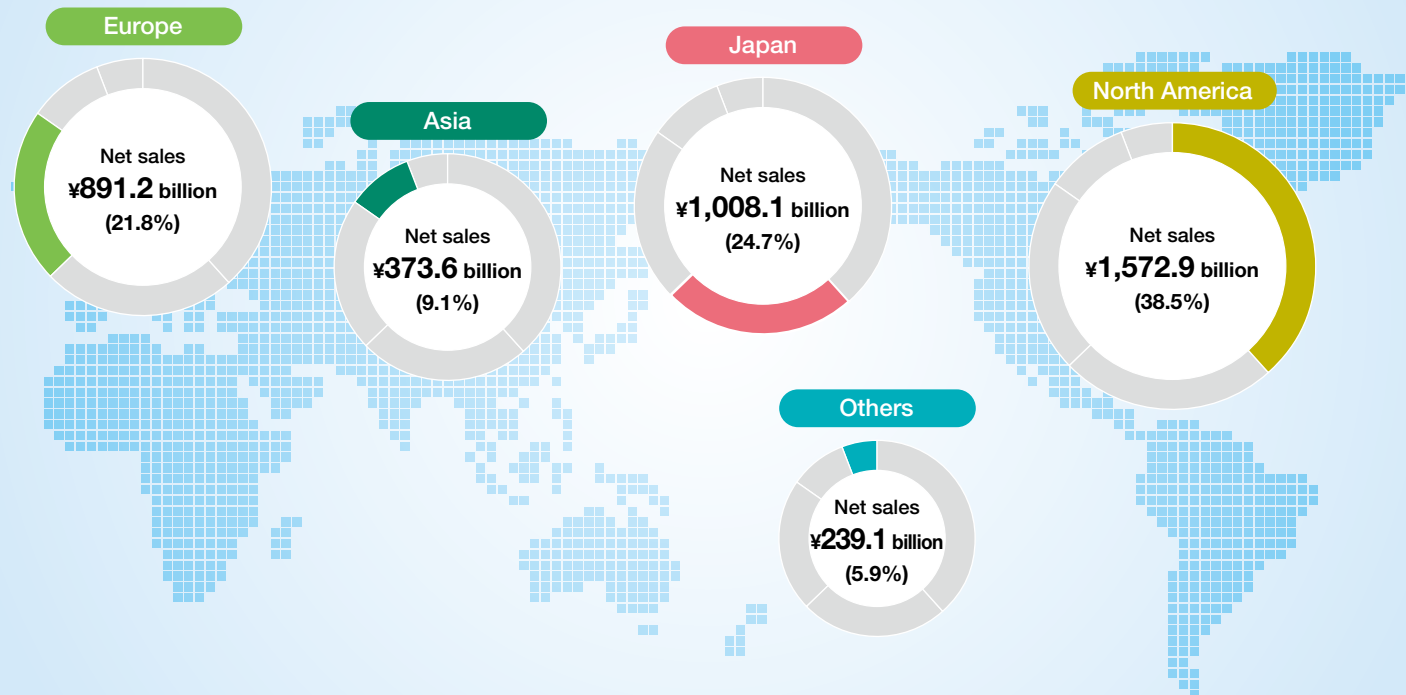
As of March 31, 2025

Overview of the TICO Group's globally expanding business operations

■ Net sales	¥4,084.9 billion
■ Operating profit	¥221.6 billion
■ Profit before income taxes	¥351.4 billion
■ Profit attributable to owners of the parent	¥262.3 billion
■ Consolidated number of employees*	79,454
Materials Handling Equipment	53,990
Automobile	19,020
Textile Machinery	1,561
Others	3,587
Overall (common)	1,296

* Excluding those dispatched outside the TICO Group and including those dispatched to the Group

Global business operations



Three Globally Operated Businesses

Materials Handling Equipment

As a market leader with an extensive knowledge of global logistics needs, TICO develops, manufactures, and sells a range of materials handling equipment, mainly lift trucks, and logistics solutions.



Automobile

TICO contributes to automakers around the world in a wide range of fields, including vehicles, engines, car air-conditioning compressors, car electronics, and batteries.



Textile Machinery

TICO contributes to the textile industry worldwide with its extensive product lineup, including air-jet looms, ring spinning frames, and yarn inspection systems.



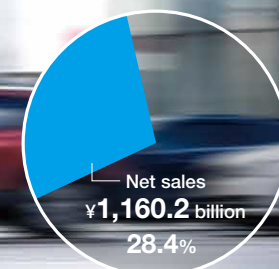
Business Overview

(FY2025)

Materials Handling Equipment



Automobile



Textile Machinery



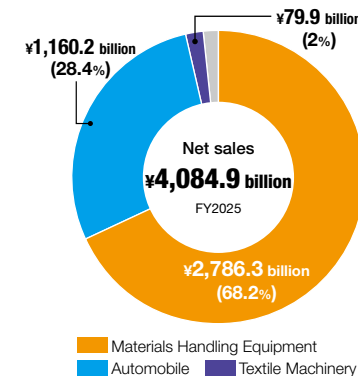
Business Overview

Three Businesses Supporting Everyday Life and Society

TICO began with the production and sale of textile machinery and has since grown into a global enterprise spanning a wide range of businesses, including materials handling equipment and automobile-related operations. The products we provide help make everyday life more convenient and enriched, playing essential roles throughout society.

Three Globally Leading Business Domains

Starting with the Textile Machinery Business—the foundation of the Company since its inception—we have expanded globally by focusing on two main pillars: Automobile-related businesses and Materials Handling Equipment/Logistics Solutions businesses. We aim to enhance competitiveness by growing respective business domains through our resources and strengths while maximizing synergies among them.



Materials Handling Equipment

▶ P. 11

We develop, produce, sell, and provide services globally across a broad range of products—from logistics equipment, systems, and other solutions to lift trucks, sales financing, and after-sales services throughout the service and value chain.

Logistics Solutions



High-speed storage and picking system

Net sales
¥2,786.3 billion
(68.2%)

Lift Trucks / Service and Value Chain



Reach-type lift truck

No. 1*
global market
share for
lift trucks



Counterbalanced lift truck



Electric lift truck

Net sales in FY2025
¥4,084.9 billion
Operating profit: ¥221.6 billion
(Operating profit ratio: 5.4%)

Net sales increased
by more than 6 times
in 25 years

Automobile

▶ P. 16

In response to the global advancement of vehicle electrification and tightening environmental regulations, we meet our customers' expectations and trust through the development and production of vehicles, engines, car air-conditioning compressors, car electronics, and batteries.



Net sales
¥1,160.2 billion
(28.4%)

Vehicle



RAV4

Engine



Car Air-Conditioning Compressor

No. 1*
global market
share for
car air-
conditioning
compressors



Electronic Parts and Others



Bipolar nickel-metal hydride battery

AC inverter

Textile Machinery

▶ P. 22

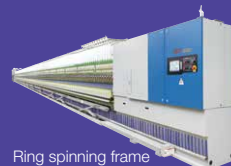
The roots of the Toyota Group trace back to Sakichi Toyoda's invention of the automatic loom. The Textile Machinery Division, a core business since the Company's founding, comprehensively handles the development, production, and sales of spinning machinery and weaving machinery, delivering them to markets worldwide.



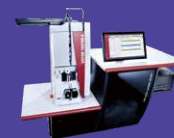
Air-jet loom

No. 1*
global market
share for
air-jet looms

Net sales
¥79.9 billion
(2%)



Ring spinning frame



Yarn inspection system

* According to TICO research

Materials Handling Equipment

Link to
product
details



Overview of the Materials Handling Equipment Business

Logistics equipment and systems—including loading, transport, sorting, and storage solutions—are essential social infrastructure that support various logistics settings such as warehouses and manufacturing sites, and, ultimately, our everyday lives. Through the development, production, sales, and servicing of these solutions—with a focus on speed, efficiency, accuracy, environmental impact, and safety—we aim to contribute to a more comfortable and convenient society while achieving sustained business growth.

In FY2025, the global market saw a slight recovery, driven by increases in Europe and Asia. Despite a decline in sales of lift trucks, our mainstay product, in North America and Europe, net sales outperformed the previous fiscal year, albeit slightly, due to price revisions and foreign exchange effects. Operating profit also surpassed the previous year's level.

FY2025 results				Changes
Destination	Japan North America Europe Others	Unit sales	41,000 95,000 98,000 54,000	+5,000 -16,000 -6,000 -3,000
Total lift truck sales		Unit sales	288,000	-20,000
		Net sales	¥1,001.1 bil.	+¥30.4 bil.
Lift truck value chain		Net sales	¥1,233.4 bil.	+¥131.0 bil.
Logistics solutions		Net sales	¥551.8 bil.	+¥37.7 bil.
		Net sales	¥2,786.3 bil.	+¥199.1 bil.
Materials Handling Equipment total		Operating profit	¥166.7 bil.	+¥1.1 bil.
		Operating profit ratio	6.0%	-0.4% pt

Business Structure

TOYOTA Material Handling Company, our in-house company, provides a wide range of products and services globally—from logistics equipment, systems, and other solutions that support automation and labor savings at customer sites to sales of lift trucks, which hold the No. 1*1 global market share, as well as sales financing and after-sales services. By developing, producing, selling, and servicing these offerings, we deliver optimal logistics solutions tailored to customer needs. The Logistics Solutions Business is led by the Toyota Automated Logistics Group (TALG), while the Lift Truck Business is driven by the Toyota Material Handling Group (TMHG). These two organizations work in close global collaboration to advance the business.



*1: No. 1 in global market share at approximately 13% in 2024 (according to TICO research) *2: ALOMA is a TICO term for Asia, Latin America, Oceania, the Middle East, and Africa.

Consolidated net sales
¥4,084.9 billion
Materials Handling
Equipment
68.2%
(¥2,786.3 billion)

Logistics Solutions

With the expansion of e-commerce, distribution centers around the world are being newly constructed or scaled up. There is a growing need to handle large volumes of goods quickly, accurately, and efficiently in logistics operations such as transport, sorting, and storage. Rising labor costs and workforce shortages are accelerating this trend. Our Logistics Solutions Business spans a wide range of fields, promoting greater efficiency and automation not only in distribution centers and manufacturing sites but also at airports and seaports.

Business Activities in FY2025

- As investment in warehouse logistics and airports showed signs of recovery globally, we focused on further strengthening our business by intensifying sales efforts across Group companies, particularly in Europe and North America.
- In addition to developing products for automated truck loading/unloading and promoting the implementation of large-scale systems for e-commerce, we actively expanded our business globally through region-specific strategies and the establishment of new production sites.
- Furthermore, by enhancing collaboration across Group companies, we are better positioned to address diverse customer challenges and bolster our business competitiveness.

[At Distribution Centers and Manufacturing Sites]

- At distribution centers and manufacturing sites, we are advancing efficiency and labor savings through automation solutions that leverage the latest technologies. Our systems streamline receiving and shipping operations, thereby enhancing the processing capacity of large-scale distribution centers while also reducing personnel workload.
- In manufacturing settings, our automated transport equipment and in-factory towing tractors help reduce manual labor and optimize logistics, contributing to improved productivity on the factory floor.

We are expanding and strengthening our business through M&A and other strategies.

- 2017 Welcomes Netherlands-based Vanderlande as a subsidiary.
- 2017 Welcomes North America-based Bastian as a subsidiary.
- 2021 Establishes T-Hive in the Netherlands.
- 2022 Welcomes Germany-based viastore as a subsidiary.
- 2024 Concludes agreement for strategic investments in Croatia-based Gideon.
- 2025 Slated to complete making Germany-based Siemens Logistics a subsidiary.*

* See *2 on page 13.

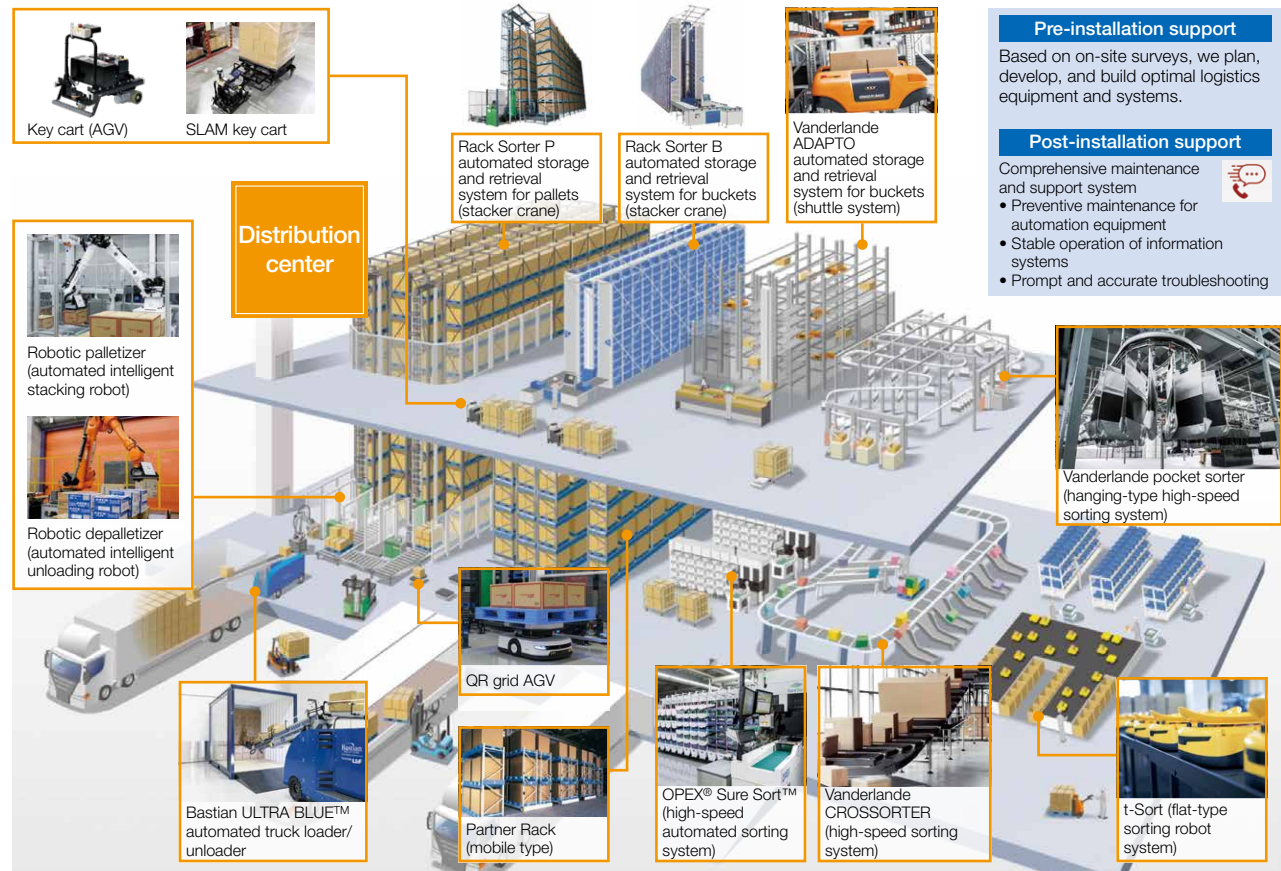
We leverage the strengths of Toyota Material Handling Japan's Logistics Solution Division, Bastian, Vanderlande, and viastore, combining a wide range of logistics equipment and systems to provide solutions that address logistics challenges, including automation.

TOYOTA L&F

Bastian
SOLUTIONS

VANDERLANDE

viastore



Pre-installation support

Based on on-site surveys, we plan, develop, and build optimal logistics equipment and systems.

Post-installation support

- Comprehensive maintenance and support system
- Preventive maintenance for automation equipment
 - Stable operation of information systems
 - Prompt and accurate troubleshooting

Note: Includes certain lift truck-related products.

[At Airports]

- TICO's Logistics Solutions Business provides total solutions to logistics issues. Besides the land domain covering distribution centers and manufacturing sites, the need for such solutions is growing rapidly in the air domain.
- In our airport business, orders for large-scale projects have remained steady, supported by the post-COVID-19 recovery in air travel demand.
- Our subsidiary Vanderlande, which provides logistics solutions globally, also proposes the introduction of monitoring systems that use digital technologies to detect and address potential issues before they occur, thereby helping customers cope with chronic labor shortages and cost reduction needs.
- For outdoor baggage transport within airports, we are developing autonomous towing tractors to promote labor savings and enhance safety.
- In 2025, Siemens Logistics, which operates an airport baggage handling business*1, joined the TICO Group (partially scheduled)*2. This business is a key strategic focus area, with expected expansion due to increasing global air travel demands. Siemens Logistics specializes in software development based on advanced digital technologies and has a proven track record of system installations at major airports worldwide. In addition to expanding our customer base, we aim to provide higher value-added products and services by leveraging Siemens Logistics' technological capabilities.



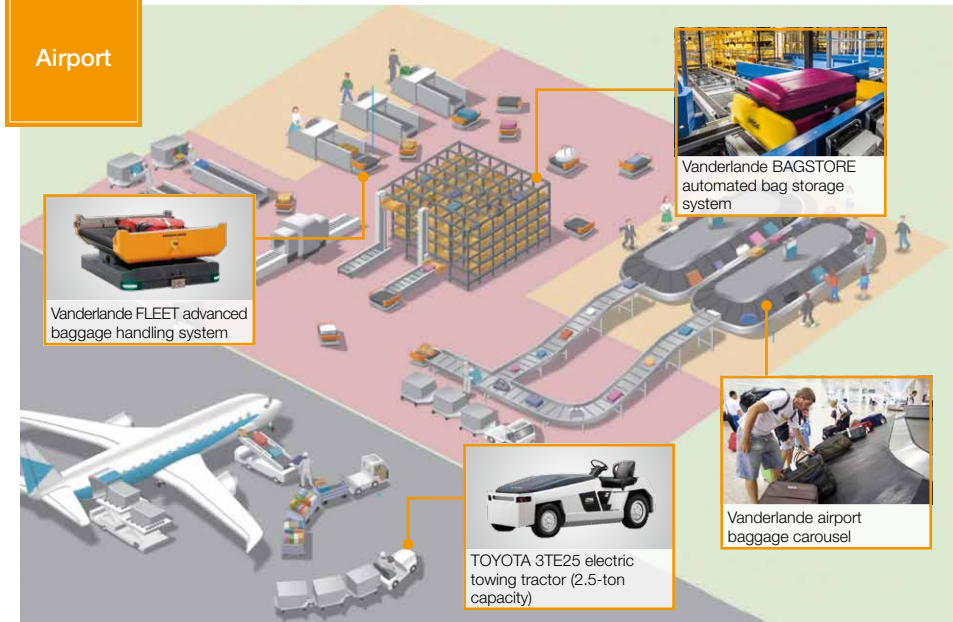
*1: Business involving the development and sales of equipment and management systems that automate baggage transport, storage, sorting, and other operations

*2: Acquisition of operations in Europe, Asia, and the Middle East (excluding the U.S.) was completed following approval by antitrust authorities. The acquisition of U.S. operations is still in progress, pending regulatory approval (as of May 2, 2025).

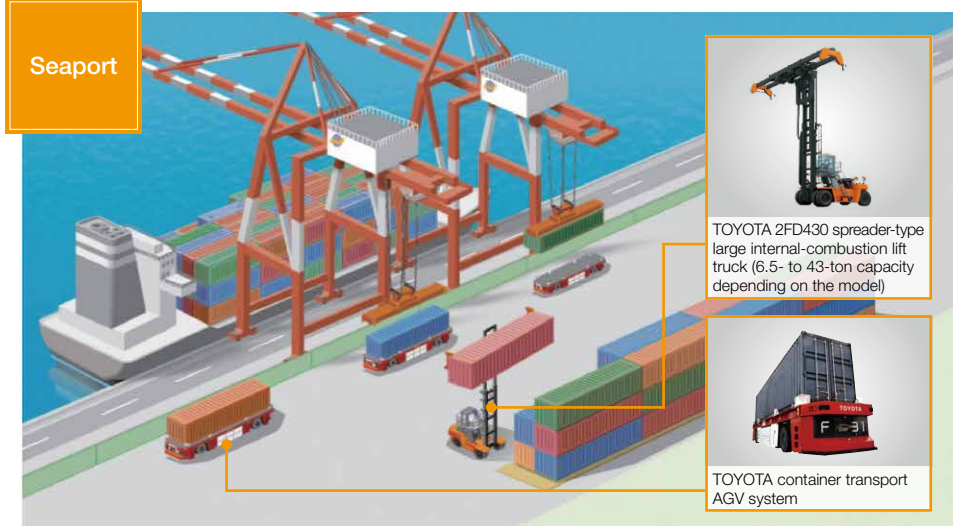
[At Seaports]

- The globalization of economic activities and a subsequent rise in cross-border commodity flows have led to a greater volume of containers handled at seaports. Maritime container terminals, which play a major role in supporting growing container traffic, are now required to achieve higher efficiency in their container transport operations and improve the work environment.
- In response, our container transport automated guided vehicles (AGVs), which move containers without the need for manual labor, are playing an active role at seaports.
- These automated products work in coordination with cranes and other equipment to ensure smooth and efficient container movement. They are making significant contributions to addressing increasingly severe labor shortages, enhancing operational efficiency, and improving safety at seaports.

Airport



Seaport



Lift Truck

No. 1*
global market
share
for lift trucks
(According to TICO
research)

While continuously offering products that will contribute to the safety of customers' logistics sites, we are responding to the tightening of global environmental regulations and growing environmental awareness, such as the push for decarbonization, by improving energy-saving performance and enhancing our electric lift truck lineup. We are also promoting the development of autonomous driving technology as a response to growing needs for greater logistics efficiencies mainly driven by labor shortages.

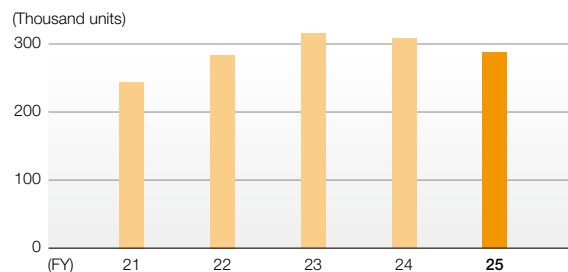
* We held approximately a 13% global market share in 2024.

Business Activities in FY2025

- In 2024, the lift truck market remained at approximately 2 million units, on par with the previous year, due to continued adjustments following the sharp post-COVID-19 surge in orders. Amid this, we focused on strengthening our mainstay lift truck product lineup and enhancing support for major customers.
- In response to the need for electrification and logistics automation in the North American market, we launched new products, such as unmanned transport vehicles that can be introduced without major construction, as well as electric lift trucks capable of outdoor use, contributing to improved customer productivity.
- In the European market, we are strengthening products that cater to environmentally conscious customers, such as lift trucks equipped with high-output lithium-ion batteries.
- In the ALOMA* and Chinese markets, we have introduced logistics site improvement programs and an operator assist system that detects pedestrians and objects behind the lift truck to enhance safety. We are also working to improve after-sales service quality through initiatives such as centralized repair history data management and training programs for service staff.

* See *2 on page 11.

Materials handling equipment sales



The Toyota Material Handling Group (TMHG) responds to the logistics needs of customers worldwide as a leading company, offering a wide lineup under brands such as TOYOTA, RAYMOND, and CESAB.



Reach type

Primarily electric, designed for maneuverability and used in narrow indoor spaces



Counterbalanced type

Boast various powertrains such as engine, electric, and fuel cell, used both indoors and outdoors



Low lift truck / stacker

Primarily electric, used indoors for light tasks such as horizontal movement of goods, loading/unloading, and picking

Raymond 8000 Series
(produced in North America)

BT Staxio
(produced in Europe)

Service and Value Chain

We provide after-sales services, spare parts, sales financing, and other services throughout the lift truck lifecycle. We strive to expand the value chain by building relationships of trust with our customers and maximizing the lifetime profitability of lift trucks.

Business Activities in FY2025

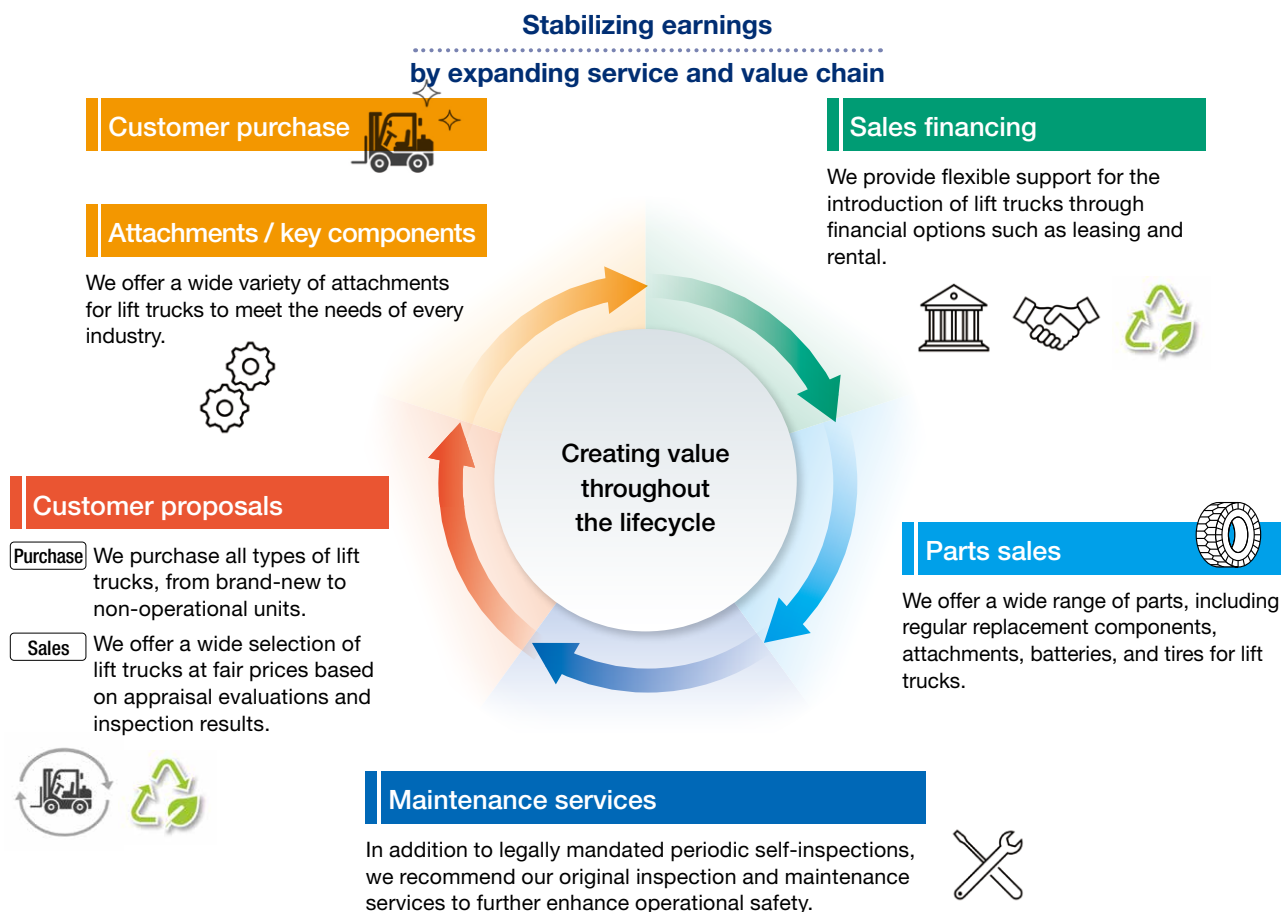
- In FY2025, sales of after-sales services and spare parts performed well.
- We have established a structure to provide swifter and more efficient after-sales services by centrally and digitally managing information on lift trucks owned by customers and their history of repairs while assigning experienced and highly skilled personnel and utilizing leading-edge information technology (IT).
- We have put in place a structure to offer extensive after-sales services by establishing a system to certify dealers' after-sales service facilities and offering programs to train service staff so that customers can use our products with an increased sense of reassurance.
- We are strengthening our internal sales financing operations mainly in Europe, the United States, and other developed countries in order to flexibly respond to customers' diverse needs for fund procurement.

Sales financing

FY2025 results				Changes
	North America	Year-end balance	¥958.0 bil.	+¥34.6 bil.
	Europe		¥441.3 bil.	+¥51.7 bil.
	Others		¥61.4 bil.	+¥2.1 bil.
Total sales financing assets		Year-end balance	¥1,460.7 bil.	+¥88.4 bil.
	Commercial papers	Year-end balance	¥169.3 bil.	+¥36.0 bil.
	Corporate bonds		¥370.9 bil.	+¥68.7 bil.
	Bank borrowings, etc.		¥729.6 bil.	-¥30.0 bil.
Total sales financing borrowings		Year-end balance	¥1,269.7 bil.	+¥74.6 bil.
Profitability	Earnings before taxes		¥32.7 bil.	-¥0.7 bil.
	Return on managed assets*		2.3%	-0.4% pt

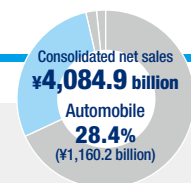
* Earnings before taxes / Sales financing assets (average)

Our strength lies in our global development, production, and sales of a wide range of products, along with after-sales services and sales financing in both the lift truck and logistics solutions fields to deliver optimal solutions.



Automobile

Link to
product
details



Overview of the Automobile Business

The automobile and automotive parts sectors support global industry and are vital to sustaining our society. TICO's Automobile Business spans a broad range from vehicles and engines to car air-conditioning compressors and electronic components. By providing fuel efficiency improvements, lightweighting technologies, and electrification technologies aimed at enhancing convenience and reducing environmental impact, we realize sustainable modes of mobility and continue to meet the expectations and trust of society and customers.

In FY2025, the automobile market contracted worldwide due to sluggish sales in Europe, North America, and other countries. Net sales increased by ¥63.8 billion, or 6% year on year, to ¥1,160.2 billion, while operating profit soared 147% to ¥26.8 billion.

Business Overview

Vehicle



RAV4

The **Vehicle** Business boasts the highest-level production efficiency and quality among all Toyota-affiliated automobile body manufacturers under an agile structure to undertake all aspects from planning and

development to production within a plant.

In FY2025, net sales increased year on year as a result of an increase in sales of parts shipments despite a decrease in sales of the RAV4 in Japan and overseas.

Car Air-Conditioning Compressor

The **Car Air-Conditioning Compressor** Business delivers global top-share* products to automakers around the world for use in a full range of vehicles, from internal-combustion vehicles to HEVs, plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs), and fuel cell electric vehicles (FCEVs) (see page 21) based on excellent product development capability centered around fuel efficiency and car electrification.

In FY2025, net sales increased due mainly to an expansion in electric compressors despite a decline in unit sales.

* According to TICO research



Engine

While possessing know-how on the development and production of diesel engines, the **Engine** Business realizes highly efficient production of high-quality gasoline engines, including those for use in hybrid electric vehicles.

In FY2025, both production units and net sales rose thanks to an increase in production of both gasoline and diesel engines.



Electronic Parts and Others

The **Electronic Parts and Others** Business develops and produces electronic components and devices for electrified vehicles, with top-level quality, by leveraging technical expertise in electronics accumulated through the development of products for Toyota Motor Corporation (TMC) and other automakers, external sales, and in-house projects. In the field of batteries, we contribute to the electrification of vehicles by utilizing material synthesis technology, simulation technology for examining materials and structures, and analysis technology.

In FY2025, net sales outperformed the previous fiscal year attributable to an increase in sales of batteries, DC-DC converters, and other products.



FY2025 results				Changes	
Destination	Japan		Unit sales	25,000	0
	Overseas			308,000	-4,000
Vehicle (RAV4) total			Unit sales	333,000	-4,000
			Net sales	¥102.5 bil.	+¥1.7 bil.
Type	Diesel			403,000	+15,000
	Gasoline		Unit sales	623,000	+24,000
Engine total			Unit sales	1,026,000	+39,000
			Net sales	¥346.1 bil.	+¥15.3 bil.
Destination	Japan		Unit sales	6,091,000	+378,000
	North America			10,229,000	-245,000
	Europe			7,300,000	-567,000
	Others			7,309,000	-486,000
Type	Engine-driven type	Fixed displacement	Unit sales	5,679,000	-60,000
		Variable displacement		16,353,000	-1,824,000
	Electric type		Unit sales	8,897,000	+964,000
Car Air-Conditioning Compressor total			Unit sales	30,929,000	-920,000
			Net sales	¥480.9 bil.	+¥14.8 bil.
Electronic Parts and Others			Net sales	¥230.5 bil.	+¥32.0 bil.
Automobile total			Net sales	¥1,160.2 bil.	+¥63.8 bil.
			Operating profit	¥45.0 bil.	+¥26.8 bil.
			Operating profit ratio	3.9%	+2.2% pt

Vehicle / Engine

Vehicle

We contribute to TMC as a development and production base of compact sports utility vehicles (SUVs) by leveraging our comprehensive strengths derived from the highest level of safety, environment, quality, cost, and delivery (SEQCD) among all Toyota-affiliated automobile body manufacturers and through greater collaboration within the TICO Group.

FY2025
production
of over
300,000
vehicles



RAV4

In addition to producing the RAV4, we participate in development activities such as planning, design, and engineering. At Tokyo Auto Salon 2025, we exhibited the following two concept models.

DARK SIDE PERFORMANCE



A mysterious and futuristic concept model that completely deviates from the RAV4's usual outdoor style.



Outdoor
Lifestyle
Package

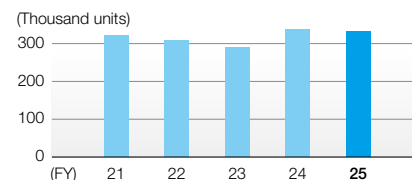
A customized model proposing an outdoor lifestyle that enhances the world of the RAV4 Offroad Package—designed to be enjoyed visually and functionally.



New vehicle parts distribution center

TICO established a new logistics building on adjacent land at the Nagakusa Plant in Aichi Prefecture, which produces the RAV4, and began operations in January 2025. By relocating vehicle parts logistics bases from remote locations to this adjacent site, we aim to improve parts transportation efficiency and reduce CO₂ emissions by eliminating truck transport. Furthermore, by leveraging the technology of TMHG, which provides logistics solutions globally, and integrating the Toyota Production System (TPS) with the Nagakusa Plant's improvement capabilities, we introduced an optimal logistics system and automated transport technologies to realize highly efficient logistics.

Vehicle sales



Engine

Regarding domestic engine certification issues, we are continuing to implement measures focused on culture, mechanism, and organization/system to fully address the certification irregularities and prevent recurrence. Restarting as a business division committed to doing the right things in the right ways, we will continue to produce engines that benefit people, society, and the global environment.

Engines for Automobiles

Diesel Engines



1GD-FTV



F33A-FTV

Even amid the accelerated progress in vehicle electrification, there is diverse and strong demand, mainly in emerging countries, for diesel engines, which boast superb running performance and high durability, as a power unit suited for SUVs and such commercial vehicles as pickup trucks.

Compliant with fuel efficiency and emissions regulations in various regions

and countries, the in-line 4-cylinder GD diesel engine, which constitutes one of our mainstay engines, has been introduced in more than 150 countries around the world, mainly in Asia and Latin America, and fitted in vehicle models, including TMC's Innovative International Multipurpose Vehicle (IMV) series targeting emerging countries and the Land Cruiser "70" and "250." The V-type 6-cylinder F33A diesel engine is fitted in the Land Cruiser "300." Adoption of the twin turbo developed in-house contributes to an exhilarating sense of acceleration. It also realizes high levels of environmental performance and quiet operation while allowing the vehicle to maintain the output and rough-surface running performance required of the Land Cruiser.

Gasoline Engines

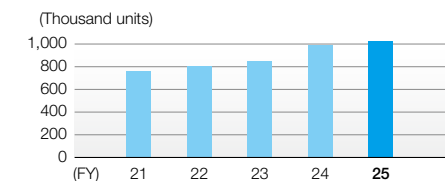
The gasoline engines that we produce under consignment from TMC, namely the 2.5-liter A25A and 2.0-liter M20A, are mainly fitted in the RAV4 and HARRIER, which are achieving robust sales. Developed based on the Toyota New Global Architecture (TNGA)* concept, these engines offer both excellent driving performance and environmental performance. Responding to the advancement of car electrification, we have also added an HEV version to our lineup.



A25A-FKS

* Toyota's structural reform initiative to "make ever-better cars" and a development policy and method for vehicle creation based on a modular platform.

Engine sales



Engines for Industrial Fields

TICO's engines for industrial fields are used for a wide variety of applications, including our lift trucks, and are adopted by many manufacturers of gas heat pumps, combined heat and power units (co-generation systems), and generators.

Car Air-Conditioning Compressor

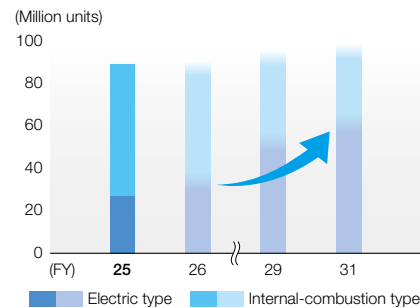
No. 1*1
global market
share

Car air-conditioning compressors are key components of in-vehicle climate control systems that greatly contribute to passenger comfort. As a leading brand, our compressors enjoy the top global market share*1 and are widely adopted by automakers around the world, including Toyota, Mercedes-Benz, Volkswagen, General Motors, Ford, and Stellantis. Going forward, we will continue leveraging our core compression technologies to evolve into an innovative component supplier.

*1: According to TICO research

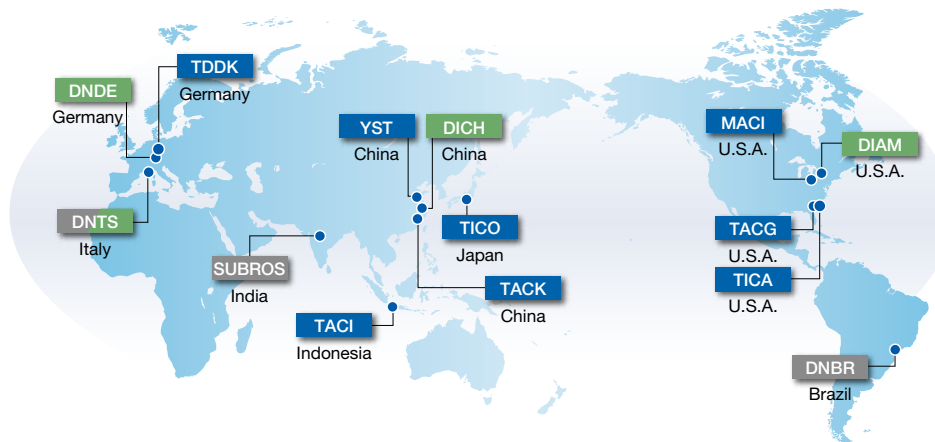
With the shift to battery electric vehicles (BEVs) in automobile production slowing, the production volume of our electric compressors is also expected to grow moderately. On the other hand, the market for car air-conditioning compressors is projected to continue expanding steadily in line with the global increase in automobile sales. In particular, rising vehicle sales in China and other Asian countries are driving market growth.

Global demand forecast by compressor type*2



*2: According to TICO research

Worldwide bases of car air-conditioning compressors (As of March 31, 2025)



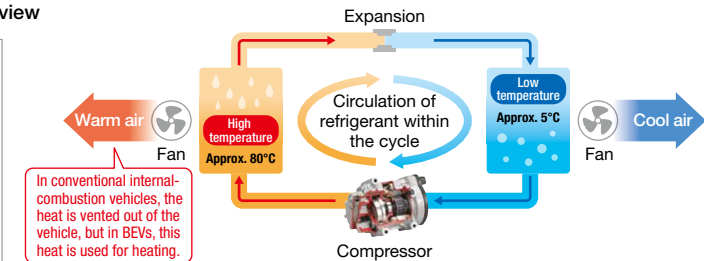
■ : Consolidated production bases ■ : Licensed manufacturers ■ : Technical service stations
(Stationed at bases of DENSO Corporation)

Compressors: the Heart of the Refrigeration Cycle that Circulates Refrigerant to Cool the Vehicle Interior

Compressors cool the interior by compressing the refrigerant to raise its temperature and expanding it to lower the temperature. In BEVs, where waste heat from the engine is not available for heating, heat pump systems that use the heat of the high-temperature refrigerant compressed by the compressor are increasingly being adopted.

Refrigerant cycle overview

The refrigerant is repeatedly compressed by the compressor, raising its temperature to about 80°C, then expanded to lower the temperature to about 5°C to cool the vehicle interior.



A Broad Lineup That Meets Changing Market Needs

The compressor is the heart of the car air-conditioning system, using the refrigerant's heat of vaporization to maintain a comfortable in-vehicle environment. TICO offers a wide range of compressors for both internal-combustion vehicles and electrified vehicles. We continue to lead the industry by leveraging proprietary technologies to achieve environmental benefits such as compact size, lightweight design, and fuel efficiency, along with high-speed reliability and quiet operation.

Compressors for electrified vehicles

[Large capacity]



ESB20



ESH34/41

Compressors for internal-combustion vehicles

[Variable displacement] [Fixed displacement]



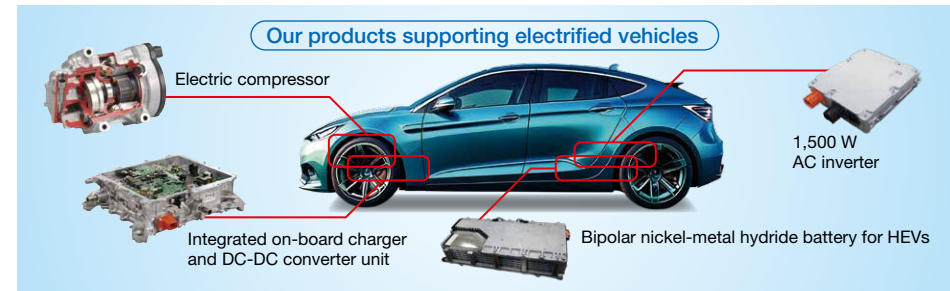
7SES17



10SRE13

Electronic Parts and Others (Car Electronics, Batteries)

While the boom in BEV sales over the past few years has somewhat leveled off, the global momentum toward a decarbonized society continues to grow. Consequently, sales of various electrified vehicles, including HEVs, PHEVs, BEVs, and FCEVs (see page 21), are expected to increase. In the Car Electronics and Battery businesses, since the adoption rate of renewable energy-derived electricity varies by region, we will continue to leverage our cultivated technologies to develop new products tailored to the energy conditions of each region and strive to contribute to car electrification and society across a broad range of fields.



Car Electronics

Developing and Manufacturing Electronic Devices That Convert Power for BEVs, HEVs, PHEVs, and Other Electrified Vehicles

TICO has developed and manufactured power electronics products such as on-board chargers, DC-DC converters, and AC inverters for electrified vehicles sold by TMC and other automakers, accumulating and advancing its power electronics technologies along the way.

Aiming to realize a decarbonized society, we will continue to strengthen the competitiveness of our power electronics products for electrified vehicles.

On-Board Charger

An on-board charger converts household alternating current (AC) power to direct current (DC) voltage to charge the high-voltage batteries of PHEVs and BEVs.



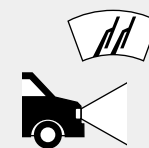
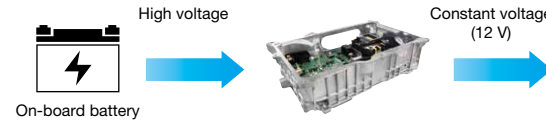
Main equipped models Prius PHEV, RAV4 PHEV

DC-DC Converter

A DC-DC converter converts the high voltage of the on-board battery into a lower voltage of 12 V to supply power to standard electrical devices such as wipers and lights.



Main equipped models Prius, Aqua, Yaris, Noah/Voxy



Supplies power to devices such as:

- Auxiliary battery
- Control ECU
- Navigation system
- Wiper
- Lights

AC Inverter

An AC inverter uses the on-board battery to enable the use of electrical appliances inside the vehicle. For electrified vehicles equipped with large-capacity batteries, devices such as microwaves, vacuum cleaners, and hair dryers can be used, making for a useful emergency power source during disasters.



Main equipped models Prius, RAV4, bZ4X, Aqua

Specific examples of electrical appliances that can be used



Dryer



Hot plate



Microwave oven

* Some appliances may not be usable.

Integrated On-Board Charger and DC-DC Converter Unit

This is a compact, lightweight unit for BEVs that integrates the on-board charger and DC-DC converter.



Main equipped models bZ4X

Batteries

Developing and Producing Bipolar Nickel-Metal Hydride Batteries and Aiming to Expand Their Use in Vehicle Models

In 2021, TICO established the Battery Division to take on the challenge of developing and producing batteries as a new business that will drive the next generation. Positioning this business as our seventh core pillar alongside textile machinery, materials handling equipment, vehicles, engines, car air-conditioning compressors, and electronics, we have been building a mass production structure for on-board batteries to support the growing adoption of electrified vehicles. As we continue to pursue the path from research and development to commercialization and eventually full-scale industrialization, we are enhancing product value through in-house manufacturing of production equipment and proprietary development methods. In this way, we are driving

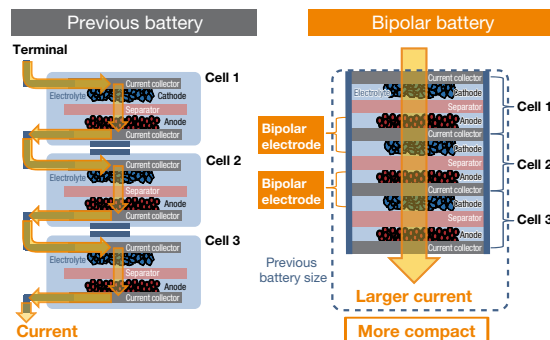
technological innovation that will shape the future of the next generation of electrified vehicles.

The electrified vehicle market is expected to continue expanding significantly, with growing demand not only for BEVs but also for HEVs. Within the Battery Division, we have focused on the development and production of batteries for a wide range of electrified vehicles, particularly nickel-metal hydride batteries for HEVs. Notably, our nickel-metal hydride batteries feature the world's first bipolar structure. By sharing the current collector between the positive and negative electrodes, we have successfully reduced the number of parts, resulting in more compact batteries with higher output performance.

Our Strengths

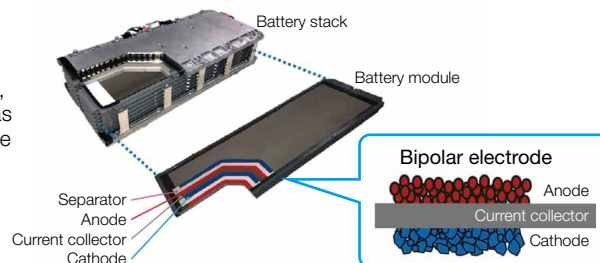
An On-Board Battery with a New Structure Born from Our Proprietary, Principle-Based Development Approach and a Comprehensive Development Process from Materials to Equipment

Our bipolar nickel-metal hydride batteries were developed entirely in-house, through a comprehensive process that spans everything from material selection and development to the design and manufacturing of production equipment. In addition to this comprehensive approach, we applied our proprietary development methods grounded in fundamental principles, which led to the creation of an on-board battery with a new structure featuring industry-first bipolar electrodes. This innovative structure makes it possible to achieve both miniaturization and high output, properties that were difficult to realize with conventional nickel-metal hydride batteries.



What Is the World's First Adopted Bipolar Structure?

This battery consists of a pack stacking multiple bipolar electrodes, where each metal collector plate has the positive electrode coated on one side and the negative electrode on the other.



Production Structure

The development and production of our groundbreaking bipolar nickel-metal hydride batteries were marked by a series of technical challenges and breakthroughs. In 2021, we began production at our Kyowa Plant in Aichi Prefecture, with an annual capacity equivalent to 240,000 vehicles*. Positioned as the mother plant of this business, the Kyowa Plant laid the groundwork for the production engineering. Building on this foundation, we established the Ishihama Plant in 2022, significantly expanding our mass-production capabilities. Since January 2024, we have been operating three production lines between these two plants.



Battery production lines

The Kyowa and Ishihama plants are accumulating operational data and implementing continuous improvement initiatives. Through these efforts, we will continue to promote bidirectional updates to the production lines to enhance our manufacturing structure and ensure highly efficient, high-quality mass production.

* Units calculated based on the number of modules stacked in a battery to be fitted in the Aqua

Expanding Vehicle Application

Since its initial adoption in the Aqua in 2021, our bipolar nickel-metal hydride battery has earned high praise for its exceptional environmental and driving performance. This recognition has led to a significant expansion in the range of equipped models. Today, the battery is fitted in several Toyota vehicles, including the Crown (Crossover, Sport, and Estate), Alphard/Vellfire, and Grand Highlander, as well as in the Lexus RX, LM, LBX, and TX.

Equipped Models



Aqua



Crown CROSSOVER

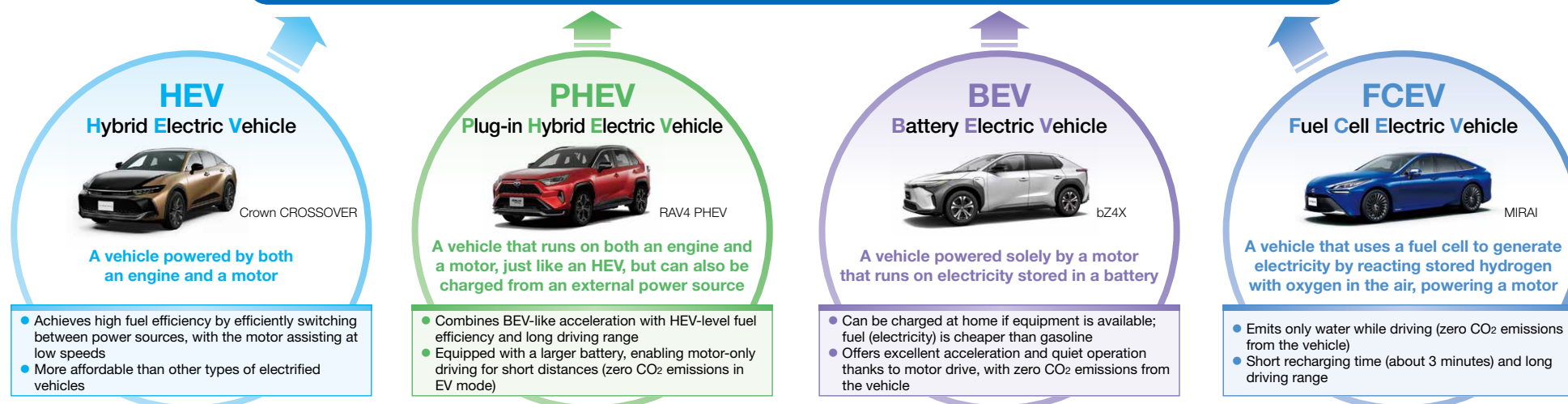


Lexus RX350h

Electrification

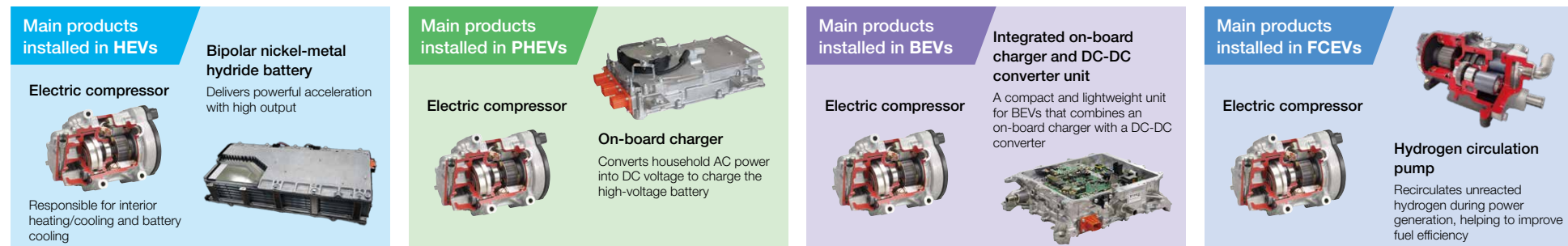
The electrification of vehicles contributes to achieving carbon neutrality (net zero greenhouse gas emissions) through the reduction of CO₂ emissions. Electrified vehicles, which use electrical energy stored in batteries to generate all or part of their driving power, include HEVs, PHEVs, BEVs, and FCEVs. Since the policies on vehicle electrification and the status of power infrastructure vary by country and region, different regions have needs for different types of electrified vehicles matched to their respective energy conditions. This means that not all regions will switch straight to BEVs and increases expectations that various types of electrified vehicles will continue to evolve.

Contributing to Achieving Carbon Neutrality by 2050 through Vehicle Electrification



Rising Production and Sales of Electric Compressors and Other Electronics Products Driven by the Expansion of the Electrified Vehicle Market

Our electronic components and on-board batteries are used in a wide range of electrified vehicles, contributing to their enhanced driving performance, comfort, convenience, and environmental performance. Aiming for carbon neutrality by 2050, we are focusing on the development, production, and sales of compact, lightweight, high-efficiency, and high-performance products to meet the needs of the growing electrified vehicle market.



Textile Machinery

Link to
product
details



Overview of the Textile Machinery Business

The Textile Machinery Business originated from the non-stop shuttle-change Toyoda Automatic Loom, Type G, created through the research and innovation of our founder, Sakichi Toyoda, who upheld the philosophy of “contributing to society and the world through *monozukuri* (manufacturing).” Staying true to his devotion, we develop, produce, and sell a wide range of products supporting the entire production process, from raw cotton to fabric products. Leveraging a global service network, we respond to diverse customer needs worldwide.

The market in FY2025 remained sluggish, especially in our core Asian markets. Amid this environment, decreases in spinning machinery and quality measurement instruments for fiber, yarn, and fabric led to declines in both net sales and operating profit compared to the previous year.



Type G
automatic loom

FY2025 results		Changes
Net sales	¥79.9 bil.	-¥13.4 bil.
Operating profit	¥2.5 bil.	-¥5.5 bil.
Operating profit ratio	3.10%	-5.5 pt

Business Characteristics

Weaving machinery

The JAT910 air-jet loom has achieved further environmental performance improvements in response to the global rise in energy costs. These include enhancing the structure of the air-jet system that propels the weft yarn and adopting a new main motor and inverter.

Spinning machinery

Our advanced technologies, such as unique spinning geometry and active lifting, realize high quality, high productivity, excellent operability, and easy maintenance. With simple operation, it can spin all patterns of fancy yarn*. It is also equipped with the world's first MOSAIC® yarn spinning device, which allows free customization of yarn color and thickness.

Quality measurement instruments for fiber, yarn, and fabric

Switzerland-based Uster Technologies, which joined the TICO Group in 2012, offers a diverse range of measurement instruments covering everything from raw cotton to yarn to customers worldwide. The company accumulates and standardizes yarn quality data from around the world, and its regularly published Uster Statistics is used as the global standard for spun yarn quality.

Global Service Network

With global service centers located across Asia, North America, South America, Europe, and other regions, we promptly respond to customer needs by providing after-sales services and supplying spare parts.



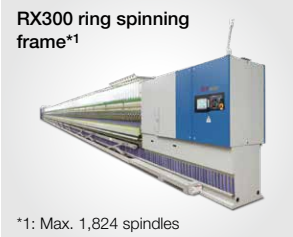
* Fancy yarn is a general term for spun yarn intentionally varied in thickness, twist, color, etc., and is also called novelty yarn.

From Raw Cotton to Cotton Fabrics



Raw cotton

Obtain roving through various processes



INSIGHTS

from Management

We are advancing reforms in three key areas—culture, mechanism, and organization/system—to ensure we do the right things in the right ways. At the same time, we are committed to achieving growth from a medium- to long-term perspective and to realizing our founding aspiration of contributing to society and the future.

Top Message

Embracing change without fear, the TICO Group is taking bold steps toward further reforms as we embark on a new path for the next 100 years.



Koichi Ito

President

Looking Back on FY2025

While the global economy remained resilient in FY2025, supported by subsiding inflation and rising wages, it continued to be shaped by persistent geopolitical tensions, resulting in ongoing instability and uncertainty.

At the same time, rising labor costs and labor shortages across many countries and regions have further underscored the importance of the logistics efficiency and automation solutions we provide in helping address our customers' challenges.

In the automobile sector, although the sharp global increase in demand for battery electric vehicles (BEVs) has slowed down, hybrid electric vehicles (HEVs) are being reevaluated by customers around the world for their practicality as a viable solution. The shift toward vehicle electrification continues steadily, and we expect growing demand for our products, including electric compressors, car electronics, and batteries.

Amid these conditions, the TICO Group remained committed to prioritizing quality and earning customer trust, while also responding appropriately to market trends to drive sales growth. As a result, net sales for FY2025 reached ¥4,084.9 billion, an increase of ¥251.7 billion, or 7%, from the previous fiscal year. We achieved results largely aligned with our plans. However, a slight decline in unit sales of lift trucks and car air-conditioning compressors, combined with rising labor costs, driven

by headcount increases and wage hikes, particularly in Europe and North America, as well as higher general expenses, impacted profits. On the other hand, the weaker yen contributed positively to earnings. As for profits, despite the rise in labor costs and an increase in overall expenses, including depreciation and research and development expenses, operating profit rose by ¥21.2 billion, or 11%, year on year to ¥221.6 billion, supported by higher sales, favorable foreign exchange rates, and a decrease in domestic engine certification-related expenses. Profit attributable to owners of the parent increased by ¥33.6 billion, or 15%, to ¥262.3 billion.

Turning to our main business segments, the global materials handling equipment market saw a slight recovery. Thanks to price increases and foreign exchange effects, net sales of the Materials Handling Equipment Business rose 8% year on year to ¥2,786.3 billion, while operating profit increased 1% to ¥166.7 billion. In the Automobile-related businesses, by firmly responding to the vehicle electrification trend, particularly in car air-conditioning compressors, net sales grew 6% year on year to ¥1,160.2 billion, and operating profit surged 147% to ¥45.0 billion, resulting in overall revenue and profit growth. The Textile Machinery Business faced a downturn in the weaving and spinning machinery markets, leading to net sales of ¥79.9 billion, down 14% from the previous fiscal year, and operating profit of ¥2.5 billion, a 69% decrease.

Future Growth Direction across Our Three Business Domains

Since our founding, we have steadily diversified our operations, starting with textile machinery and expanding into engines, lift trucks, car air-conditioning compressors, vehicle assembly, and more. Since 2000, we have continued to broaden our business domains. For example, to strengthen our Lift Truck Business, we welcomed BT Industries (now Toyota Material Handling Europe) into the TICO Group as a subsidiary and took over the industrial equipment sales division of Toyota Motor Corporation (TMC), becoming responsible for both production and sales. We also carried out strategic M&As to reinforce our Logistics Solutions Business. Building on the strengths we have cultivated over the years, we began exploring new fields in FY2025 as well. We have identified three future growth domains: solutions, mobility-related, and the synergies between these two. By focusing on these areas, we aim to achieve further growth and development. (See “Aiming for Growth in the Solution, Mobility-Related, and Synergy Areas” on page 38.)

In the **solution area**, our goal is to become the logistics partner of choice across all business scales, from simple solutions to large-scale system integration by addressing the increasingly diverse challenges our customers face amid growing logistics volume, labor shortages, and rising labor costs. To achieve this, we will fully leverage our strengths, namely, developing

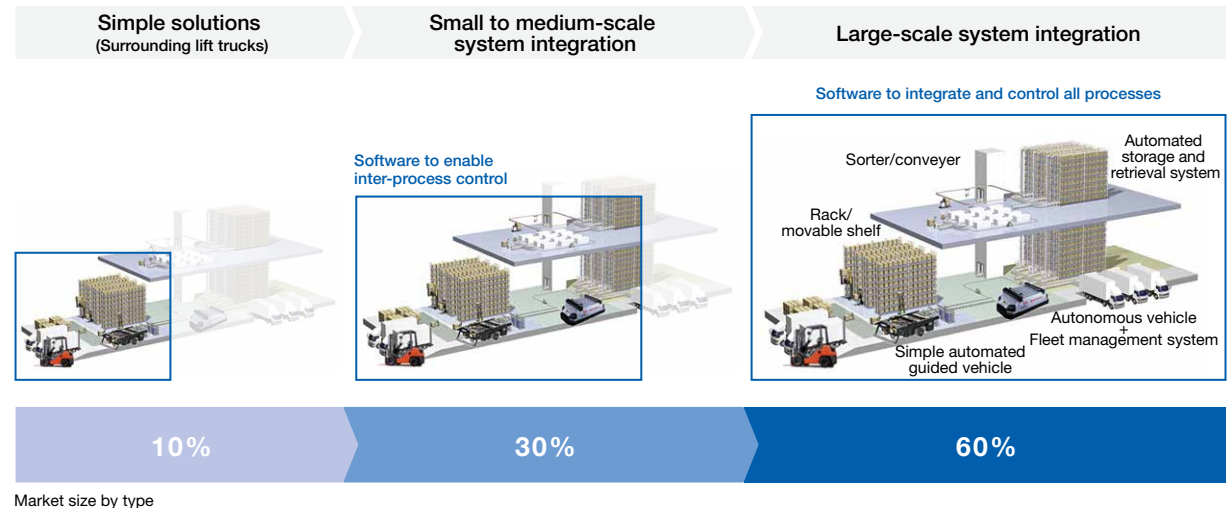
and proposing solutions that handle and control the movement of goods; our extensive product lineup of transport equipment, centered on lift trucks, to meet a wide range of customer needs; and our global sales and service network.

Specifically, we are enhancing our system solution offerings at logistics sites. Through this effort, we aim to provide services that help customers achieve overall optimization and improved efficiency. We are

also participating in the field of the physical internet to enhance external logistics. By contributing to the resolution of such social challenges, we aim to realize seamless movement of goods, including last mile delivery. Additionally, by incorporating and integrating new capabilities through M&As, we intend to build a structure that enables us to deliver solutions tailored to the needs of customers across various countries and regions.

In the **mobility-related area**, centered on our

Areas Covered by the Logistics Solutions Business (By Business Type)



Top Message

Automobile-related businesses, we will support automakers and other customers by leveraging our manufacturing capabilities to respond to the shift toward electrification, automation, and improved environmental performance, as well as by capitalizing on our strengths in developing high-performance units and components. For car air-conditioning compressors, in particular, for which we hold the world's top market share*, there is a demand for new refrigerants that comply with environmental regulations in various countries. In response to such needs that require advanced technological capabilities, we are actively pursuing research and development to provide innovative products that meet the requirements of automakers worldwide. For electronics parts, we aim to expand our business by enhancing development capabilities and production efficiency, while increasing production capacity both in Japan and overseas to support the electrification of vehicles. As for on-board batteries, we are working to maintain and improve the productivity of our mass-produced bipolar nickel-metal hydride batteries for HEVs. At the same time, we are strongly promoting joint development with TMC for batteries used in BEVs. Moreover, we are also exploring new business fields, applying our proprietary technologies for bipolar nickel-metal hydride batteries to develop electrode materials essential for hydrogen production equipment.

In the **synergy area**, we aim to leverage our strengths in both the Materials Handling Equipment and

Automobile-related businesses. In the field where the solution and mobility-related areas overlap, we intend to contribute to the creation of new powertrains necessary for electrification and hydrogen-related technologies, such as fuel cells, and create new businesses and products.

* According to TICO research

Challenges to Address for Further Growth

I'd like to express my sincerest appreciation for the support of all our stakeholders, including customers, business partners, shareholders, and investors, throughout FY2025.

Building on this support, we will overcome the challenges ahead, strive to enhance corporate value, and aim to become a more resilient and sustainable company.

First, further measures are required to address rising raw material and parts costs, increasing labor costs, and the impact of currency fluctuations. On the production side, we must expand the production capacity of products for electrified vehicles, including fuel cell vehicles, and promote digital transformation (DX). Additional challenges include developing smart factories, improving production efficiency, and further technological innovation required to achieve carbon neutrality in production activities.

In response, we are advancing measures aimed at

sustainable growth and greater competitiveness. We are promoting closer collaboration with suppliers to stabilize the supply chain, while striving to further improve productivity through innovations in production engineering and closely tailored process improvements based on feedback from production sites. To support the further advancement of vehicle electrification, we are expanding the supply capacity for electric car air-conditioning compressors and accelerating research and development of next-generation technologies. Additionally, following the domestic engine certification issues, we are reforming our quality control system through initiatives to prevent recurrence, thereby creating a framework that ensures we deliver safe and reliable products to our customers.

To support further business growth, it is crucial to



develop and secure human resources. In this endeavor, we aim to enhance the overall strength of the TICO Group by promoting human capital management and creating attractive workplaces where each employee feels motivated to grow and finds fulfillment in their work. This, in turn, we believe, will increase our corporate value. (See “Human Capital Management” on page 39.)

On the environmental front, as outlined in our Environmental Vision 2050 (see “Environmental Initiatives” on pages 47–50), we are committed to four pillars: establishing a carbon neutral society, establishing a recycling-based society, reducing environmental risks and establishing a society in harmony with nature, and promoting environmental management. From the development and design of new products through their entire life cycle until disposal, we will work to reduce resource and energy use and associated environmental impacts across our business activities. We will also accelerate efforts toward decarbonization in new product development, focusing on electrification, efficiency, automation, and DX.

Commitment to Reforms to Prevent Recurrence of Legal Violations by Going Back to Basics

We would like to once again offer our sincerest apologies to our customers, business partners, shareholders, investors, and all other stakeholders for the significant concern and inconvenience caused by legal violations

in domestic engine certification announced in March 2023. We also wish to report that the entire TICO Group is united in its ongoing efforts to implement sustained measures aimed at preventing recurrence.

Building a Foundation to Support Medium- to Long-Term Growth

To support sustained growth over the medium to long term, we are working to further strengthen our corporate governance and compliance framework as a solid foundation for the future.

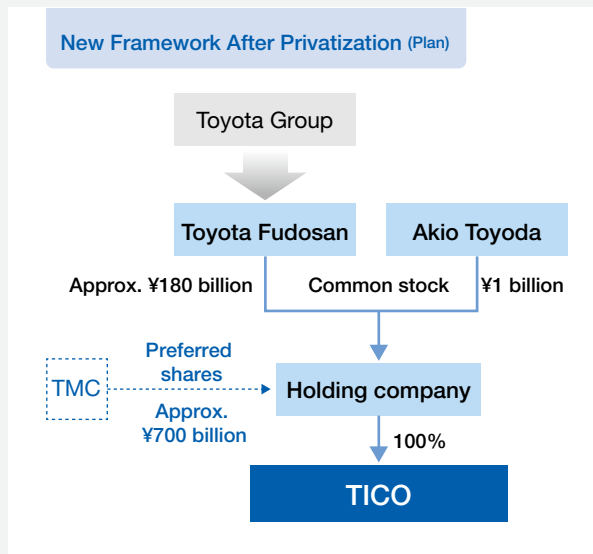
While we have made ongoing efforts to enhance corporate governance, we are now taking additional steps to ensure transparency and accountability. Accordingly, we are strengthening our governance structure even further to improve management efficiency, fairness, and transparency. To earn and maintain the trust of stakeholders, including our customers, we are promoting global compliance initiatives under the leadership of our Global Chief Compliance Officer (GCCO). These efforts include fostering greater compliance awareness among all employees, from executives to frontline staff; cultivating a workplace culture that supports open and respectful communication; ensuring integrity in our operations to do the right things in the right ways; and building organizational structures and systems that enable appropriate risk response and ensure adequate resources are allocated to compliance activities.

Always Considering What Kind of Company We Aspire to Be and Embracing a New Path

Regarding the planned tender offer for our shares disclosed by Toyota Fudosan Co., Ltd., we announced our official stance on June 3, 2025, that we intend to express our support should the tender offer proceed. This reflects our decision to consider the possibility of becoming a privately held company, following the anticipated commencement of the offer in early December and the completion of subsequent procedures. Before reaching a decision, we exhaustively deliberated on the merits and demerits of this transaction and the appropriateness of the transaction terms. To ensure fairness throughout the review and decision-making process, we implemented various measures, such as establishing a special committee composed of independent outside directors. Both the Board of Directors and the special committee engaged in extensive discussions and deliberations and comprehensively assessed whether the proposed transaction would contribute to the medium- to long-term growth and enhancement of corporate value for both TICO and the Toyota Group and whether it would be beneficial to all our stakeholders, including customers, business partners, shareholders, and investors.

Under the current plan, TICO would become a private company. All our shares would ultimately be owned by a newly established holding company jointly funded by

Toyota Fudosan, whose shares are held by Toyota Group companies, TMC Chairman Akio Toyoda, and TMC. This transition to the new structure is currently expected to take place around the summer of 2026.



Our Vision for the Future

Since our listing in 1949, we have steadily expanded our global operations thanks to the generous support of our

shareholders and many other stakeholders. The world is undergoing complex, diverse, and dramatic changes driven by digital and other technologies as well as shifting values of people around the world. In this environment, we are determined to move beyond a narrow focus on short-term results or simple profit growth and instead take a more ambitious and agile approach from a medium- to long-term perspective.

The Toyota Group aims to contribute to the advancement of the global mobility industry by transforming itself into a mobility company group that supports the movement of people, goods, information, and energy. On January 30, 2024, TMC Chairman Akio Toyoda announced the “Toyota Group Vision,” reflecting on the origins of the Toyota Group’s founding and outlining the direction it should take. Within the Toyota Group’s aspired transformation, TICO will play a leading role primarily in the movement of goods.

Under this new structure, we will adopt a longer-term outlook, commit to more nimble decision-making, and make bolder investments. While some initiatives may take time to bear fruit, we are committed to pursuing greater challenges that will ultimately drive significant growth. In the non-automotive sector, centered on our Materials Handling Equipment Business, we will more strategically allocate management resources not only to develop high-quality lift trucks and other transport equipment but also to provide solutions that enhance automation and efficiency in logistics so that people can work more safely

and comfortably across all settings. At the same time, we will effectively leverage technologies of the Toyota Group to accelerate technological development, such as autonomous driving and advanced use of data.

In the automotive field, under the new shareholder structure, we will clarify our long-term role within the entire Toyota Group and further enhance our product capabilities. In addition, by leveraging the benefits of increased managerial discretion, we will continue to expand and strengthen sales to non-Toyota Group automakers, just as we have in the past, thereby contributing to the advancement of human mobility.

TICO was founded in 1926 to manufacture and sell the Type G automatic loom invented by our founder,

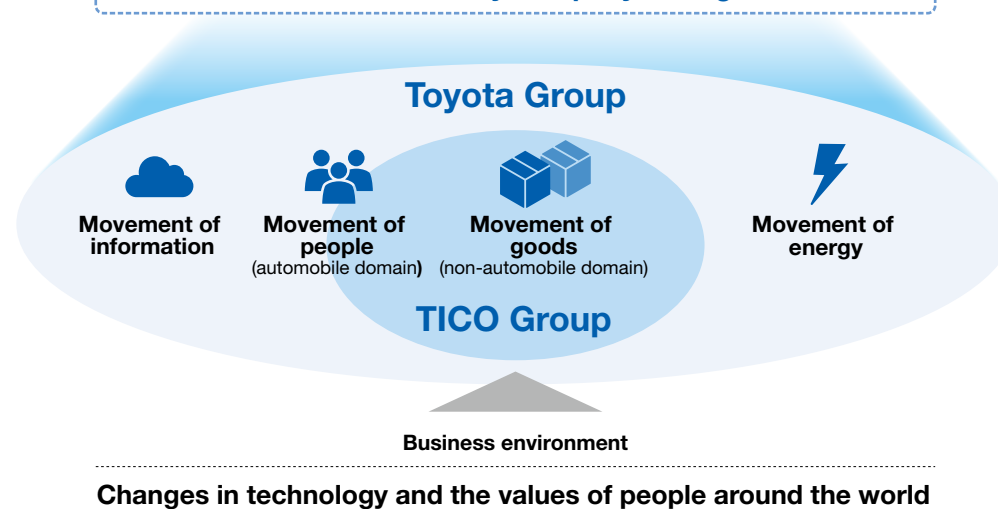
Toyota Group Vision

Vision **Inventing our path forward, together**

Attitudes Aim high and care deeply.
Trust and uplift your colleagues.
Endlessly improve your craft.
Honesty first, integrity always.
Connect and collaborate.

Future Vision for the TICO Group

Transformation into a mobility company through “movement”



Sakichi Toyoda. In November 2026, we will celebrate our 100th anniversary. As the founding company of the Toyota Group, we have a history of making a decisive move into a completely different field—automobiles—departing from our original focus on textile machinery, under the leadership of Sakichi Toyoda and Kiichiro Toyoda. At the time, this shift was driven by a strong

sense of mission and urgency: the belief that unless we embraced a new path, we might not be able to fulfill our purpose of enriching Japan and supporting society.

This latest decision reflects our renewed commitment to that legacy. By revisiting our history with fresh eyes, we are determined to step forward into a new era.

A New Path Forward to Shape the Next 100 Years

As we look toward the next 100 years, every employee and executive of global TICO Group companies remains deeply committed to the values inherited from our predecessors, as outlined in our corporate creed. (See “Corporate Creed (Founding Spirit): Toyoda Precepts” on page 2.) We strive to uphold these values faithfully and pass them on to the next generation, aiming to continue contributing broadly to society. We kindly ask for your understanding and support as we take a united step forward onto a new path for the entire TICO Group.



Message from the Global Chief Compliance Officer (GCCO)



Global Chief Compliance Officer
(GCCO)

Hiroshi Fukagawa
Senior Executive Officer

On March 17, 2023, we announced violations of domestic laws and regulations relating to the emissions performance of engines used in our lift trucks. Following recommendations from a Special Investigation Committee composed of independent outside experts with no vested interests and a corrective order issued by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), we have gone back to the basics of doing the right things in the right ways. We are implementing three key reforms as pillars for our fresh start.

Implementing Reforms to Prevent Recurrence by Going Back to the Basics

We sincerely apologize once again to our customers, business partners, shareholders, and all other stakeholders for the great concern and inconvenience caused by the domestic engine certification issue. At the same time, we would like to report that the TICO Group is united in its ongoing efforts to prevent recurrence.

On March 17, 2023, we announced violations of domestic laws and regulations for four models of lift truck engines and established a Special Investigation Committee composed of independent outside experts. On January 29, 2024, we reported and disclosed the investigation results to the regulatory authorities,

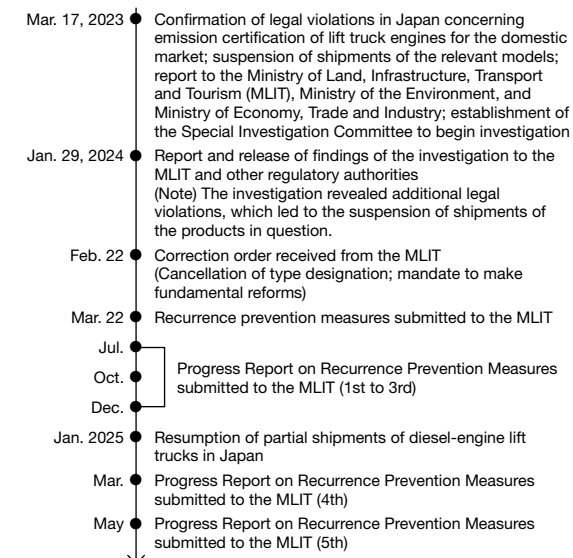
The Toyota Precepts, our corporate creed, state: “Always be faithful to your duties.” True to the spirit of this tenet, we are making a fresh start by going back to the basics—the principle of doing the right things in the right ways.

indicating additional violations in the certification of six engine models for lift trucks (five of which were older models) and one engine model for construction machinery (an older model). Furthermore, it was found that one current model of construction machinery engine, which was suspended from shipment in Japan, exceeded domestic emission regulation limits. Additionally, new violations of domestic laws and regulations were discovered in output testing for three models of automobile engines. In response to this report, on February 22, 2024, the MLIT issued a corrective order, followed by the cancellation of type approval for three models of lift truck engines on March 5. On March 22, we submitted our recurrence prevention measures to the MLIT. Since then, we have been providing quarterly progress reports to the MLIT on our efforts to prevent recurrence and have made these reports publicly available. Meanwhile, for 2.0-ton to 3.5-ton diesel engine lift trucks (off-road vehicles), we submitted new applications for type approval in Japan for specified special vehicles based on the Off-Road Act (Act on Regulation, Etc. of Emissions from Non-Road Special Motor Vehicles) and resumed shipments from January 8, 2025.

To prevent recurrence, we have thoroughly analyzed the root causes based on the feedback from domestic regulatory authorities and the Special Investigation Committee. Going back to the basics of providing customers with safe and reliable quality

products and continuing to contribute to society and doing the right things in the right ways, we have formulated recurrence prevention measures focused on three reforms: culture, mechanism, and organization/

Background



- Recurrence prevention measures submitted to the MLIT on March 22, 2024
- Promotion of Company-wide reforms on culture, mechanism, and organization/system to prevent recurrence of certification violations; quarterly progress report on the implementation status to the MLIT

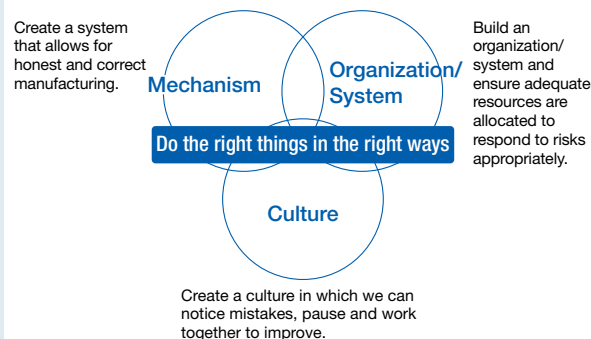
Message from the Global Chief Compliance Officer (GCCO)

system. The implementation status and effectiveness of these measures are regularly reviewed by the Restart Committee, which includes the president, heads of business divisions, and chief officers.

Regarding culture reform, we are strengthening governance and transforming our corporate culture. We are working to raise compliance awareness across all executives, starting with top management, and have rolled out a Company-wide compliance education program. We have also enhanced our whistleblowing and consultation channels for employees and business partners, making it clear that there will be absolutely no repercussions for making reports or inquiries. In this way, we are working to foster an environment where people feel safe when speaking up without fear of retaliation. For mechanism reform, focused on strengthening quality governance, we have reviewed the processes related to development and testing and are working to establish a rigorous management system that satisfies

Going back to the basics and making a fresh start with the three reforms

By going back to the basics of providing customers with “safe and secure quality products” and continuing to contribute to society, the entire Company will work together to carry out the three reforms and do the right things in the right ways.



certification standards. We are also introducing measures to prevent falsification and similar misconduct through the thorough management and traceability of test data. For organization/system reform, we have reinforced our internal audit system to improve and validate the certification process. Furthermore, to enhance transparency in the testing and certification application processes, we have made the internal departments responsible for regulatory certification and administration independent from engineering and are strengthening cooperation with third-party organizations.

Toyota Industries Group Ethics & Compliance Declaration and Code of Conduct

In July 2024, we formulated the Toyota Industries Group Ethics & Compliance Declaration based on the spirit of the Toyota Precepts, our corporate creed. We aim to foster greater awareness of compliance by clearly conveying corporate policy and management's commitment to compliance and repeatedly communicating this information to employees. We also revised the Toyota Industries Group Code of Conduct (see page 51) to clearly define the expected behavior of every employee within the TICO Group. We are actively promoting awareness initiatives to ensure the Code is thoroughly understood and embraced across the entire Group.

Global Chief Compliance Officer (GCCO)

The GCCO is a role established as part of our organization/system reform and is responsible for overseeing the compliance program across the entire TICO Group.

As part of our recurrence prevention initiatives involving the GCCO, we have established the Compliance

Committee and Risk Management Committee, both of which include top management as members. The Compliance Committee, chaired by the GCCO, meets quarterly and includes members such as the chairman, president, division heads, other relevant executives, regional chief compliance officers, and an outside counsel. The committee is responsible for ensuring that the compliance program is effectively designed and implemented to prevent the recurrence of the domestic engine certification issue and other compliance violations. It demonstrates management's commitment to recurrence prevention and discusses and reviews policies, action plans, compliance risks, and specific compliance incidents. The Risk Management Committee, chaired by the GCCO and convened twice a year, consists of the chairman, president, division heads, chief legal officer, chief quality officer, other relevant executives, and external experts. The committee identifies key risks requiring focused management, reviews and discusses risk management policies and plans, and examines responses to incidents and improvement measures. In addition to these committees, the GCCO regularly hosts seminars by external experts and study sessions on case studies from other companies at the Executive Officers' Meeting, which consists of members of the Board of Directors, senior executive officers, and executive officers.

As a Company-wide awareness initiative, the GCCO regularly distributes a message entitled “Window to Compliance” on our intranet, discussing a wide range of internal and external compliance risks. (See page 52.)

Additionally, to eradicate an organizational culture of avoiding questions or concerns raised by subordinates, we have established the GCCO Helpline, an internal channel that allows employees to directly consult with the GCCO, anonymously if desired.

Progress of the Recurrence Prevention Measures

In the quarterly report submitted to the MLIT on May 16, 2025, we reported that all 56 measures and 122 implementation items included in our recurrence prevention measures plan had moved into either the “completed” or “in operation” phase.

Regarding the “restructuring of the Company’s overall business management system,” we successfully completed the initiative to organize the common Company-wide rules into a five-tiered structure to reinforce compliance with internal rules by the end of December 2024 as planned. In addition, we have developed a rule system that clearly defines the linkages between the Company-wide rules and the business division rules, which are established by each business division. Based on this system, we clarified that when a superior rule is revised, the revision must be reflected in the subordinate rules, and when a subordinate rule is to be revised, the department responsible for the superior rule must verify that there is no conflict or inconsistency with the superior rule and give approval.

Moreover, each of the top-tier rules states the significance, purpose, and background of the respective rule, the importance of compliance, as well as other key points—so that when there is a change in personnel, the purpose and significance of the rules are properly understood to make sure they are not taken lightly and prior compliance issues never reoccur.

Going forward, the departments overseeing the rules will review them regularly—at least annually—to check whether updates may be appropriate and ensure there are no omissions or inconsistencies. Through these efforts, we intend to strengthen internal controls. Although all planned 56 items and 122 implementation items have now moved into the implementation phase,

we will continue to make progress on these recurrence prevention measures. We will remain committed to further improving and strengthening these efforts to ensure that we do the right things in the right ways.

Furthermore, we have designated March 22, which is the date we submitted the recurrence prevention measures to the MLIT, as “Restart Day” to ensure that the incident will not be forgotten and to encourage employees to understand the root causes and lessons learned from the incident and act with integrity. Every year on this day, we will reflect on this incident and reaffirm our determination never to repeat such legal violations.

On March 22, 2025, the first “Restart Day,” we held workplace-level meetings across the Company. At the meeting, we revisited what happened and what the nature of the issues was; discussed whether similar conditions exist in each department and what actions

should be taken by each workplace and employee to prevent a similar incident from occurring; presented a message from top management; and delivered a compliance-related message from the head of each workplace. In addition, we will make efforts to foster and continuously reinforce a culture of compliance throughout the Company. These include distributing a video recording of a compliance lecture by an external lecturer throughout the Company and establishing a permanent internal exhibit that features this and other significant TICO incidents to further raise awareness among all employees and prevent memories of these incidents from fading.

Each of us is committed to going back to the basics to “Always be faithful to your duties,” as expressed in the Toyoda Precepts, and move forward with a renewed determination to do the right things in the right ways.

Recurrence Prevention Measures Overseen by GCCO (Excerpt)

1. Measures to “restructure awareness among management executives regarding engines for lift trucks and regulations and certification, and to clarify management executives’ responsibilities”

Raising awareness about regulations and certification through management executive education

Have the Board of Directors and a Business Execution Meeting attended by officers and executives routinely carry out activities aimed at improving risk sensitivity, such as seminars presented by outside experts and study sessions, with the GCCO serving as the organizer.

2. Measures to “ensure awareness of the need to prioritize legal and regulatory compliance”

Making clear the value standard that “compliance has priority over the development and production schedule”

Established and included in the rules a “Compliance Committee”—chaired by the GCCO and consisting of the chairman, president, general managers of business divisions, other related officers, regional chief compliance officers, and outside attorneys.

3. Measures to “improve awareness and problem-solving abilities among executives and management”

Improving risk sensitivity among the entire management team

Regular GCCO messages entitled “Window to Compliance” are posted on a site on the Company intranet.

Putting a risk management system in place

Established and included in the rules a “Risk Management Committee,” chaired by the GCCO and consisting of the president, general managers of business divisions, chief officers, and other related officers (approved at the CSR Committee session held on April 1, 2024).

4. Measures to “eradicate an organizational culture to avoid receiving reports from and consultation by subordinates”

Creating a mechanism for direct escalations to the management

Established a helpline process and channel on the intranet to enable employees to consult with and raise compliance issues to the GCCO.

Established an intranet form for directly making compliance-related proposals to the GCCO. Rolled out a compliance proposal system that recognizes excellent proposals.

STRATEGIES

for Our Transformation

To meet stakeholder expectations and contribute to solving social and environmental challenges, we have been taking concrete actions based on our medium- to long-term strategies.

34 Toward the Realization of Our 2030 Vision

36 Value Creation Process

37 Six Strengths We Continue to Reinforce

38 Initiatives to Enhance Corporate Value

38 ① Aiming for Growth in the Solution, Mobility-Related, and Synergy Areas

39 ② Human Capital Management

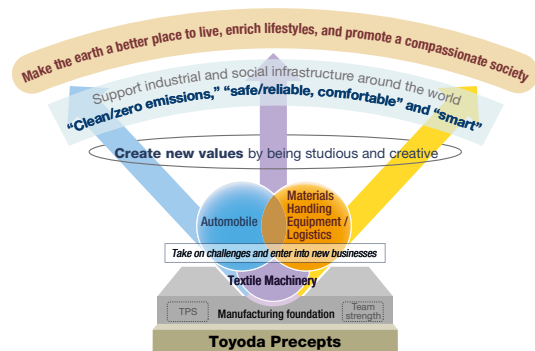
41 ③ Intellectual Property Activities Supporting Research and Innovation

Toward the Realization of Our 2030 Vision

Based on the Toyota Precepts (corporate creed) and basic philosophy, we have been working to directly address the changes and challenges surrounding society and make the most of the core assets and strengths we have accumulated to date to achieve our Vision 2030 and sustainability material issues (materiality). We use part of the evaluation on target achievements for initiatives on key materiality as a reference index for calculating bonuses for executives.

Vision 2030

Link to details on Vision 2030



Under the Toyota Precepts (corporate creed), TICO has been undertaking a broad range of businesses by upholding the philosophy of contributing to society since its founding. Today, with the Textile Machinery Business as our origin, we engage in the Automobile and Materials Handling Equipment/Logistics Solutions businesses as our two core pillars and aim to achieve sustained growth in harmony with society. To showcase our commitment in this direction, we formulated our Vision 2030 in 2019.

As a manufacturing company, we have long been committed to curbing global warming and realizing a circular society by not only offering environmentally friendly products but also by implementing eco-conscious practices across our product development, production, and sales processes. In addition to addressing environmental issues, we are also dedicated to technological innovation aimed at creating new value that helps solve social challenges such as labor shortages and the aging population. Through these efforts, we aim to contribute to making the earth a better place to live, enriching lifestyles, and promoting a compassionate society.

Materiality

Link to materiality



	Materiality	Contribution to Vision 2030 (Aspiration)
Resolving Social Issues through Our Business	<ul style="list-style-type: none"> Mitigation of Global Warming Contribution to Circular Economy <p>SDGs to Contribute</p>	<p>Clean/zero emissions</p> <p>Mitigating global warming and achieving a circular economy through such initiatives as reducing CO₂ emissions and waste in our business activities and expanding the lineup of environmentally friendly products in our efforts to contribute to maintaining and improving the global environment over the long run</p> <p>[Action policies]</p> <ul style="list-style-type: none"> Reducing CO₂ emissions from production activities Reducing CO₂ emissions from production-related logistics Reducing CO₂ emissions through product and technology development Effective resource utilization in production activities Implementing initiatives to promote 3R (reduce, reuse, and recycle) design for effective resource utilization
	<ul style="list-style-type: none"> Creation of Innovative Values <p>SDGs to Contribute</p>	<p>Creation of innovative value, smart</p> <p>Contributing to achieving a "smart" society and more enriched lifestyles by resolving social issues through technological advancement and innovation that create new value</p> <p>[Action policies]</p> <ul style="list-style-type: none"> Promoting development of new technologies that create new value Improving core technologies and utilizing the new knowledge of business partners to enter into peripheral fields of existing businesses while developing and offering technologies and products in new business fields
	<ul style="list-style-type: none"> Products and Services Which Contribute to Safety, Reliability, and Comfort Mutual Prosperity through Partnerships with Local Communities <p>SDGs to Contribute</p>	<p>Safe/reliable, comfortable</p> <p>Contributing to creating a compassionate society by offering products and services that anticipate the needs of customers and various stakeholders and that are safe, reliable, and comfortable to use while fulfilling our responsibilities as a member of society to thrive together</p> <p>[Action policies]</p> <ul style="list-style-type: none"> Enhancing electrification-related products and services that are highly functional, ecologically sound, and adaptable as social infrastructure Offering high-quality and safe products and services and maintaining and improving the structure to realize this goal Continuously promoting grassroots activities in local communities and thrive together as a member of society
Foundation Supporting Our Business Operations	<ul style="list-style-type: none"> Safe and Healthy Work Environments Leveraging Diversity and Inclusion Sustainable Procurement Compliance and Risk Management 	

Progress on Materiality

Toward the Realization of Our 2030 Vision >> Progress on Materiality

	Action policies	Action targets and activities	Targets	(FY to achieve)	Results for FY2025	Page number	Targets for FY2026
Resolving Social Issues through Our Business	● Reducing CO ₂ emissions from production activities	● Reduce production-derived CO ₂ emissions Total emissions	-25%*1	(vs FY14 level) (2026)	-37%	P. 48-49	-25%
		● Adopt renewable energy sources Introduction rate	15%	(2026)	26%	P. 48-49	15%
	● Reducing CO ₂ emissions from production-related logistics	● Reduce logistics-derived CO ₂ emissions Emission volume per unit of production (non-consolidated)	-11%	(vs FY14 level) (2026)	-11%	—	-11%
	● Reducing CO ₂ emissions through product and technology development	● Develop technologies that contribute to an even greater level of energy efficiency			Refer to corresponding page.	P. 48-49	—
	● Effective resource utilization in production activities	● Reduce waste generation volume Waste generation volume per unit of production (non-consolidated)	-12%	(vs FY14 level) (2026)	-23%	P. 49-50	-12%
		● Promote water conservation activities corresponding to the water situations in each country and region			Refer to corresponding page.	P. 49-50	—
	● Implementing initiatives to promote 3R (reduce, reuse, and recycle) design for effective resource utilization	● Reduce use of resources and promote reuse and recycling of resources			Refer to corresponding page.	P. 49-50	—
	● Promoting development of new technologies that create new value	● Ratio of R&D expenses for electrification and automation	Over 70%	(2031)	58%	P. 16-20	54%
	● Improving core technologies and utilizing the new knowledge of business partners to enter into peripheral fields of existing businesses while developing and offering technologies and products in new business fields	● Expand peripheral fields and new business fields Net sales	Over ¥1 trillion	(2031)	—	P. 43-45	—
		Develop new technologies and products that contribute to resolving environmental and social issues			Refer to corresponding page.		—
		Develop new technologies and products for logistics automation and expand sales (Materials Handling Equipment) Sales of automation products (growth rate)	Twofold (100%)	(vs FY2021) (2031)	Up 85%	P. 11-14	Up 98%
	● Enhancing electrification-related products and services that are highly functional, ecologically sound, and adaptable as social infrastructure	● Expand sales of electrification-related products (all businesses) Ratio of electrification-related products to net sales	Over 70%	(2031)	47%	—	49%
		Offer highly efficient and energy-saving electric compressors that are excellent in terms of quiet operation and comfort (Automobile Business)			Refer to corresponding page.	P. 18	—
	● Offering high-quality and safe products and services and maintaining and improving the structure to realize this goal	Offer clean and high-quality fuel cell units and on-board batteries (Automobile and Materials Handling Equipment businesses)			Refer to corresponding page.	P. 19 P. 46	—
		Offer power source-related products, on-board or otherwise, that can also be used as social infrastructure during disasters and other occasions (Automobile Business)			Refer to corresponding page.	P. 19	—
	● Continuously promoting grassroots activities in local communities and thrive together as a member of society	● Conduct product risk assessment (target products) Implementation rate (non-consolidated)	100%	(2031)	100%	P. 53-54	100%
		● Promote quality education Training participation rate (non-consolidated)	100%	(2031)	94.9%	P. 53-54	100%
		● Promote social contribution activities Expenditure/number of participants			¥1.06 billion/35,346 persons	P. 74	—
		Contribute to biodiversity conservation of local communities			Refer to corresponding page.	P. 50	—
		Promote other community contribution activities			Refer to corresponding page.	P. 75	—
Foundation Supporting Our Business Operations	● Fostering safe and healthy workplaces for everyone	● Eliminate serious accidents Number of serious accidents	0	(2031)	1	P. 70	0
		Frequency rate of lost workday injuries (non-consolidated)	0.00	(2031)	0.26	P. 70	0.00
	● Creating the environment for everyone to get a fair share of opportunities to develop and demonstrate their potential	● Promoting associates' health Well-being degree (non-consolidated)	16.0	(2031)	12.4	P. 72	13.3
		Absenteeism*2 (non-consolidated)	Below 0.7	(2031)	1.09%	P. 72	Below 1.0%
	● Establishing the foundation to remain a company that is trusted and needed by society	● Utilize diverse human resources Ratio of female managers (non-consolidated)	3.6%	(2031)	2.17%	P. 64	—
		Ratio of associates with disabilities (non-consolidated)	Over 2.7%	(2031)	2.68%	P. 64	Over 2.64%
		● Maintain sound transactions and strengthen structure throughout the supply chain					
		Implementation rate of sustainability checks on target suppliers (non-consolidated)	100%	(2031)	100% (1,118 companies)	P. 55	100%
		● Eliminate serious compliance violations Number of violations	0	(2031)	0	P. 51	0
		● Promote risk management activities taking a risk-based approach					
		Improve BCP effectiveness			Refer to corresponding page.	P. 83	—
		Respond to cybersecurity risks Number of serious incidents	0	(2031)	0	P. 84	0

*1: As a more ambitious target, we are aiming for a 50% reduction by FY2031 from the FY2014 level. *2: Rate of associates on sick leave for four days or more due to injury or illness

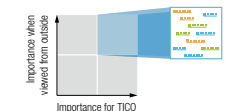
Process to Determine Materiality

1 Identification of Issues Relevant to TICO

Identifying, among various social issues, the ones relevant to our business activities based on the United Nations 17 Sustainable Development Goals (SDGs) and 169 targets as well as guidelines [Items we refer to]
1) 17 SDGs and 169 targets
2) Important ESG items

2 Assessment of Importance

Assessing the importance of the identified issues from both internal and external viewpoints to select those having higher degrees of importance
[Assessment method]
1) Conducting questionnaires and discussions with relevant internal departments
2) Plotting onto a 2 x 2 materiality matrix to select issues having higher degrees of importance



3 Validation of Adequacy

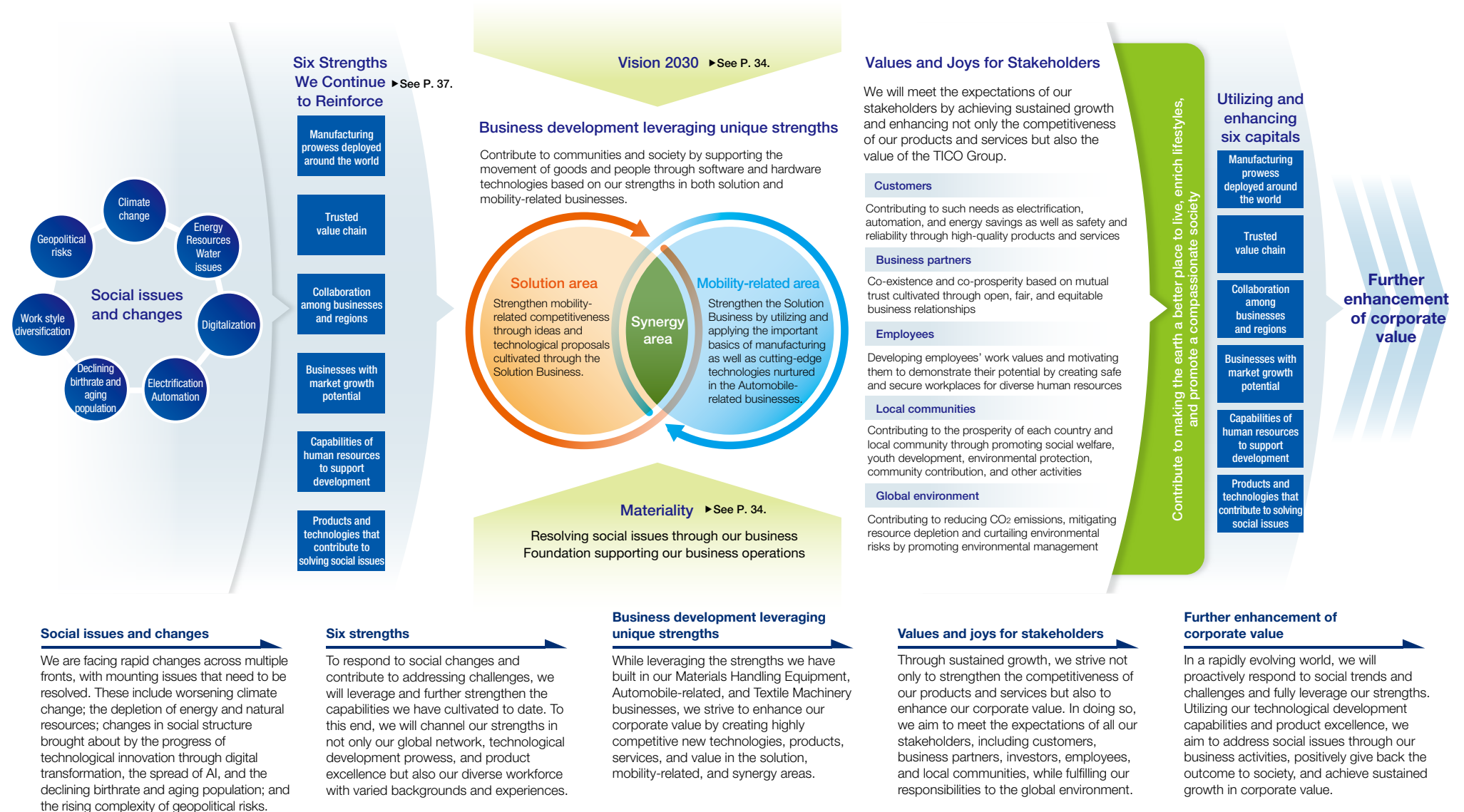
Conducting reviews by both our top management and outside experts to receive feedback and confirm the adequacy of the selected issues

4 Approval by Top Management

Gaining approval of the CSR Committee (now Sustainability Committee) comprising our top management based on the validation results

Value Creation Process

Based on our founding spirit, we strive to enhance the value of our products and services and continuously develop our business, aiming to further increase corporate value and meet the expectations of all our stakeholders.



Six Strengths We Continue to Reinforce

To respond to social changes and contribute to solving challenges, we will leverage and further enhance the strengths we have built in manufacturing capabilities, human resources, products, and technologies.

Manufacturing Prowess Deployed around the World



By upholding the principle of *jidoka* (autonomation), which ensures quality is maintained within each process and prevents defective products from moving to subsequent steps, and by practicing manufacturing based on the Toyota Production System*, we have established a stable and highly efficient global production and supply structure across our businesses.

* The basic concept of the Toyota Production System is to reduce cost through the thorough elimination of waste.

Businesses with Market Growth Potential



In each business segment, we strive to generate profits by providing products and services that meet customer needs. The Materials Handling Equipment Business, which includes lift trucks and logistics solutions, and the Automobile-related businesses, centered on car air-conditioning compressors, are both expected to see market growth driven by increasing demand for logistics efficiency and automation as well as the advancement of vehicle electrification. We are accordingly making investments aimed at further growth.

Trusted Value Chain



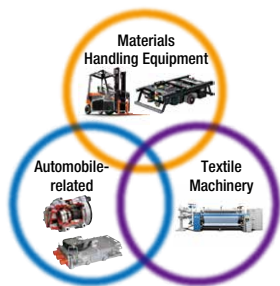
Leveraging a globally established development, production, sales, and service network primarily in the Materials Handling Equipment Business, we strive to deliver value to our customers throughout the product lifecycle. In procuring raw materials and components, we work to build a robust and reliable supply chain by giving consideration not only to quality and cost but also to environmental and human rights factors.

Capabilities of Human Resources to Support Development



We strive to establish a system that supports the sustained growth of our business by fostering human resource development and creating an environment that maximizes each employee's potential. Around 80,000 employees worldwide, possessing diverse strengths across our business segments, demonstrate their individual capabilities to develop and deliver products and services that contribute to society.

Collaboration among Businesses and Regions



While each of our Materials Handling Equipment, Automobile-related, and Textile Machinery businesses responds to the customer needs of their respective markets, they also share technologies and know-how to generate synergies in new product development and production engineering innovation. By leveraging the strengths of each business, we aim to create new value and achieve sustained growth.

Products and Technologies that Contribute to Solving Social Issues



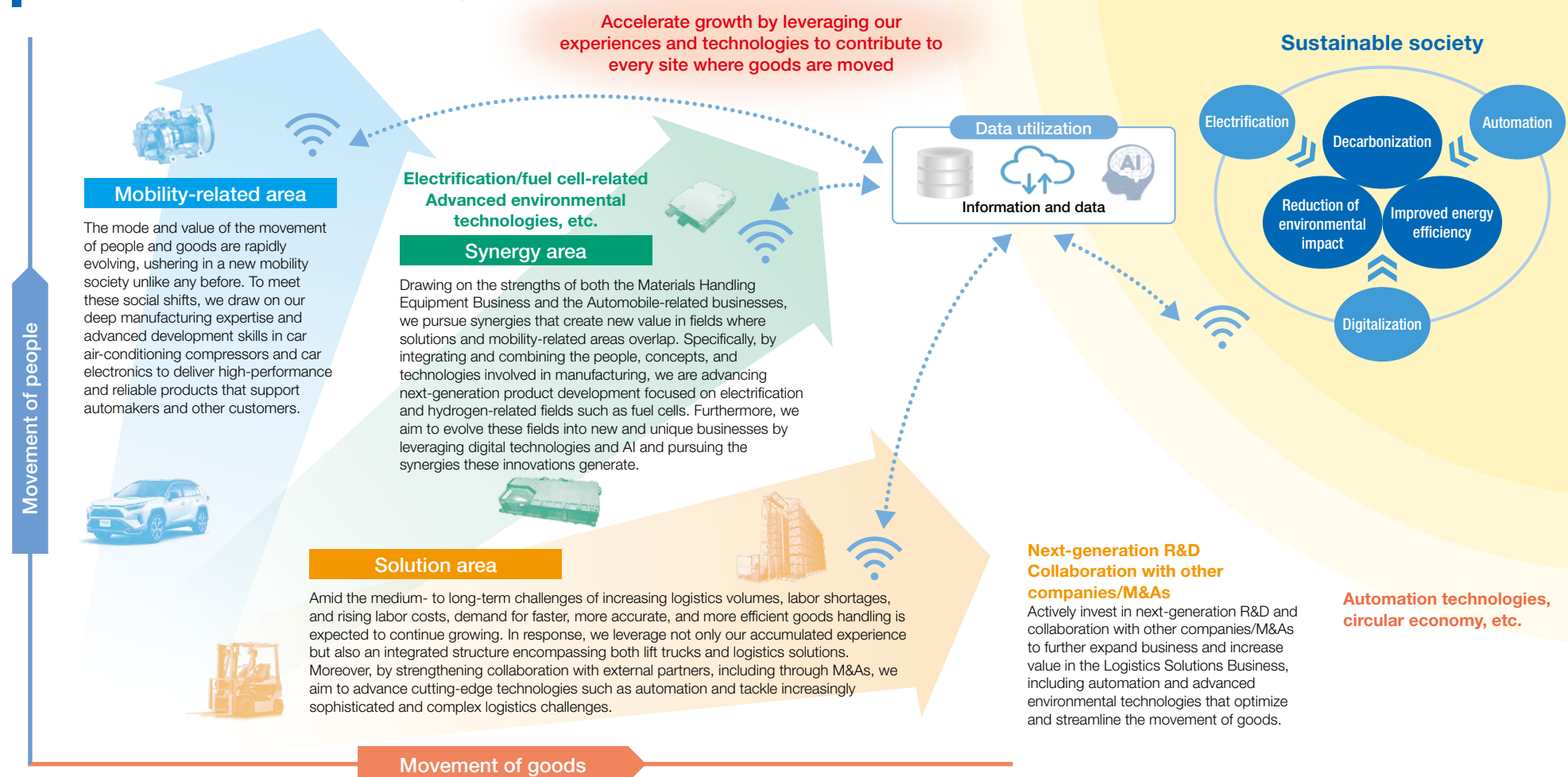
We are committed not only to developing, producing, and selling environmentally conscious products but also to integrating environmental considerations throughout our production processes. Our efforts aim to prevent global warming and promote the realization of a circular society. Additionally, we pursue technological innovation to create new value that addresses social challenges such as labor shortages and an aging population.

Initiatives to Enhance Corporate Value ¹

Aiming for Growth in the Solution, Mobility-Related, and Synergy Areas

Since our founding in 1926, we have diversified from our roots in textile machinery to globally develop our core businesses, namely the Automobile-related businesses centered on car air-conditioning compressors and the Materials Handling Equipment Business, which includes lift trucks and logistics solutions. We have continued to expand through strategic M&As while refining the strengths of each business. Looking ahead, we aim to further grow by focusing on solution and mobility-related areas, in addition to the synergy between these areas, leveraging the strengths we have cultivated.

Direction for Growth to Enhance Corporate Value



Initiatives to Enhance Corporate Value ²

Human Capital Management

Philosophy on Human Capital

Guided by the Toyota Precepts (corporate creed*), we have always regarded our associates as our most important management asset and promoted value creation. They are the driving force behind our sustained growth. Enhancing the value of our human capital is one of our highest priorities and remains a core belief that will never change.

In addition to our associates, we are also deeply committed to the well-being of their families, who support them with care each day. Rooted in a culture of compassion, we strive to be a company that consistently values people through all aspects of our operations.

We are supporting the continuous growth of our associates and fostering an environment where every associate can thrive and perform at their best so that they can steadily grow and enhance corporate value amid ongoing social changes and challenges.

* The Toyota Precepts encapsulate the spirit of our founder, Sakichi Toyoda. Serving as a shared value across the TICO Group, they are instilled in all associates when they join the Company and at key milestones to deepen an understanding of the precepts.

Alignment between Management Strategy and Human Resources Strategy

Our founder, Sakichi Toyoda, once said, “Open the window. It’s a big world out there!” and embraced bold challenges without hesitation. Inspired by this spirit, we have, since our founding, committed ourselves to conducting intensive product research and forward-looking development activities to create new value while engaging in invention and taking on challenges that lead to enriching lifestyles and promoting a compassionate society. Through these endeavors, we have contributed to advancing our businesses and bringing smiles to people around the world.

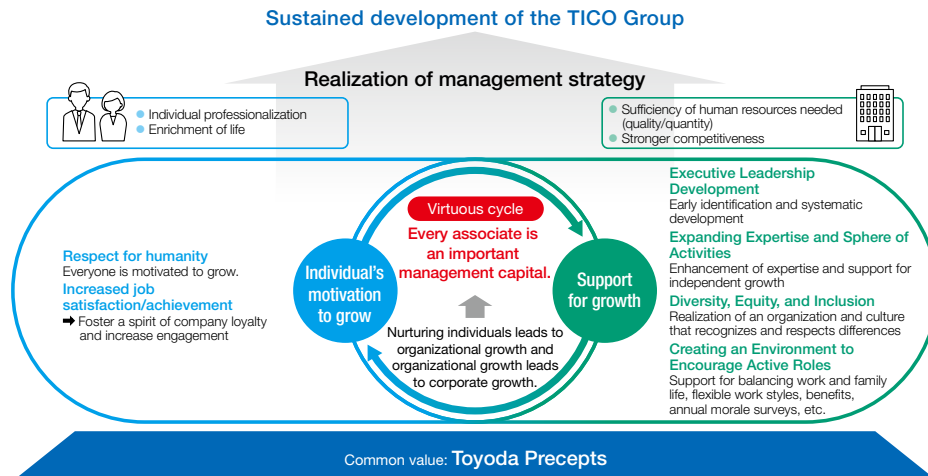
Today, with the business environment changing rapidly around the world, driven by AI, digital transformation (DX), environmental and energy concerns, shifting regulations and market dynamics, and increasingly diverse needs, we are working to realize our Vision 2030 and ensure the Company’s sustained growth. This effort is grounded in a management strategy built on the twin strengths of our solutions and mobility-related businesses, with textile machinery as our founding business.

We believe that enabling each associate to develop their unique strengths and capabilities in this rapidly changing business environment is key to elevating our comprehensive strengths. To achieve this, we have formulated a human resources strategy. It supports the creation of a flexible, responsive, and agile organization that can quickly adapt to change and help realize our management strategy.



Basic Perspective on Human Resources Strategy

We are committed to building a relationship of sincere trust between the Company and its associates in which both parties fulfill their respective responsibilities to achieve the shared goal of sustained corporate growth. Guided by the belief that nurturing individuals leads to organizational growth and organizational growth leads to corporate growth, we aim to become a company where every associate can thrive. To this end, we strive to maximize each associate's potential and support their motivation to grow. Based on this vision, we are implementing initiatives in human resources development and workplace enhancement under a human resources strategy centered on the following four themes.



Executive Leadership Development

► See page 60

As our business continues to diversify, developing a diverse range of management leaders is essential for operating globally. We are identifying at an early stage the next generation of leaders who can anticipate social needs and changes and deliver new value through strong execution and systematically nurturing them.

Expanding Expertise and Sphere of Activities

► See page 61

We respect the proactive intentions of associates who want to grow further and contribute more, providing support in realizing those goals. In addition, we are strengthening the development of human resources who take the initiative to deepen their respective areas of expertise, broaden the scope of their roles, drive change, and embrace transformation.

Diversity, Equity, and Inclusion

► See page 64

In a business environment where uncertainty prevails and the pace of change is accelerating, it is crucial to leverage diverse values, experiences, and expertise to continuously spawn innovation. We are creating an environment where diverse human resources can fully demonstrate their abilities and generate rich ideas while also enhancing support systems.

Creating an Environment to Encourage Active Roles

► See page 66

We are focusing on building an environment where each associate can maximize their capabilities and thrive. Through attentive support and well-designed systems, we are promoting initiatives to accelerate the creation of new value and balance the TICO Group's sustained growth with associate well-being.

Through appropriate investment in human capital and the steady execution of our human resources strategy, we will link the resulting outcomes to enhanced corporate value and continue pursuing even greater customer satisfaction.

Initiatives to Enhance Corporate Value 3

Intellectual Property Activities Supporting Research and Innovation

Basic Perspective

One tenet of the Toyoda Precepts, which encapsulates the spirit of our founder, Sakichi Toyoda, states, “Always be studious and creative, striving to stay ahead of the times.” Carrying on this spirit, we actively engage in research and innovation. We leverage the resulting intellectual property rights, including inventions and know-how, to support the strategies of each business. Furthermore, by securing intellectual property rights in and outside Japan and preventing infringement, we strive to enhance corporate value through the effective management of intellectual property.

Intellectual Property Activities Aligned with the Technology Roadmap

Technological development is becoming increasingly important to achieving our 2030 Vision. As such, we review what intellectual property is necessary for our business based on the technology roadmap formulated by each technology development department. We also formulate strategies to establish competitive advantages by monitoring competitors’ business strategies.

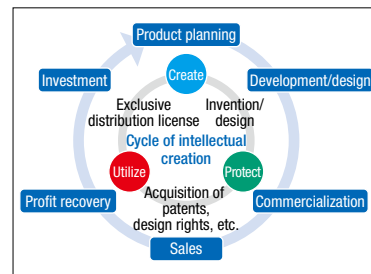
Our business domains are expanding into new technology fields such as IoT, AI, autonomous driving, and carbon neutrality. We maintain a keen awareness of these emerging technologies and strengthen our competitiveness by actively creating intellectual property and intangible assets, including know-how and software, in addition to conventional intellectual property rights. To support this, we have established a dedicated IP landscape team that explores industry trends and prospects. This team timely disseminates intellectual property information that accelerates development and supports our business efforts, ensuring we continue to contribute to society.

Virtuous Cycle of Intellectual Creation

The TICO Group is focusing on strengthening the active use of intellectual properties to further promote a virtuous cycle of intellectual creation.

First, in the “creation” phase, we have appropriately identified inventions generated by business divisions through technological development and established a solid foundation for intellectual property assets.

Next, in the “protection” phase, these inventions are elevated into legally protectable intellectual property rights. We collaborate with the business divisions to carry out the necessary procedures and



Cycle of intellectual creation

provide technical support for patent applications and rights acquisition.

Finally, in the “utilization” phase, we are making active use of rights by leveraging acquired patents to secure market advantages and contribute to revenue. This includes licensing to third parties and maximizing value through a mix of intellectual property rights, including designs, trademarks, and copyrights.

Intellectual Property Activities Leveraging Our Strengths

TICO is committed to creating highly competitive intellectual property in the solution, mobility-related, and synergy areas to enhance corporate value.

In the solution area, we strive to build a robust patent portfolio by complementing our strengths and weaknesses through partnerships and M&As with other companies, mainly in the Logistics Solutions Business.

In the mobility-related area, to strengthen competitiveness in the growing electrification business, we are working to utilize the intellectual property cultivated in our core Car Air-Conditioning Compressor and Electronics businesses while actively discovering new inventions based on intellectual property information.

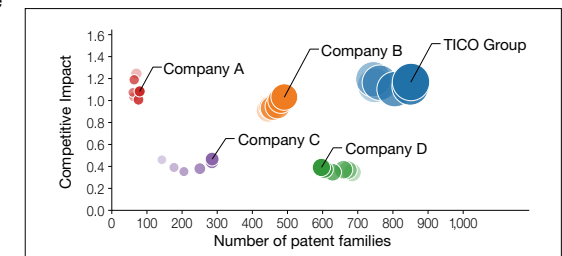
In the synergy area, leveraging the twin strengths in solution and mobility-related areas, we are engaging in activities to enhance intellectual property information analysis capabilities in fields such as fuel cells, AI, and batteries, thereby promoting further innovation.

Visualization of Patent Asset Value

We utilize LexisNexis® PatentSight+, a tool developed by U.S.-based LexisNexis, as an objective indicator for analyzing and evaluating the value of our patent assets. Based on the technology roadmap of the Materials Handling Equipment Division, which emphasizes the keywords “automation and labor-saving,” “carbon neutrality,” and “safety and comfort,” we identify the technologies we should possess and build a focused patent portfolio in key markets of Japan, the U.S., and Europe, where both our subsidiaries and competitors operate. In doing so, we maintain a competitive advantage in both the quantity and quality of our patents.

[Reference guideline]
Intellectual Property and Intangible Assets
Governance Guidelines

知財・無形資産
ガバナンスガイドライン
形のない資産が、形ある未来を創り続ける。



Positioning map of the TICO Group's patents (Materials Handling Equipment)

RESPONSIBILITIES

beyond Our Growth

We aim to earn the trust of our stakeholders, achieve corporate growth, and contribute to building a better society.

43 Contributing to Solving Social Issues through Business

43 ① Contributing to Decarbonization through Advanced Technologies such as Electrification

45 ② Supporting the Front Lines of Logistics through Automation and Labor-Saving Solutions

46 ③ Our Business Supporting the Circular Economy

47 Environmental Initiatives

51 Strengthening the Global Compliance Program

53 Initiatives in Development, Production, and Quality Assurance to Uphold Trust

55 Strengthening Partnerships with Suppliers

57 Respect for Human Rights

60 Initiatives under Our Human Resources Strategy

69 Becoming a Company Focused on Well-Being

74 Relationship with Our Local Communities

76 Corporate Governance

83 Risk Management

Contributing to Solving Social Issues through Business ¹

Contributing to Decarbonization through Advanced Technologies such as Electrification

Basic Perspective

One part of our Basic Philosophy states: "Through its corporate activities, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe, and of high quality."

We aim to curb global warming and realize a circular economy by reducing greenhouse gas (GHG) emissions and waste in our business activities while expanding our lineup of environmentally conscious products. Our goal is to help preserve and enhance a sustainable and livable global environment for future generations. Recognizing the creation of a decarbonized society as a critical challenge, we are committed to achieving global carbon neutrality by 2050. To this end, we are promoting product development and technological innovation that contribute to the reduction of GHG emissions, including electrification, the use of fuel cells, and the pursuit of lighter weight and higher efficiency.

Promoting Technological Innovation to Create New Value

To help solve pressing social issues and contribute to the realization of a smarter society and more enriched lives, TICO aims to build a decarbonized society and achieve carbon neutrality. Accordingly, we are advancing the development and global delivery of products and technologies across each of our business domains under key themes such as "electrification," "fuel cells," "lighter weight," and "efficiency."

In this endeavor, the Materials Handling Equipment Business and Automobile-related businesses share and develop their respective unique technologies and expertise, while departments researching basic technologies, including materials technology, collaborate closely with each business division. These efforts have resulted in enhanced technological capabilities and more efficient development processes.



Case Study 1 Initiatives in the Materials Handling Equipment Business

Since the 1970s, we have been manufacturing electric lift trucks. In recent years, we have also developed and supplied lift trucks equipped with lithium-ion batteries and fuel cells to our customers.

Development and Launch of New Fuel Cell Lift Truck

In September 2024, we launched a new 2.5-ton fuel cell lift truck (FC lift truck) that doubles*¹ the durability*² of the current model and reduces the vehicle price to approximately three-quarters of the original. The FC lift truck features excellent environmental performance, with zero CO₂ emitted during operation, and offers high convenience through hydrogen refueling that can be completed in about three minutes, making it a next-generation eco lift truck.

The fuel cell system equipped in the FC lift truck was newly developed based on the system installed in the 1.8-ton model launched in 2022. It delivers a dramatic improvement in durability and a significant reduction in system cost. Since the first launch in Japan in 2016, approximately 450 units have been introduced to customers nationwide with the support of the Ministry of the Environment*³.

Similar to the current model, we aim to expand adoption primarily at sites with long operating hours and high usage frequency, such as factories and airports where hydrogen utilization is expected to grow. Through the spread of FC lift trucks, we will contribute to realizing carbon neutrality and a hydrogen-based society in the logistics industry.

*1: Based on the JIS D6202 engine vehicle fuel consumption test pattern 60S. According to TICO research.

*2: Output performance maintenance period of FC systems (a period during which the output can be maintained at 80% or more of the performance at the time of shipment)

*3: Half of the price difference compared to internal-combustion vehicles is subsidized by the Ministry of the Environment program to promote the decarbonization of industrial vehicles.



New 2.5-ton fuel cell lift truck

[Case Study 2](#) Initiatives in the Automobile Business

We develop and produce a wide range of components for electrified vehicles, including hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs), battery electric vehicles (BEVs), and fuel cell electric vehicles (FCEVs).

■ Development of Precious Metal-Free, High-Performance Electrode for Hydrogen Production Equipment by Applying Bipolar Nickel-Metal Hydride Battery Technology to Alkaline Water Electrolysis

The market for hydrogen production equipment, which generates hydrogen from water and electricity, is expected to expand rapidly—reaching approximately 130 times*⁴ the 2022 level by 2030. This growth requires technologies that enable efficient and stable hydrogen production. Focusing on the alkaline water electrolysis method—one of several hydrogen production methods and an area where our expertise in nickel-metal hydride batteries can be leveraged—we have developed originally designed materials and manufacturing processes for electrodes, the key component in hydrogen production equipment. Using the material and analysis technologies cultivated through the development of on-board batteries (bipolar nickel-metal hydride batteries), we have developed an electrode specifically for alkaline water electrolysis hydrogen production equipment. This electrode is made from a proprietary nickel-based material and contains no precious metals such as platinum, ruthenium, or cobalt. As a result, it is expected to help reduce supply chain risks.

*4: [Source] International Energy Agency (IEA). Cumulative installed capacity is projected to grow from approximately 1 GW in 2022 to about 134 GW by 2030.

Contributing to Solving Social Issues through Business ²

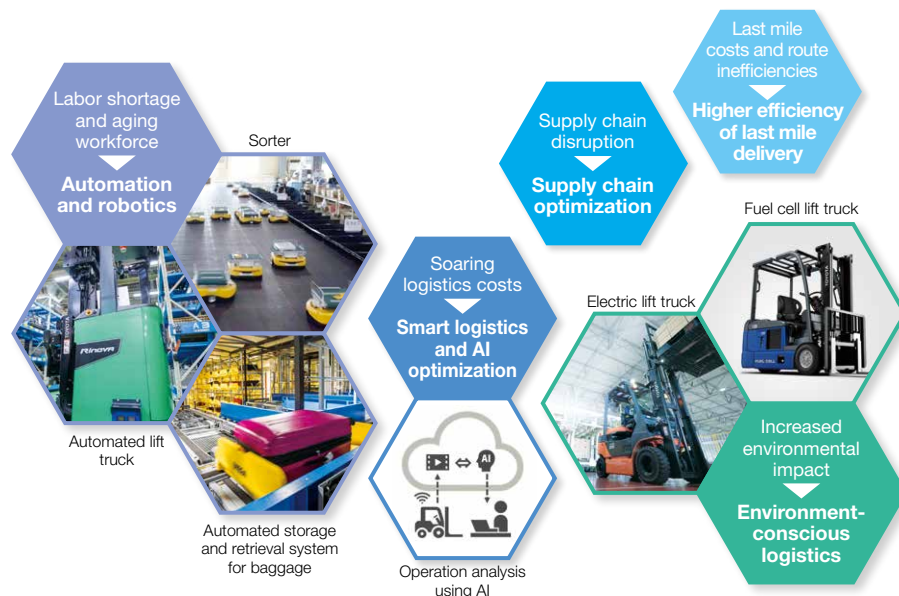
Supporting the Front Lines of Logistics through Automation and Labor-Saving Solutions

Basic Perspective

Significant changes in the logistics environment in recent years have spawned increasingly diverse and sophisticated needs at logistics sites. The volume of logistics is rising globally due to factors such as economic growth in emerging countries and the worldwide expansion of e-commerce. At the same time, various challenges have surfaced at logistics sites. In countries like Japan, labor shortages have become critical due to the declining birthrate and aging/dwindling population as well as workstyle reforms. In emerging economies, rising labor costs and other factors are a growing concern. In response to these circumstances, our Logistics Solutions Business is committed to contributing to resolving challenges at the front lines of logistics by addressing the growing need for automation and efficiency.

Proposing Logistics Solutions Tailored to Customers' Operations

Logistics sites are in need of automation, labor-saving, and greater efficiency. We offer optimal solutions to address their challenges through systems that harmonize people and machines, with an emphasis on flexibility and scalability, by combining a wide range of options.



Case Study 1 Strengthening the Logistics Solutions Business

Acquisition of Siemens Logistics as a Subsidiary*1

TICO's European subsidiary Vanderlande, a global provider of logistics solutions, signed an agreement to acquire 100% of the outstanding shares of Siemens Logistics, including its affiliated companies. Siemens Logistics, a Siemens subsidiary, operates an airport baggage handling business. The acquisition is complete except in the United States.

The airport baggage handling business, a priority for Vanderlande, is expected to grow further due to increasing global air travel demand. Additionally, the ongoing expansion and development of airports as major hubs is driving demand for automated systems that provide flexible and efficient baggage transportation and sorting in synch with flight and passenger information. Siemens Logistics possesses strengths in software development using advanced digital technologies and has a strong track record of system deployment at major airports worldwide. Combined with Vanderlande's technological strengths, we are well positioned to provide higher value-added products and services.

*1: Acquisition completed following approvals from antitrust authorities and others in Europe, Asia, and the Middle East, except for the United States. The acquisition process for the U.S. business, including approval from relevant authorities, is ongoing (announced May 2, 2025).

Case Study 2 Initiatives toward Realizing Autonomous Operation

Full-Scale Operation of Japan's First 4-Fork Autonomous Lift Truck for Truck Loading and Unloading

Coca-Cola Bottlers Japan and TICO conducted feasibility tests of Japan's first*2 4-fork autonomous lift truck developed by TICO and designed to handle truck loading and unloading. After these tests, full-scale operation began in May 2025. In the beverage industry, it is common to insert forks into two pallets simultaneously for handling and transportation. With the full automation of the 4-fork lift truck, operations such as driving and loading trucks, previously performed by operators, have become completely unmanned, enabling solutions to challenges in shipping systems during busy periods and nighttime operations.



4-fork autonomous lift truck for truck loading and unloading

Test Operation of Level-4 Autonomous Unmanned Cargo Transportation Conducted Within Airport Restricted Area

All Nippon Airways and TICO conducted a test operation of Level-4*3 autonomous cargo transportation at Tokyo International Airport (Haneda Airport) in July 2024. As part of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) Civil Aviation Bureau's aviation innovation initiatives, the two companies are advancing the practical implementation of autonomous towing tractors to address labor shortages in ground handling operations and ensure the sustainable development of airport services. The goal is to achieve unmanned cargo transportation by 2025.



Autonomous towing tractor (under development)

*2: According to TICO research (as of May 9, 2025), this is the first domestic 4-fork automated lift truck with 3D LiDAR that enables truck loading and unloading.

*3: A level of fully autonomous driving under certain conditions in which a system performs all driving tasks.

Contributing to Solving Social Issues through Business ³

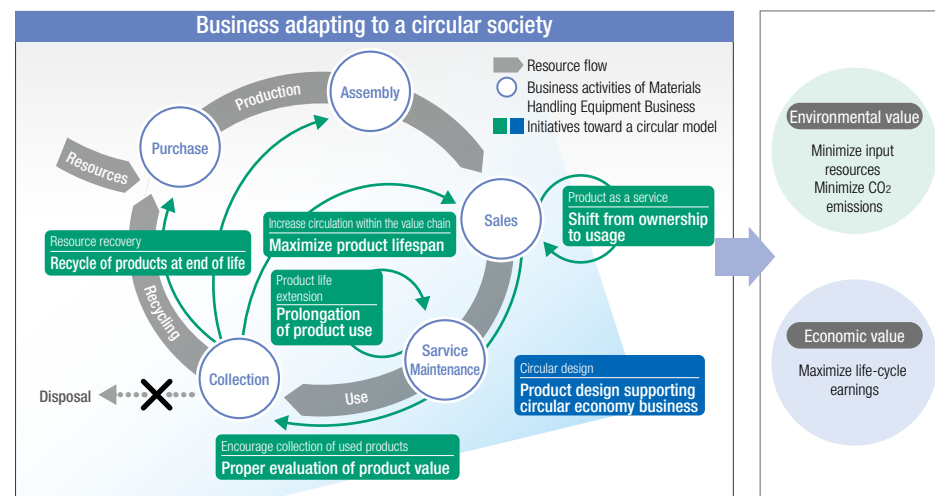
Our Business Supporting the Circular Economy

Basic Perspective

To address global environmental challenges such as severe resource depletion and increasing waste, we are committed to balancing resource circulation with economic activity while promoting technological development and expanding businesses that support a circular society. Specifically, we aim to reduce reliance on raw natural resources and accelerate the switch to renewable resources. We also work to build a circular business model by extending product lifespans, promoting reuse, and recycling collected products and factory-generated waste. Additionally, we are advancing the development of products and recycling technologies that underpin such circular business, thereby contributing to the realization of a sustainable circular society.

Realizing a Circular Business Model in the Materials Handling Equipment Business

The Materials Handling Equipment Business is advancing a global shift toward a circular business model that creates economic value while reducing environmental impact. Specifically, by providing high-quality products and a comprehensive service system, we enable longer product lifespans and sustained product value, thereby promoting efficient use of resources. Additionally, by expanding leasing and rental services, we ensure the reliable collection of used products, encouraging reuse through refurbishment, regeneration, and recycling. These circular product and service initiatives contribute not only to effective



resource utilization and reduced environmental impact but also to the creation of new business opportunities.

Our circular business model, which balances resource circulation with business growth, offers a powerful solution that supports environmental protection as well as improved efficiency and revenue expansion. We will continue working with our customers to build a sustainable society.

Case Study Initiatives toward Realizing a Circular Economy

Development of the MEGALORE® Stationary Power Storage System

The electrification of lift trucks—primarily used within limited areas such as factories and warehouses—is advancing as charging infrastructure becomes easier to establish. In particular, demand is increasing for trucks equipped with lithium-ion batteries that enable rapid charging and high charge/discharge efficiency. To meet this demand, we added the ENELORE® lithium-ion battery for electric lift trucks to our product lineup in 2020.

However, we recognized that utilizing ENELORE batteries approaching their replacement age is a crucial issue in realizing a circular economy. Even batteries considered end-of-life retain sufficient capacity for certain applications, so we explored their potential contribution to stationary power storage systems, which are increasingly in demand as a means to utilize renewable energy and other resources. Based on this concept, we developed the MEGALORE stationary power storage system, which reuses ENELORE batteries.

This system contributes to building a circular system for lift truck lithium-ion batteries and to the wider adoption of storage batteries by reusing batteries that have reached their replacement age in stationary storage systems—an area where demand has been growing in recent years.

Additionally, we are participating in the Ministry of Economy, Trade and Industry's "FY2023 Demonstration Project for Further Utilization of Distributed Energy Resources (DER Aggregation Demonstration Project)*1." As part of this project, beginning in January 2024, we conducted a feasibility test with Toyota City, Aichi Prefecture, to verify MEGALORE's effectiveness in stabilizing power usage—a first step toward developing a product to provide stable power supply.

*1: A demonstration project to bundle and precisely control many renewable energy sources and distributed energy resources.



MEGALORE® Newly developed stationary power storage system

[MEGALORE overview]

Output: 250 kW*2

Total battery capacity: 777 kWh*2

*2: Theoretical value for storing 42 ENELORE® batteries with 20% lower capacity. Varies depending on the actual remaining capacity and usage environment.

Environmental Initiatives

Promoting Environmental Management

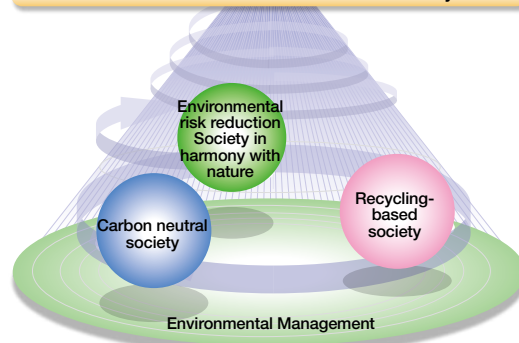
We have been undertaking activities globally toward realizing our Environmental Vision 2050.

Global Environmental Commitment

As one tenet under our Basic Philosophy, TICO works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe and of high quality. Accordingly, we have established the Global Environmental Commitment, a specific environmental action guideline, to be shared and implemented throughout the TICO Group.

Our four main action themes are establishing a carbon neutral society; establishing a recycling-based society; reducing environmental risk and establishing a society in harmony with nature; and promoting environmental management, with the first three founded on the latter. Based on these pillars of action, the entire TICO Group will dedicate concerted efforts to realizing a prosperous life in harmony with the natural environment.

Aiming at building a sustainable society which enables the harmonious coexistence of nature with our daily lives



Notional Diagram of Global Environmental Commitment

Environmental Vision 2050 and Environmental Action Plans

We have defined our Environmental Vision 2050 in relation to the four action themes specified in the Global Environmental Commitment to accelerate our environmental initiatives in anticipation of the future society. As milestones toward achieving this vision, we formulate five-year environmental action plans, and the entire TICO Group works as one team to resolutely undertake activities in accordance with each plan.

The seventh plan (from FY2022 to FY2026) has defined action policies, specific actions and targets for each of the four action themes, and we are undertaking initiatives accordingly across the world.

Environmental Vision 2050

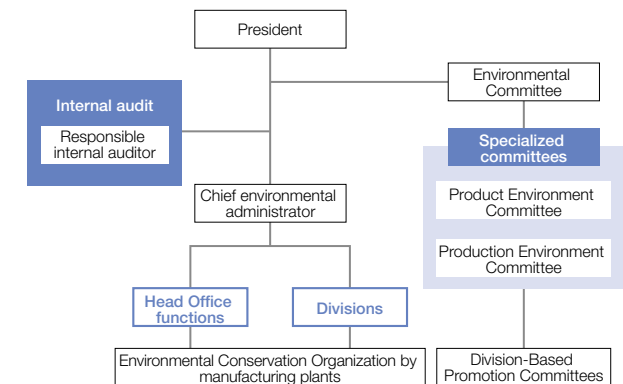
- 1 **Establishing a carbon neutral society**
 - ➔ Globally take on challenge of establishing a zero CO₂ emissions society
- 2 **Establishing a recycling-based society**
 - ➔ Take on challenge of minimizing the use of resources
- 3 **Reducing environmental risk and establishing a society in harmony with nature**
 - ➔ Generate positive influence on biodiversity
- 4 **Promoting environmental management**
 - ➔ Enhance consolidated environmental management and promote enlightenment activities

Link to the action plan



Environmental Management Structure

We have set up a Company-wide environmental management system (EMS) with the president at the top to quickly reflect top management's decisions on business operations. On the basis of this environmental management structure, which is aligned with our business management structure, we have been reinforcing our environmental governance and promoting a further reduction of environmental impact resulting from product development and production activities.



Initiatives to Raise Environmental Awareness

Environment Month

TICO designates June as Environment Month to encourage employees to raise their environmental awareness and take proactive steps to address environmental issues. As part of this initiative, we organize various events, including the distribution of a message from the president to Group employees, the publication of special environmental features in our internal magazines, and the solicitation for the design of environmental posters. In FY2025, we invited Mr. Keigo Akimoto from the Research Institute of Innovative Technology for the Earth to deliver a lecture on energy trends and corporate responses toward carbon neutrality. During the lecture, he discussed global greenhouse gas (GHG) emission trends and the future direction of carbon neutrality, providing our employees with valuable insights to deepen their understanding of decarbonization.



Lecture on the environment

Blouson Reborn Project

In June 2024, we launched the Blouson Reborn Project, which collects used jackets and other work clothing from employees and transforms them into new products. To mark Environment Month, collection events were held at each plant to encourage employee participation. Over the course

Environmental Initiatives >> Promoting Environmental Management/Establishing a Carbon Neutral Society

of about a month, roughly 230 pieces of work clothing were collected. These were upcycled into original T-shirts, which our staff wore at the Messe Nagoya 2024 exhibition held in October. This initiative enabled employees to experience resource recycling firsthand by seeing familiar items reborn as new products, helping to raise environmental awareness. We will continue to promote such awareness-raising activities among our employees.



Collecting work clothing

Wearing the upcycled T-shirts at Messe Nagoya 2024

Reinforcement and Promotion of Consolidated Environmental Management

Holding an Environmental Liaison Meeting with Affiliated Companies in Japan

We periodically hold an environmental liaison meeting with affiliated companies in Japan to share information on revisions to the relevant laws and example initiatives of each company. At the FY2025 meeting, we collected themes for discussion via a pre-meeting survey and conducted group discussions on decarbonization, the environmental management system (EMS), environmental risks, and waste management. Participants shared their company's activities, discussed challenges and issues, and explored possible countermeasures. Going forward, we will continue to promote active communication within the Group to enhance awareness, knowledge, and the overall level of environmental response.



Environmental liaison meeting with affiliated companies in Japan

Compliance with Environmental Laws

With a focus on preventing violations of environmental laws, TICO takes measures to prevent the recurrence of potentially serious near-accidents that may result in legal violations and performs environmental risk inspections at its plants. In FY2025, one overseas consolidated subsidiary received a notice from authorities regarding an exceedance of air quality standards; however, appropriate corrective actions were promptly taken, and thorough measures to prevent recurrence have been enforced.

Verification by a Third Party

TICO obtains third-party verification in order to increase the credibility of its data on energy-derived CO₂ emissions, waste volume, water withdrawal, and wastewater discharge. We will continue to utilize this third-party verification in making continuous improvements in our environmental activities and disclose data to our stakeholders in a highly reliable and transparent manner.



Verification by a third party

Link to the third-party verification statement



Link to the performance data (environment)



Establishing a Carbon Neutral Society

With regard to contributing to the prevention of global warming as one of our top-priority issues, we strive to reduce CO₂ emissions from product use and the amount of energy consumed in all activities of our business sites. Through these initiatives, we are striving to minimize CO₂ emissions throughout our supply chain.

Our Approach [Sustainability material issue](#) > See page 35.

For TICO, dealing with global warming is not just a "risk." It also presents "opportunities" in doing business to both differentiate ourselves by leveraging our technology-based

product appeal and conduct eco-conscious production activities.

Meanwhile, we have set a goal of establishing a zero CO₂ emissions society on a global basis in our Environmental Vision 2050 and have been making efforts in various fields. In terms of product development, our activities are geared toward enhancing the environmental performance of our products in each of our businesses. These initiatives include electrifying car air-conditioning compressors and other products as well as increasing engines' fuel efficiency. In production activities, promoting thorough energy savings and utilizing renewable energy and hydrogen are the two pillars of our activities. As specific efforts, we have been striving to thoroughly eliminate wasteful use of energy in production processes and increase the efficient use of energy. Building on these efforts, we have adopted solar and other renewable energy sources and have been effectively utilizing clean energy, such as hydrogen.

Specific Initiative

Obtaining SBTi Certification

TICO has received certification from the international initiative, Science Based Targets initiative (SBTi)*1, for its GHG emissions reduction targets, which were recognized as being science-based targets.

TICO has set new CO₂ emissions reduction targets to be achieved by FY2031. For Scope 1*2 and 2*3, we aim for a 42% reduction (compared to FY2022) in CO₂ emissions from the Company's own production and other activities. For Scope 3 (Category 11)*4, we are striving for a 30% reduction (compared to FY2019) in CO₂ emissions from the use of products sold by the Company. We will continue to promote vigorous initiatives to reduce emissions.

*1: An initiative jointly established in 2015 by the CDP, United Nations Global Compact, World Resources Institute (WRI), and World Wide Fund for Nature (WWF). It supports and certifies companies in setting science-based targets aligned with scientific knowledge.

*2: GHG directly emitted from a company's fuel use and industrial processes

*3: GHG indirectly emitted from a company's use of electricity and heat supplied by other companies

*4: GHG indirectly emitted during the use of products sold by a company



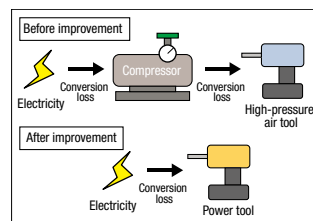
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Classification	Base fiscal year	FY2031 target
Scope 1 and 2	FY2022	42% reduction
Scope 3 (Category 11)	FY2019	30% reduction

Reducing CO₂ Emissions by Eliminating High-Pressure Air Systems

Our Nagakusa Plant, a vehicle assembly base in Aichi Prefecture, is working to reduce CO₂ emissions by improving energy efficiency. Compressed air is widely used in factories as a power source for equipment and tools, but generating compressed air consumes electricity, making it less energy-efficient than using electricity directly. Moreover, the higher the compression ratio, the lower the efficiency becomes. In fact, high-pressure air (0.8 MPa*5) was operating at only about 50% efficiency compared to low-pressure air (0.6 MPa).

To address this issue, the plant aimed to generate only the minimum amount of air necessary using the minimum amount of energy, and the high-pressure air system was targeted for elimination. The team first identified all equipment and tools using high-pressure air and systematically switched those that could be adapted to lower pressure or electrified. Equipment that still required high-pressure air was equipped with more energy-efficient booster valves. As a result of these efforts, the high-pressure air system was successfully eliminated, achieving an annual reduction of 494 tons of CO₂ emissions.



Reduction of energy conversion loss

*5: MPa stands for megapascal, a unit of pressure. 0.8 MPa corresponds to approximately 8 atmospheres.

Establishing a Recycling-Based Society

To establish a recycling-based society, we have been striving to reduce and recycle waste and minimize the usage of and environmental impact on water resources.

Our Approach—Waste

[Sustainability material issue](#) > See page 35.

Mass consumption, if continued on the back of the expanding world population and economic growth, will eventually deplete natural resources. TICO believes it is essential to promote 3R (reduce, reuse and recycle) design for effective resource utilization and the recycling of waste as resources.

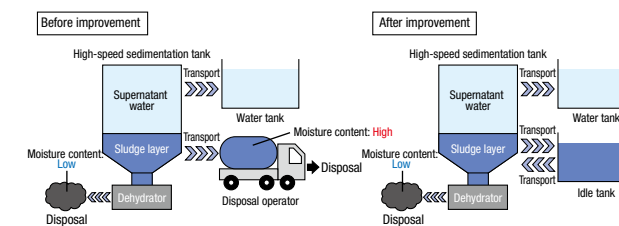
We set a goal of minimizing the use of resources in our Environmental Vision 2050. Accordingly, we have been making various efforts, including extending the life of components as well as reducing their size and weight in the area of product development. In production activities, implementing measures to reduce resource consumption at the source, ensuring the maximum resource recycling within a plant, and reducing waste by using leading-edge technologies are the three pillars of our activities.

Specific Initiative

Reducing Waste Volume by Changing Cleaning Methods for the High-Speed Sedimentation Tank

The Kariya Plant, a production base of car air-conditioning compressors and textile machinery in Aichi Prefecture, is actively working to reduce waste generation. The plant treats wastewater generated from its production processes using a high-speed sedimentation tank, which forms a sludge layer by settling sludge within the tank to efficiently separate contaminants from the water. This sludge was traditionally removed twice a year during tank cleaning and collected by contractors; however, the high water content and large volume posed challenges. To address this, the plant began reusing the sludge to help form the new sludge layer after cleaning and ultimately passed it through a dehydrator to reduce moisture content before disposal. First, the sludge was pumped from the high-speed sedimentation tank to

an unused idle tank near the wastewater treatment area for temporary storage. After cleaning, the sludge stored in the idle tank was returned to the high-speed sedimentation tank to form a new sludge layer. We confirmed that this had no impact on normal operations and reduced the moisture content of the sludge at the time of disposal, resulting in an annual reduction of approximately 67 tons of waste.



Flow of sludge transport during cleaning

Our Approach—Water Resources

[Sustainability material issue](#) > See page 35.

Water is the basis of all life on Earth and is an irreplaceable and valuable resource. Every year, however, we have been witnessing the increasingly severe impacts of droughts, floods, and other natural disasters resulting from climate change as well as shortages in drinking water and agricultural water caused by the growth in the world's population. Many of the processes of TICO use water for washing and painting products, and we regard the water supply crunch caused by climate change and population growth as a significant risk to our business activities. Accordingly, we have set a goal of minimizing the environmental impact on water resources and have been monitoring water input and output in each country and region and promoting the recycling of water and the reduction of water withdrawal.

Specific Initiative

Conserving Water Resources through Rainwater Storage and Utilization

Toyota Industries Engine India Pvt. Ltd. (TIEI), a consolidated subsidiary in India, is promoting production activities that are considerate of local water resource conditions. Previously, the company used tap water in its manufacturing

processes and air conditioning systems. However, during the filtration process using reverse osmosis (RO) membranes*⁶, approximately half of the water was discharged as wastewater, resulting in daily tap water usage of up to 60 kL. To reduce tap water usage, the environmental team and the Utility team first considered storing and utilizing rainwater. Rainwater was collected in a pond and tested for quality, which confirmed its suitability for use in air conditioning systems. Additionally, the team explored the use of ultrafiltration (UF) membrane treatment*⁷, which has a lower wastewater ratio, and confirmed that it met the required quality standards. Based on these results, the company implemented rainwater utilization and switched filtration methods, reducing daily tap water usage by 20 kL, which amounted to annual water savings of approximately 5,280 kL.



Pond for rainwater storage

*6: A treatment method that uses a filtration membrane with pores of approximately

0.1 nm to remove impurities, allowing only water molecules to pass through.

*7: A treatment method that uses a filtration membrane with pores of 10–100 nm to separate macromolecules such as proteins from smaller molecules like ions.

Reducing Environmental Risk and Establishing a Society in Harmony with Nature

We endeavor to conserve biodiversity and use natural resources in a sustainable manner through our business activities and seek to achieve harmony between these activities and biodiversity. At the same time, we aim to minimize environmental risk by working not to generate substances of concern because of our business activities.

Our Approach—Reducing Environmental Risks

Currently, air pollution by chemical substances has become a global issue, with equal importance as global warming. As such, countries around the world are adopting more stringent environmental regulations each year. How TICO responds to these regulations will have a significant impact

on the business activities we undertake in each country. Based on this perception, we have been taking a forward-looking approach, anticipating fuel efficiency and emissions regulations to be enforced by each country and region, and promoting product development accordingly. In production activities, we have been working to minimize the use of substances of concern such as volatile organic compounds (VOC), which are causal substances of photochemical oxidants that generate smog.

Specific Initiative

Reducing Environmental Risks during Lubricant Delivery by Tanker Trucks

At the Hekinan Plant, an engine production site in Aichi Prefecture, efforts are underway to reduce environmental risks associated with the delivery of lubricants such as engine oil and cutting oil. Between FY2020 and FY2022, a total of five near-miss environmental incidents occurred during the delivery of lubricants, mainly due to procedural or operational errors by delivery contractors and insufficient knowledge or awareness on the part of our on-site supervisors.

In response, the plant launched a three-year plan starting in FY2022 with the goal of achieving zero near-miss incidents. As part of this initiative, joint work confirmation sessions were conducted with all delivery contractors. During these sessions, a work confirmation checklist was used to review the mode of packing, procedures, critical points, and emergency materials and to identify any difficult tasks for contractors. Any appropriate countermeasures were then implemented. As a result, the plant has maintained zero near-miss environmental incidents since FY2023. We will continue holding these observation sessions while also conducting reviews of emergency response procedures, training for emergency situations, and competency assessments for on-site supervisors, in an ongoing effort to mitigate environmental risks.



Emergency response training

Our Approach—Conservation of Biodiversity

[Sustainability material issue](#) > See page 35.

Deforestation is now proceeding in various parts of the world, causing the fragmentation of the habitats of living organisms. In order for humankind to live in harmony with nature, it is essential to conserve nature in each region. In our Environmental Vision 2050, we set a goal of generating a positive impact on biodiversity and have been conducting various business activities while continuously paying attention to their influence on the natural environment. We have also formulated the biodiversity policy and have been promoting initiatives accordingly. The policy clearly stipulates that we seek to reduce the impact of our business activities on biodiversity and work with local communities for the conservation of biodiversity.

Specific Initiative

Exhibiting at Messe Nagoya 2024

In November 2024, we participated in the Messe Nagoya 2024 exhibition to showcase our initiatives for biodiversity conservation. Our booth featured interactive experiences such as painting decoys (bird models) used in bird conservation activities at the Higashichita Birdpia and a virtual reality (VR) experience of the Animal Path at the Higashiura Plant, both of which are situated in Aichi Prefecture. The exhibition attracted many visitors, providing them with an opportunity to experience the importance of preserving and coexisting with local nature.



VR experience of the Animal Path at the Higashiura Plant



Event to color decoys

Strengthening the Global Compliance Program

Basic Perspective

We believe that compliance means both adhering to laws and regulations as well as ethics and social norms. As such, it is vital to promote compliance throughout the TICO Group under the leadership of top management.

As part of these efforts, we established the Compliance Committee in July 2024. Chaired by the Global Chief Compliance Officer (GCCO), the committee is composed of management executives, including the Chairman and President. Its purpose is to oversee the consolidated Group's compliance program and ensure its effective and sustained implementation on a global scale.

In addition, as one of our key initiatives, we are undertaking the global transformation of our compliance program to ensure that employees conduct business with integrity based on measures to prevent recurrence of the engine certification issue in Japan that we announced in March 2023. Specifically, we are implementing timely and appropriate measures such as developing and implementing compliance-related rules applicable across the entire Group; holding compliance training; gathering information on legal trends including new laws and revisions as well as on sample cases at other companies; and identifying and assessing compliance risks.

We are also working to foster a culture in which employees feel comfortable raising questions or concerns. For

matters requiring investigation, we ensure that prompt and appropriate investigations and corrective actions are carried out. Furthermore, we have established a framework whereby serious issues—such as violations of certification regulations or antitrust laws, as well as bribery and corruption—are promptly reported to the Board of Directors through the GCCO and the Compliance Committee.

[Sustainability material issue](#) > See page 53

Number of serious compliance violations in the TICO Group: 0

Establishing a Global Compliance Organization

TICO's global compliance promotion is led by the Enterprise Risk and Compliance Management Department, established as part of our broader compliance program transformation. This department is responsible for implementing, monitoring, and continuously enhancing the compliance program. In Japan, Compliance Ambassadors have been appointed within each business division and domestic subsidiary. Under the direction of the Enterprise Risk and Compliance Management Department, these Ambassadors work to raise compliance awareness and support the execution of related activities. Additionally, Compliance Leads have been assigned within the Enterprise Risk and Compliance Management Department for the TOYOTA Material Handling Company, Engine Division, and Compressor Division. Taking

into account the engine certification issue and each division's risk profile, these Leads guide and support compliance efforts across both the divisions and their respective domestic subsidiaries.

Overseas, a Regional Chief Compliance Officer (RCCO) was appointed in May 2024 at the subsidiary overseeing our Group's operations in North America to promote, manage, and oversee the compliance program across the region. In China, Compliance Ambassadors were appointed at each subsidiary in February 2025, with plans underway to assign a dedicated Compliance Lead to oversee compliance activities for all local subsidiaries. We also plan to designate Compliance Leads and Ambassadors in other regions based on their respective risk profiles.

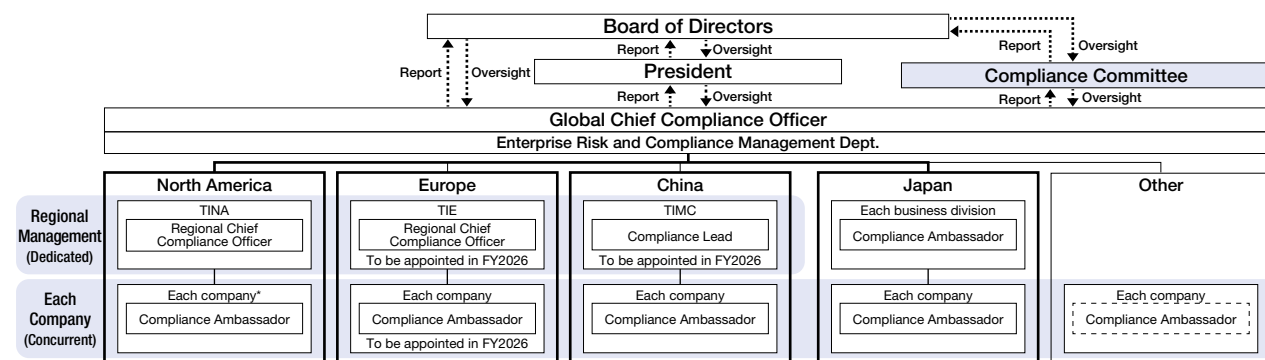
Responsibilities of Officers

We have added compliance-related provisions to the prohibitions outlined in the regulations for senior executive officers and executive officers. We have also clearly stated the potential impact on remuneration in the event of violations. These measures are intended to promote the prevention, detection, and response to business activities that violate laws, regulations, and company policies.

Formulating Ethics & Compliance Declaration and Toyota Industries Group Code of Conduct, and Strengthening of Training and Awareness Activities

In July 2024, we formulated the Ethics & Compliance Declaration affirming our commitment to doing the right things in the right ways. We also revised the former Code of Conduct and established the Toyota Industries Group Code of Conduct, which sets ethical and compliance standards applicable to executives and employees of TICO and its consolidated subsidiaries.

At TICO and its Group companies in the United States, the Group Code of Conduct was distributed to all executives and employees, followed by training sessions held from



* Dedicated compliance resources may be appointed at some companies, following a risk-based approach.

Strengthening the Global Compliance Program

November 2024 through January 2025. We will continue to conduct annual awareness activities going forward. In other regions, similar education efforts will begin in FY2026.

In addition, based on the findings and reflections from the Special Investigation Committee's report on the engine certification issue—specifically the criticism that management was informed of the problem but failed to take corrective action—we launched new compliance training for managers in February 2024. This ongoing practical training aims to raise compliance awareness among managers, promote workplaces where employees feel comfortable raising concerns, prohibit unfair treatment of whistleblowers, and guide appropriate responses when receiving compliance-related consultations.

As another effort, we have created and disseminated e-learning materials on 49 topics and compliance mini quizzes on 48 topics in order to cultivate a deeper understanding of compliance among employees of TICO and our consolidated subsidiaries in Japan and to create an environment in which employees learn about compliance on their own.

Throughout the year, top management repeatedly communicates the importance of compliance itself, as well as the importance of reporting and consulting on compliance violations and the prohibition of unfair treatment of whistleblowers. Furthermore, to promote compliance awareness, the GCCO shares insights internally through a column titled “Window to Compliance.”

Ethics & Compliance Declaration
Each of us working for Toyota Industries Group,
guided by the spirit of Toyota Precepts,
will conduct all of our business activities with integrity,
strive to create a workplace where everyone openly and
equally communicates,
and do the right things in the right ways.
July 10, 2024

Link to Toyota
Industries Group
Code of Conduct



Compliance Proposal Desk

In February 2025, we established a Compliance Proposal Desk to internally collect improvement suggestions, observations, and ideas related to compliance. To raise compliance awareness and encourage active participation, we also plan to recognize and reward outstanding suggestions that will lead to actual improvements.

Early Detection and Prevention of Issues via Whistleblower System

The TICO Group operates a whistleblower system (helpline) and a reporting and consultation desk for business partners in each region, through which employees, business partners, and others can anonymously report and seek consultation on compliance-related matters at their convenience. We accept reports and inquiries through law firms, dedicated external websites, and other means. In FY2025, we received 586 reports and inquiries from within TICO and from its consolidated subsidiaries in and outside Japan on matters such as labor management and work environment issues. All cases received are handled confidentially by the department in charge of the whistleblower system and other relevant parties in accordance with company rules. Appropriate investigations are conducted to ascertain the facts, and necessary measures are taken. Additionally, any adverse treatment due to reporting or consultation is strictly prohibited.

Going forward, we will continue to promote awareness and improvement of the whistleblower system and foster an environment where employees and others feel comfortable speaking up. Through these efforts, we aim to facilitate early discovery and prevention of issues and strive to become a “company on which society places greater trust.”

Compliance Awareness Survey

The compliance awareness survey, which was issued once every three years, will be conducted annually from FY2026 onward to assess the effectiveness of the compliance program and facilitate its continuous improvement.

Efforts on Export Control for Security Trade

For overseas exports, we have established a system that, in accordance with Company-wide rules, reviews each export transaction to determine whether the items fall under export control regulations and whether the intended use at the

destination is related to military uses.

We ensure strict compliance with these laws by holding annual employee training to raise awareness and by monitoring the operational status through audits.

These measures are deployed across Group companies in and outside Japan to ensure a global response.

Efforts for Prevention of Bribery

To prohibit and prevent bribery, TICO has formulated the Global Guidelines for Bribery Prevention (or individual rules in countries high on the Corruption Perceptions Index in accordance with their respective, applicable laws). In March 2023, we formulated the Toyota Industries Group Anti-Bribery Policy to clarify our stance both within and outside the TICO Group. We have positioned the policy above our Global Guidelines for Bribery Prevention and have been working to communicate and thoroughly implement the policy in each region and country.

Link to the policy



Efforts for Ensuring Compliance with Antitrust Laws

As for antitrust laws, we operate a system to conduct checks and review before and after TICO employees contact competitors and have been cultivating awareness among employees not to act in a manner that may possibly constitute a violation of antitrust laws. Moreover, we have designated a particular month as “Antitrust Law Compliance Month” since FY2016 to carry out enlightenment activities at relevant departments for clarifying our relationships with competitors and ensuring fair transactions with business partners (e.g., the need to hold sincere dialogue with business partners to deal with changes in the business environment caused by rises in various costs). Consolidated subsidiaries in and outside Japan have also been working to educate and raise awareness of employees to prevent violations of antitrust laws, such as forming cartels, in accordance with local laws and regulations.

Initiatives in Development, Production, and Quality Assurance to Uphold Trust

Basic Perspective

In response to the domestic engine certification issue, we continue to implement reforms in the three areas of “culture,” “mechanism,” and “organization/system.” We are committed to steadily advancing these reforms, ensuring they are never forgotten, and firmly establishing improvements through ongoing enhancement.

Building on this perspective, we regard compliance with laws, regulations, and commitments to our customers as the starting point for all activities. To deliver safe and reliable products to our customers, the TICO Group is united in our efforts to establish a higher level of quality management system (QMS).

Establishment of Quality Governance Framework

Since the appointment of the newly established Chief Quality Officer (CQO) position in January 2024, we have been advancing the development of a quality governance framework led by the Quality Management Department, with the full cooperation of the entire Company. Aiming to strengthen quality management across the organization, this initiative is centered on two pillars: the comprehensive restructuring of the Company-wide quality regulations framework and the review of the internal audit system.

Strengthening Quality Governance through the Restructuring of Company-Wide Quality Regulations Framework

We have restructured 13 Company-wide quality regulations aimed at clarifying common rules applicable throughout the entire Company. These regulations serve as the “parent regulations” to the divisional regulations operated within each business division. By reflecting and implementing the rules set forth in the parent regulations into the divisional regulations, we are working to strengthen quality governance.

In the design review (DR) process, which serves as the core of our quality assurance system, we have

strengthened the framework to ensure effective checks and balances during development. This includes defining the responsibilities of the review chairperson, involving the CQO as a review member as well as revising the review criteria, and clarifying judgment standards to ensure strict compliance with laws and regulations. These enhancements have now been implemented.

Strengthening Quality Governance through the Review of the Internal Audit System

For reorganizing and reinforcing our quality governance structure, TICO has established and started operating a more robust quality governance structure consisting of three check lines.

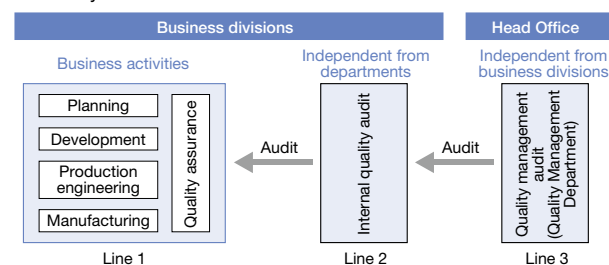
Quality is built through the involvement of every department within each business division—from product planning and development to production. The Quality Management Department at the Head Office, acting as Line 3 and independent from the business divisions, conducts quality management audits to check and oversee these efforts.

In FY2025, these quality management audits were conducted across all seven business divisions. The audits verified not only compliance with laws, regulations, and standards but also whether the quality systems and rules each department must follow were appropriate and whether each division’s internal quality audits were functioning effectively.



A quality management audit

Quality Governance Structure



The various functions, organizations, and employees within each business division strive to reduce quality risks by making committed efforts to improve issues identified through these audits and by promoting revisions to create more effective quality standards and operational rules.

Implementing Further Initiatives

We will continue the efforts we have been advancing to ensure they take firm root. At the same time, we will make improvements to enhance their effectiveness and enable the early detection and mitigation of quality risks in new product development and lot control processes*. In addition, we will expand these initiatives to our affiliated companies to build a higher-level quality management system.

* A system that groups a certain quantity of products as one lot, assigns sequential lot numbers, and manages production progress by these lot numbers

Preventing Occurrence and Recurrence of Defects

If a defect is found in a product after its launch, the Quality Assurance Department of the responsible business division takes the lead in making a swift response to eliminate the concerns of customers quickly and implementing measures to ensure the non-recurrence of the same defect. In particular, a defect causing considerable inconvenience to customers is recorded as a critical quality issue and reported to the president. At the same time, we have in place a system to follow through on customer response as well as measures to prevent recurrence. Accordingly, we examine and identify the cause by going back to its development process. We implement countermeasures both from the process and technological aspects and revise our new product development process as necessary. Through these measures, we strive to thoroughly avoid the recurrence of the defect in subsequent models. Additionally, we make efforts to prevent the occurrence of defects in all products we develop and manufacture in the future by taking measures throughout TICO.

Initiatives in Development, Production, and Quality Assurance to Uphold Trust

Providing Support to Suppliers

Since improving the quality of our products requires concerted efforts with our suppliers in and outside Japan, we are strengthening joint quality assurance activities with major suppliers.

Quality Audit

TICO conducts annual quality audits of its suppliers through *genchi genbutsu* (go and see for yourself) inspections of each supplier's quality assurance systems and production site management. By identifying weaknesses clearly, we propose concrete improvement measures and support efforts to raise quality management levels. In FY2025, we focused on key areas specific to each supplier and carried out bottom-up activities tailored to their challenges.

Nurturing and Certifying Internal Auditors

To foster voluntary quality improvement efforts of suppliers, we are nurturing and certifying internal auditors at suppliers who satisfy our criteria. After certification, these auditors conduct effective internal audits and use the results to maintain and enhance their quality assurance systems. We continuously support this initiative and encourage suppliers to foster a culture of working autonomously to improve their quality assurance systems.

Promoting Human Resources and Workplace Development

We regard "quality" as one of the pillars supporting our corporate activities. To ensure all employees acquire quality assurance skills and maintain a strong awareness of quality in their work, we implement systematic education and awareness programs. Grounded in legal compliance and ethics, we aim to develop human resources who think, learn, and act on their own, thereby strengthening the overall capability of the organization.

Quality Awareness Activities

We engage in various awareness-raising activities to help all

employees deepen their understanding of quality and apply it in their work. Each business division's Quality Learning Room features common exhibits that share lessons from the certification issue across the entire Company and encourage employees to relate them to their own duties. Additionally, in FY2024, we created a new e-learning course on the basics of regulatory certification, which all employees completed. From FY2025, this training has been extended to new hires and mid-career recruits. Furthermore, we have strengthened the grade-based training program to reaffirm the importance of quality and legal compliance under the concept that "quality is the lifeblood of the company." We have designated November as Quality Month, during which the CQO delivers messages to all employees urging quality improvement. Employees who contribute to the early detection and resolution of quality abnormalities and risks are also recognized, promoting Company-wide enhancement of quality awareness.

QC Circle Activities

Since 1965, all employees at TICO have been participating in quality control (QC) circle activities. Today, these activities serve as a robust foundation for human resource development and workplace improvement. We presented the results of our activities at national conventions and have garnered many awards. In FY2025, we received an encouragement award under the QC Circle Kaoru Ishikawa Award program for four consecutive years (for the 13th time in total). The award is given to QC circles for their distinctive activities and contribution to widespread, more active, and better QC circle activities.

Our production bases outside Japan are also proactive in promoting QC circle activities. We assist them in undertaking independent activities by nurturing and certifying global



Global QC Circle Convention

QC circle trainers at each base. In FY2025, we hosted the Global QC Circle Convention, which serves as a venue for presenting activity results, in Japan, with circles from 18 overseas bases participating in person to share their accomplishments. The Regional QC Circle Conventions were also held in North America, Europe, and China to promote activities in respective regions.

Activities to Promote Creative Ideas among Employees

Since the launch of the proposal system in 1965, all employees have been engaging in creative idea proposals as part of their daily improvement efforts. In FY2025, to prevent the system from becoming a mere formality and to further strengthen human resource development, we reviewed the roles involved in utilizing the system. At all domestic plants, department heads are now taking the lead in fostering autonomous young employees.

Nurturing Human Resources Who Can Take a Scientific Approach

As part of our basic education on quality management, we teach the basics of statistical quality control (SQC) and machine learning. Furthermore, we develop core human resources through problem solving in the workplace, and these individuals lead efforts to apply machine learning in practice. We have also held the TICO SQC Convention for 41 years to share internal case studies.

[Sustainability material issue](#) > See page 35

Rate of eligible employees receiving training to promote quality education (non-consolidated): 94.9%

Nurturing Human Resources Who Can Perform Risk Assessment of Product Safety

In order to provide products that are safe for customers to use, each business division conducts risk assessments during a DR to identify all risks. We are also providing Company-wide specialized risk assessment education to promote the development of human resources who can assess two factors integral to risk assessment, namely, the likelihood of an occurrence of a hazard and the severity of damage caused by it.

Strengthening Partnerships with Suppliers

Basic Perspective

To realize a sustainable society, we seek co-existence and co-prosperity with suppliers from a long-term perspective by strengthening partnerships and practicing responsible procurement activities.

Procurement Policies

Fair and Equitable Business Transactions Based on an Open Door Policy

We provide fair and equitable opportunities to all potential suppliers. In selecting suppliers, we comprehensively evaluate them based on factors such as quality, price, adherence to delivery times, safety, business stability, and technology development capabilities. We also assess whether they fulfill their social responsibilities, including legal compliance, respect for human rights, and environmental protection activities, as we strive for fair and equitable business transactions.

Co-Existence and Co-Prosperity Based on Mutual Trust

We strive to realize co-existence and co-prosperity with our suppliers based on mutual trust. Every year, we hold procurement policy meetings and workshops for managers of major suppliers to facilitate mutual understanding and cooperation. In addition, as full-year efforts for major suppliers, we implement quality control through quality audits and the development of internal auditors and provide programs such as technical skills training, guidance directed toward *kaizen* at their production sites, and safety and health education.

Reducing Environmental Impact through Environmentally Preferable Purchasing

We procure parts, raw materials, and equipment while using environmental friendliness as one important assessment criterion when selecting suppliers. The eighth edition of our Environmentally Preferable Purchasing Guidelines contains our Environmental Vision 2050, including the establishment of a carbon neutral society. Accordingly, we have been strengthening environmental management so as to promote

environmental protection activities in our entire supply chain. Efforts include giving consideration to the entire product lifecycle as early as the development stage.

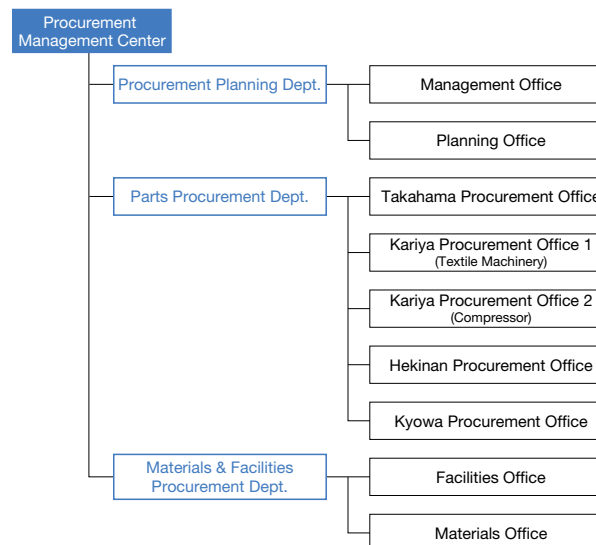
[Link to the guidelines](#)



Implementation Structure

In recent years, the environment surrounding the supply chain has undergone significant changes, including the enhancement of sustainability and the promotion of fair transactions. To respond swiftly to these changes and strengthen governance of procurement functions across the Company, we established the Procurement Management Center on January 1, 2025, unifying all procurement functions Company-wide. Additionally, the procurement organizations at the Head Office and business divisions were reorganized into three departments: the Procurement Planning Department, the Parts Procurement Department, and the Materials & Facilities Procurement Department.

Procurement Structure



Sustainability Guidelines for Suppliers

To work together throughout the supply chain to realize a sustainable society, we distribute the Sustainability Guidelines for Suppliers, which describe our requirements for suppliers related to compliance, human rights, the environment, and other topics, to suppliers while thoroughly informing them about the content. In April 2023, we made revisions to the guidelines, such as adding provisions on cybersecurity. As of January 2025, more than 80% of domestic suppliers have signed in support of the purpose of the guidelines. To confirm compliance with the guidelines, we request targeted suppliers to conduct self-assessments using checklists and undergo on-site inspections. When risks are identified through these self-assessments and inspections, we request improvements and provide support to help suppliers address them. Moreover, through periodic checks and due diligence on commodity items of concern, such as conflict minerals, we strive to maintain healthy transactions and reinforce a related structure throughout the supply chain.

[Link to the guidelines](#)



Reinforcing Relationships with Suppliers

Declaration of Partnership Building

We publicly announced our Declaration of Partnership Building in September 2021 and have been striving to form a good relationship with our suppliers. The declaration clarifies that we make corporate and focused efforts to realize co-existence and co-prosperity with our entire supply chain, start new forms of collaboration regardless of company size and corporate group affiliations, and observe the preferred trade practices between a parent business operator and its subcontractors (included in the business promotion criteria of the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises). In the revision of October 2024, we also declared our commitment to efforts toward fair business practices extending beyond subcontractors, more transparent pricing methods, and cost sharing such as for

Strengthening Partnerships with Suppliers

mold management, and stabilizing logistics through the promotion of “White Logistics (an effort promoted in Japan to improve the work environment of the logistics industry).”

Based on this declaration, we actively engage in discussions with suppliers to address cost increases related to labor, raw material prices, energy, and logistics, and reflect these changes in transaction prices. Regarding mold management, we have formalized handling procedures in writing and exchanged agreements with suppliers. Additionally, since 2024, we have been paying for mold production costs in a lump sum.



Link to the
declaration
(in Japanese)



Whistleblowing and Consultation Hotline for Business Partners

We have established a whistleblowing and consultation hotline for all business partners. This hotline accepts reports and consultations regarding compliance violations, such as misconduct, legal breaches, and harassment, by TICO or its executives and employees.

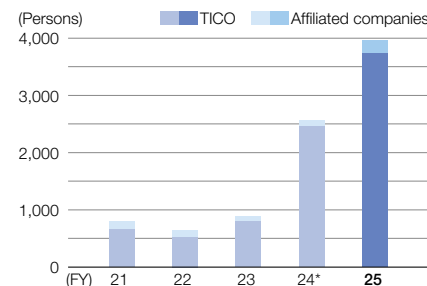
Achieving Carbon Neutrality in Our Supply Chain

To achieve carbon neutrality, we strive to deepen mutual understanding and promote initiatives through ongoing dialogue with our suppliers. We hold sessions to explain carbon neutrality to our major suppliers. In FY2025, we conducted a survey on the CO₂ emissions of suppliers and asked them to implement activities to reduce their emissions. As part of our support for suppliers, we share examples of our energy-saving initiatives and provide information related to renewable energy. We will continue to enhance our collaborative efforts with suppliers to realize carbon neutrality across the supply chain.

Human Resources Development to Enhance Procurement Knowledge

We proactively provide personnel in charge of procurement at TICO and affiliated companies with education to enhance procurement knowledge. In FY2025, we provided education mainly on Japan's Subcontracting Law as well as topics related to sustainability such as human rights and the environment. We also utilize e-learning to prevent not only personnel in charge of procurement but all employees from the unjust use of a superior bargaining position as stipulated in antitrust laws and thoroughly inform them of the Subcontracting Law to ensure fair subcontracts.

■ Participants of Subcontracting Law-Related Seminars



* Provided e-learning to an extended group of eligible employees since FY2024

Business Continuity Management (BCM)

In further promoting BCM, we are making concerted efforts with suppliers to reduce associated risks by implementing specific measures. In FY2022, to deal with frequent natural disasters in recent years, we rebuilt a system to identify disaster-induced damage to suppliers. The use of the system has enabled us to perform the impact survey in a more efficient and timely manner and contribute to their BCM.

Moreover, in order to recover quickly and maintain production, we continued to reinforce our earthquake and flood control measures at each base while at the same time

reevaluating an appropriate level of inventories and examining ways to decentralize suppliers and production bases.

Safety and Health Activities for Suppliers

Based on the analysis of accidents that occurred in the previous fiscal year and information on legal revisions, we promote safety and health activities for the next fiscal year for the prevention of similar accidents through these sessions.

With a view to seeking zero accidents (fires and explosions), industrial accidents, and disorders on the TICO premises, we have established the Safety and Health Council with subcontractors located on our premises. When an accident or industrial accident does occur, we ask them to report it to us and investigate the cause in accordance with the rules and procedures stipulated by TICO. Also, we jointly create a comfortable working environment by sharing information on accidents and disorder prevention activities of TICO.

Using past accident cases as a reference, we periodically share various information, including matters that should be observed to prevent similar accidents, with subcontractors of outsourced work.

Also, we request the cooperation of subcontractors located on our premises to perform risk assessment in the construction work planning stage to identify associated risks and encourage them to always discuss in advance a safe work method with TICO's departments planning a construction project.

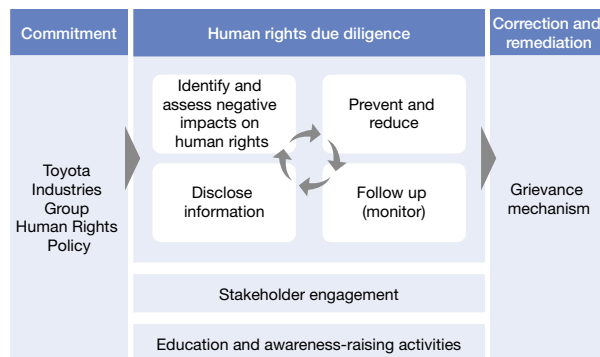
Respect for Human Rights

Basic Perspective

TICO endeavors to make the earth a better place to live and enrich society based on the Toyoda Precepts (corporate creed). We recognize that in order for us to continuously contribute to the harmonious and sustainable development of the earth and society, it is essential not only to ensure legal compliance but also to respect the human rights of all people involved in our corporate activities. Under this recognition, we have been promoting our initiatives to respect human rights in accordance with the United Nations Guiding Principles on Business and Human Rights.

TICO Group's Framework for Promoting Respect for Human Rights

Under the framework for promoting respect for human rights, which has been formulated based on the United Nations Guiding Principles on Business and Human Rights, TICO is working to ensure respect for the human rights of all stakeholders (employees, suppliers, business partners, local community members, including indigenous peoples, and customers) throughout the value chain concerning the Group's businesses.



Human Rights Policy

TICO has formulated the Toyota Industries Group Human Rights Policy ("Human Rights Policy") in FY2022 to step up our ongoing human rights initiatives.

While giving consideration to the opinions and information provided by external experts and other parties, the Human Rights Policy was formulated after discussions and approval by the CSR Committee (currently the Sustainability Committee). It is positioned as the highest-level policy related to human rights within the TICO Group.

In our Human Rights Policy, we declare that we respect internationally recognized human rights (prohibiting forced labor and child labor, ensuring the right to freedom of association and eliminating discrimination, etc.) as specified in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We also endorse the United Nations Guiding Principles on Business and Human Rights and pledge to make efforts to practice these principles.

Human Rights Issues Covered by the Toyota Industries Group Human Rights Policy

Wages (minimum wage, living wage); excessive or inappropriate work hours; occupational safety and health; social security; harassment; human trafficking, immigrant labor, forced labor and other modern slavery; child and young labor; discrimination (against race, nationality, gender, LGBTQ+, persons with disabilities and discriminated communities, etc.); diversity, equity and inclusion; restrictions on the freedom to choose and change residence (corporate activities forcing local residents to leave their homes, forcing employees to accept job relocations); freedom of association; human rights issues related to technology and AI; privacy; consumers' safety and right to know; freedom of expression; indigenous peoples and local residents (health of local residents, conservation of the environment in communities, land rights, access to water, noise reduction, etc.); the environment and climate change; intellectual property rights; acts of corruption; supply chain management; access to remediation, etc.

Link to the policy



Implementation Structure

TICO recognizes that the Group's corporate activities, from research and development to procurement and provision of products and services, may directly or indirectly impact human rights. To respond to various human rights issues, we have established the Human Rights Task Team, which is led by the Human Resources Department and consists of the relevant departments, including the Enterprise Risk and Compliance Management, Procurement, and Legal departments. In accordance with the Human Rights Policy, the team gathers and shares information on the latest social trends related to human rights and translates these insights into the formulation and implementation of action plans.

Human Rights Due Diligence

We conduct human rights due diligence to specify, prevent, and mitigate negative impacts on human rights caused by the TICO Group's corporate activities.

The Human Rights Task Team has evaluated human rights issues relevant to the corporate activities of the TICO Group, which were identified based on the handbooks of Japan's Ministry of Justice and the Japan Federation of Economic Organizations (Keidanren) as well as checking items defined by external rating agencies. Consequently, we have specified two priority human rights issues, namely immigrant labor and raw material procurement, and have been undertaking related activities.

Major Initiatives

Immigrant Labor (Forced Labor of Non-Japanese Workers)

Amid the growing attention to protecting and respecting the human rights of non-Japanese workers, TICO regards forced labor of non-Japanese trainees working under Japan's Technical Intern Training Program as one of its priority human rights issues.

External experts have pointed out that there is possibly

Respect for Human Rights

a higher risk of forced labor when accepting trainees from overseas through local brokers, as some of these brokers may charge exorbitant placement fees to trainees, who end up coming to Japan with a huge debt.

TICO periodically conducts a survey to check trainee enrollment and the appropriate operation of the program at its consolidated subsidiaries and major suppliers in Japan. From FY2025, we have expanded the survey to include 40 additional domestic dealerships of Toyota Material Handling Japan to conduct the survey with broader coverage. In the most recent survey, we found that 213 companies have accepted trainees under the program. The largest number of trainees was from Vietnam, accounting for 40% of all trainees.

At our consolidated subsidiaries, we have further surveyed the fees charged to these Vietnamese trainees. As a result, we have confirmed that no trainees have been charged fees in excess of the upper limit specified in Vietnam's domestic law. Our efforts in the future will be geared toward reviewing fee charging, which could lead to forced labor of non-Japanese trainees. In FY2024, we joined the Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI)*1. By collaborating with the external stakeholders, we have set up a consultation hotline for non-Japanese trainees working under the program.

*1: Organization with a total membership of more than 800 diverse stakeholders, including private-sector companies, local governments, NPOs, scholars, and lawyers

<Major activities>

- Provide information (in multiple languages) about daily lives and work via a portal site and smartphone app
- Operate a multilingual consultation hotline
- Provide a system to settle matters out of court through the Dispute Resolution Center of the Tokyo Bar Association

Raw Material Procurement (Minerals)

As another initiative to respect human rights, TICO has formulated the Policies and Approaches to Responsible Mineral Sourcing based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Under the policies, we have been conducting procurement activities excluding minerals that may involve human rights abuses, such as funding armed groups, child labor, forced labor and working under poor conditions.

As one specific effort, we support the purpose of the Responsible Minerals Initiative (RMI)*2, an organization leading global efforts related to conflict minerals, and have been using the RMI's survey form, which is the industry's standard, to periodically perform a minerals survey and exercise due diligence throughout the supply chain. In addition to the conventional target minerals—3TG (tin, tantalum, tungsten, and gold)—we began surveying and performing due diligence on cobalt and mica from FY2025, for which 95% of our suppliers returned the survey form. We checked the presence of targeted minerals, identified smelters/refiners in the supply chain, and conducted risk diagnosis and assessments of the identified smelters/refiners. The results showed no significant risk. If we do find a significant risk in our supply chain, we will implement risk mitigation measures, including requesting the relevant supplier to take corrective action. Going ahead, we will continue to cooperate with our suppliers and engage in responsible mineral sourcing throughout the supply chain.

> Rate of performing an annual survey on conflict minerals at applicable suppliers (non-consolidated): 95%

Results of Exercise of Due Diligence on Smelters by Mineral

	Tin	Tantalum	Tungsten	Gold	Cobalt	Mica	Total
Number of white smelters*3	65	34	32	88	50	3	272

Policies and Approaches to Responsible Mineral Sourcing

Toyota Industries Corporation and its subsidiaries promote the acquisition of materials with full deliberation and care to avoid the procurement or usage of materials which are unlawful or which are obtained through unethical or otherwise unacceptable means.

We recognize that the situation surrounding conflict minerals originating in Covered Countries is a significant social issue in supply chains. We pursue procurement and usage that are free from conflict minerals originating in Covered Countries and relating to illegal conduct including human rights infringement.

We also recognize that human rights abuses such as child labor in the procurement of cobalt, etc., are a serious social problem, and we pursue procurement activities that do not include minerals that are suspected of being involved in such abuses.

To achieve such procurement and usage, we conduct inquiries tracing back through our supply chains and confirm if such minerals are used. In addition, we take appropriate steps to discontinue procurement of materials that can cause social problems such as human rights violations or financing of armed groups, if such usage is detected. Based on mutually beneficial relationships, we ask our suppliers to understand our policies and approaches and to conduct responsible material procurement.

*2: An organization leading efforts concerning conflict minerals, in which more than 300 companies and organizations take part globally

*3: Smelters in conformance with the Responsible Minerals Assurance Process (RMAP) offered by the RMI

Link to the policies



Child Labor

In its Human Rights Policy, TICO declares that it will prohibit child labor, which deprives children of an opportunity to receive education and forces them to work at an early age, hindering their sound growth.

In addition, our work regulations prohibit the recruitment of persons below the age of 15.

Furthermore, we have formulated a response manual to handle cases where child labor is discovered, including situations involving document forgery.

Harassment

TICO seeks to provide an environment for all employees to work with peace of mind. We do not tolerate any form of harassment, sexual or otherwise, as well as acts that harm the dignity of individuals.

As specific efforts, we clearly state in our work regulations that we prohibit harassment and apply disciplinary punishments to those who commit it. In addition, the Toyota Industries Group Code of Conduct clearly states that we will not engage in any conduct that may cause discomfort to others, including acts of harassment.

Wages

TICO complies with wage-related laws and regulations and pays wages as specified in advance in the labor contract and work regulations. The full amount*4 in the corresponding currencies is directly paid to employees one or more times per month on a predetermined day. We work to ensure that our wage level conforms to the legally mandated minimum wage level and provides a sufficient living wage to satisfy the basic needs of employees and their families.

In Japan, we treat regular employees and non-regular employees equally and in a balanced manner based on the principle of equal pay for equal work to avoid unreasonable differences in their treatment.

4: Excluding deductions made in accordance with legally mandated procedures

Respect for Human Rights

Unstable Employment

We are committed to providing as much employment stability as possible to develop a highly competent human resources pool with a deep understanding of our values.

In addition, we strive to employ fixed-term workers under appropriate working conditions in accordance with the labor laws and customs of each region in order to respond to fluctuations in demand due to the external environment and seasonal reasons.

Correction and Remediation (Setting Up a Grievance Mechanism)

In each region, the TICO Group operates a whistleblower system (helpline) that allows our employees, suppliers, and other relevant parties to report and seek advice on compliance-related matters. We also accept reports and consultation requests on harassment, discrimination, and other matters related to human rights through law firms and external websites. If the matter is deemed to have an impact on human rights, we remedy the affected parties.

We also have rules to protect the confidentiality of information on persons making reports and prohibit negative treatment as a result of seeking advice or cooperating in an investigation. We thus have a system that allows anyone to report or seek advice with a sense of security.

In FY2025, we received reports and consultation requests about harassment and discrimination. As a result of factual investigations, none constituted a serious infringement of human rights that would lead to a significant impact, and we made an appropriate response to each case in accordance with their respective situations.

Education and Awareness-Raising Activities

To remain a company committed to respecting the human rights of all people involved in our corporate activities, we participate in lectures hosted by the government and human

rights organizations and joint study sessions with other Toyota Group companies. We also hold training sessions for consolidated subsidiaries, in which their top management participates. Our education and awareness-raising activities target executives and all employees and aim to deepen their knowledge of human rights and encourage them to take action respectful of others in their daily work. Along with providing induction training for new employees, grade-based training and other conventional programs, we have been making proactive efforts, such as designating a particular week as “Human Rights Week” and utilizing e-learning programs. As for harassment, we provide education once a year to instill knowledge on harassment in executives, directors, managers, and shop floor leaders.

Training to Raise Human Rights Awareness

Target	Description	Aim
Top management & managers of affiliated companies	External human rights awareness training	Cultivate knowledge of and sensitivity to human rights as a manager; gain skills to support awareness-raising activities
	Training for managers	
Newly promoted managers	Training for newly promoted managers	Cultivate knowledge of and sensitivity to human rights as a leader
	Training for newly promoted GM	
Newly promoted shop floor leaders	Training for newly promoted EX	
All employees	External human rights awareness training	Raise awareness of human rights
	External Human Rights College series of seminars (only for those nominated)	
	Delivery of a special message during Human Rights Week	
Mid-career employees	Training for mid-career employees	Gain knowledge of human rights
New graduates	Induction training for new graduates	

Training on Harassment

Target	Description
Executives and directors (about 500 persons)	Facilitate an understanding of the importance of eliminating harassment; learn examples of inappropriate remarks and behavior; harassment cases frequently found in the workplace and responses to each
Managers and shop floor leaders (about 1,700 persons)	

Stakeholder Engagement

TICO promotes dialogue with various internal and external stakeholders and works with its top management and the relevant departments to reflect such dialogue in its future corporate activities.

Communication Channels

Employees
Labor-management round table meetings, annual labor-management meetings, hotline

Shareholders and investors
Toyota Industries Reports, TICO's official website, ESG dialogue

Business partners
Procurement policy meetings, HR conference for domestic affiliated companies, hotline

Local community
Inviting residents to TICO's events, participating in local events, local community meetings

Initiatives under Our Human Resources Strategy

Basic Perspective

TICO and its associates build a sincere relationship of trust, under which we fulfill our respective responsibilities toward the shared goal of achieving sustainable corporate growth. We believe individual growth will lead to organizational growth, which in turn will lead to corporate growth. Based on this belief, TICO seeks to become a company where all associates take active roles by drawing out their full capabilities and backing up their willingness to grow. To achieve this goal, we have been developing human resources and creating an appropriate work environment under our human resources strategy comprising four themes as shown below.



Executive Leadership Development

In proactively promoting globalization and undertaking M&As, it has become increasingly important to nurture diverse leaders both in and outside Japan. In response, we systematically provide leadership training for future management leader candidates in a planned manner to share TICO's vision and the Group's common values and to develop human resources who will drive innovation.

Major Initiatives

Sharing values (Training session on our founder's spirit and the Toyoda Precepts)

As our workforce is becoming more diversified, we have been carrying out initiatives to reaffirm our founder's spirit and the Toyoda Precepts (corporate creed) in order to share values throughout the TICO Group. For senior managers, we offer training around the world so that they can set an example and instill our values in their respective workplaces when guiding their subordinates.

Participants in training for sharing values

	FY2023	FY2024	FY2025
Newly promoted senior managers	40 persons	40 persons	42 persons
Associates of overseas subsidiaries and affiliates	—	253 persons	352 persons

Succession planning

At TICO, as well as our global affiliated companies, we specify succession candidates for leader positions, including heads of departments or companies, and formulate development plans designed to cultivate a range of experiences through initiatives such as transfers across business boundaries. In this way, we are promoting the early and planned development of leaders. Our leader requirements are clear and consistent globally, and we provide an opportunity for relevant parties to discuss our leader development once a year.

Global leadership development program

To nurture management leaders who will drive the global growth of the TICO Group, we provide a select group of senior managers from TICO and overseas affiliates with a program of individual pre-training assignments to be worked on over a period of about six months and a two-week group training. Through the program, participants gain the basic knowledge and perspectives required of the TICO Group's global leaders, a deeper understanding of TICO and its envisioned leaders, and an enhanced ability to shape a better future.



Global leadership development program

Training for senior management

To nurture human resources who have a broad perspective, a higher viewpoint, a global mindset, and the ability to exercise leadership toward innovation, we provide a nine-month training program to managers recommended by respective business divisions. It's a combination of classroom training and projects to be worked on individually and as a team with the support of external facilitators.

Leadership development program in North America and Europe

To facilitate the development of leaders in the Lift Truck and Logistics Solutions businesses, in which we have been proactively promoting globalization through overseas M&As, we provide training to managers who are expected to take on more active roles. The program consists of multiple modules and a group project and lasts for 12 months in the United States and about six months in Europe. Through the program, participants gain a deeper understanding of these businesses and TICO.



Leadership development program in North America and Europe

Initiatives under Our Human Resources Strategy

Expanding Expertise and Sphere of Activities

We believe that expanding the expertise and sphere of activities of each associate will lead to TICO's improved competitiveness. Under this belief, we provide opportunities for growth and active engagement beyond the workplace, on-the-job training (OJT) in each workplace, and various training programs that complement OJT.

Providing Opportunities for Growth and Active Engagement beyond the Workplace

In order for associates to show their full capabilities and thrive, we believe that it is crucial to respect the individual's aspired growth and role. As such, we hold a dialogue between a manager and a member (subordinate) to discuss the aspirations of the member and expectations of the workplace. Based on the dialogue, the manager formulates a career plan for each member. To provide opportunities for associates to grow and thrive beyond their workplaces, we proactively offer various engagement opportunities. These include a temporary transfer system, a system for overseas training, an internal job posting system, an in-house side job system, and participation in in-house skills contests and national skills competitions.

Link to performance data (page 2)



Major Initiatives

Dialogue between a manager and member and individual career plans

We hold one-on-one dialogue semiannually between a manager and a member to discuss the member's aspired growth and role and to review their capabilities. We increase work motivation and encourage further growth and greater roles by formulating an individual career plan for individual members in each department based on their respective aspired growth and the roles confirmed through dialogue. We carry out their development, including job rotation, according to the plan.

Individual career plan formulation rate

FY2023	FY2024	FY2025	FY2031 target
98%	99%	94%	100%

Temporary transfer

We have a job rotation system to temporarily rotate core human resources among different business divisions/departments. They will gain experience in different business operations and environments and eventually return to their original department after a certain period of time. The system is designed to both achieve personal growth and improve organizational capabilities.

Implementation of temporary transfer

FY2023	FY2024	FY2025
19 persons	18 persons	40 persons

Overseas trainee program

In order to continuously develop human resources who can be active globally from early on, we dispatch early-career associates recommended by their respective workplaces as overseas trainees.

[Aim of training]

To learn/gain the following by living and engaging in practical training overseas:

- 1) Local ways of work, characteristics, and business practices
- 2) Excellent communication capability to engage with local staff on an equal footing
- 3) Local perceptions and perspectives
- 4) Ability to adapt to local culture and living environment



Snapshot with local staff

Internal job posting system and in-house side job system

We help increase associates' motivation for personal growth and greater roles through an internal job posting system, in which associates themselves can apply for job rotation, and an in-house side job system, in which they can gain experience in different departments without leaving their current roles.

Participation in in-house skills contests and national skills competitions

An in-house skills contest is an opportunity for early-career production associates from within TICO and its affiliated companies to hone their skills. The contest is also an opportunity for us to nurture human resources who will be leaders in *monozukuri* (manufacturing) operations. As such, we hold the contest every year to enhance knowledge and skill levels, increase the motivation of production associates, and mutually acknowledge skill levels among business divisions. Additionally, through participation in national skills competitions, we develop advanced skills and nurture workplace leaders with outstanding expertise and character, thereby contributing to the advancement of *monozukuri* both within TICO and in Japan.



Associates participating in a national skills competition

Initiatives under Our Human Resources Strategy >> Expanding Expertise and Sphere of Activities

On-the-Job Training (OJT) and Training Systems

Under the belief that OJT is the basis of our human resources development, we engage in human resources development in each workplace with a focus on the OJT cycle consisting of three steps: setting a role and theme for each associate, giving guidance, and providing performance evaluation and feedback. As tools to support OJT, we implement training and a 360-degree feedback system, both of which target managers responsible for OJT. We also conduct grade-based training to convey TICO's expectations and required knowledge at the time of promotion and other career milestones.

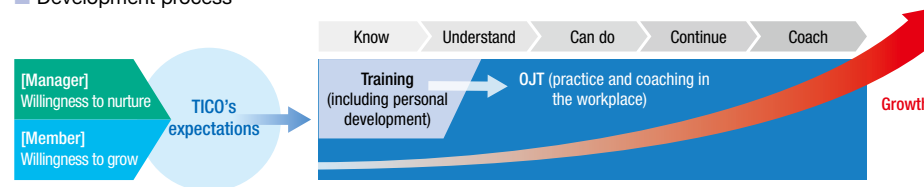
Link to
performance
data (page 2)



Training for managers

TICO respects diverse values and attributes and implements measures so that each associate is empowered to demonstrate their abilities. At the same time, we conduct fair evaluations based on communication between a manager and a member and provide support for their even greater engagement.

Development process



Major Initiatives

Training for managers

Training for newly promoted general managers and training for newly promoted group managers: We provide group training for general managers and group managers to cultivate an overall understanding of their roles, encourage mutual enlightenment and recognition among participants, and facilitate changes in behavior through these accomplishments.

Training for executives of affiliated companies in and outside Japan: Associates from functional departments at the Head Office give lectures to newly promoted directors and executive officers in affiliated companies on their respective responsibilities and roles in terms of legal affairs, accounting, public relations, human resources management, and compliance in order to cultivate awareness that they take the responsibility of managing affiliated companies and facilitate an understanding and practicing of matters that should be observed.

360-degree feedback system

This is a measure for associates in managerial positions (general managers and group managers) to receive feedback about their normal conduct from parties other than their immediate supervisors. The aim is to let them reflect on their actions and achieve further growth by recognizing how they are perceived by people around them and getting to know their strengths and weaknesses from an angle different from the one observed by their immediate supervisors.

Implementation rate of 360-degree feedback

FY2024	FY2025	FY2031 target
92%	98%	100%

Mentorship system and general manager interviews (for new associates)

We assign one senior member in the workplace to each new associate to help them learn the basic rules as a working person and ensure smooth assimilation. After one year from the posting, the general manager interviews each new associate to eliminate difficulties and convey growth expectations.

Grade-based training

We provide e-learning and group training to associates being promoted to new positions. This allows them to gain an understanding of the roles associated with each grade and the needed knowledge and skills and put their understanding into practice in the workplace. These training programs are also made available to associates of affiliated companies in Japan, depending on their needs.

Grade-based training

	Office associates	Production associates	
Senior managers	Training for newly promoted directors		Senior managers
Managers	Training for newly promoted managers		Managers
Senior staff (SS)	TICO Business Practices training III Training for newly promoted SS	Training for newly promoted CX	Chief experts (CX)
Middle staff (MS)	TICO Business Practices training II Training for newly promoted MS	Training for newly promoted SX	Senior experts (SX)
Junior staff (JS)	TICO Business Practices training I	Training for newly promoted EX	Experts (EX)
Clerical staff (CS)	Induction training for new associates	Production associate training III Production associate training II Induction training for new associates	Associates

Initiatives under Our Human Resources Strategy >> Expanding Expertise and Sphere of Activities

Other Initiatives

We provide a basic skill program and a skill advancement program to raise the basic level of engineers and accelerate their growth. Digital training is also provided to nurture human resources capable of understanding and utilizing digital technologies. Through our personal development system, which supports associates' willingness to learn, we offer broad learning opportunities regardless of their relevance to their current roles.



Practical digital skill training for experienced associates

Major Initiatives

Basic skill program and skill advancement program

We provide a basic skill program to all new associates in engineering positions to cultivate the basic skills required of TICO's engineers. For associates with two or more years of service, we offer a skill advancement program to gain more advanced skills and nurture the growth of motivated associates.

Digital training

We provide practice-focused training to continuously utilize digital technologies in business operations. Separate courses are offered for early-career associates, experienced associates, and innovation leaders (managers), in which associates recommended by their respective workplaces participate. These courses facilitate the adoption of digital technologies by involving each workplace in the practical work provided during the training and supporting the workplace's initiatives to utilize digital technologies even after participants complete their course.

From FY2026 onwards, we will implement development measures for all associates in order to secure the target number of digitally proficient associates.

■ Participants of digital training (development of workplace leaders)

	FY2023	FY2024	FY2025
Early-career associates	27 persons	19 persons	18 persons
Experienced associates	27 persons	19 persons	26 persons
Innovation leaders	—	—	47 persons

[FY2031 target]

To secure 5,500 human resources who will promote the improvement of operational efficiencies by utilizing IT and digital technologies

Personal development system

We provide opportunities and venues for personal development and voluntary study to increase associates' willingness to expand their knowledge and perspective and to learn independently. We also provide financial aid to support their personal development.

Initiatives under Our Human Resources Strategy

Diversity, Equity, and Inclusion

Sustainability material issue > See page 35.

To generate new value by flexibly responding to the changing business environment and diversifying customer needs, we aim to create an organization that allows human resources that are diverse and proactive to exercise their abilities to the fullest and make accomplishments through co-creation. We are promoting initiatives to realize a corporate culture in which associates accept and respect each other's differences, including gender, age, nationality, race, religion, sexual orientation, gender identity, sexual expression, disabilities, experience, sense of value, or any other invisible difference.



Workplace accepting an ICT

Empowerment of female associates



We aspire to let individual associates take active roles regardless of gender. Accordingly, we have been undertaking a range of initiatives from various aspects, such as changing the mindsets of associates, providing career support for female associates and promoting flexible working practices. As health support for women, we have implemented initiatives such as providing basic knowledge videos on women's specific health issues and setting up a health consultation service with specialty doctors. As a result of these efforts, TICO received Japan's "Eruboshi" certification and an "Excellent Company" award under Aichi Prefecture's "Female-Friendly Company" certification program.

Employment and empowerment of persons with disabilities

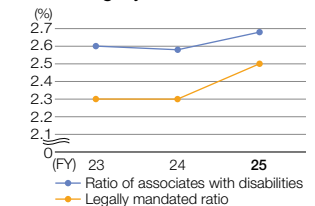
We respect the idea of people with and without disabilities working together and sharing life and work values. Under this basic policy, we continue to employ persons with disabilities every year. Before hiring, we offer them the opportunity to gain work experience (internship) so that they can feel reassured about joining TICO. After employment, we implement various measures to ensure that they receive fair opportunities for achieving growth and taking active roles. These include dispatching sign language interpreters when they receive training, providing tools to support communication, such as Boogie Board digital writing pads and UD Talk (a real-time speech-to-text app), having supervisors and senior members pay special attention to them, and assigning counseling staff in the General Affairs Department at each plant, bachelors dormitories, and the Human Resources Department in the Head Office. Through these efforts, we have established a system to support their workplaces. Moreover, we invite persons with disabilities as lecturers to each of our grade-based training programs to foster a deeper understanding of persons with disabilities and nurture a supportive workplace culture.

Major Initiatives

Ratios of female managers / female associates / female recruits

	FY2023	FY2024	FY2025	FY2031 target
Ratio of managers	1.7%	2.0%	2.2%	3.6%
Ratio of associates	7.9%	8.2%	8.6%	—
Ratio of graduate recruits (office work positions)	51.1%	53.2%	55.3%	40.0%
Ratio of graduate recruits (engineering positions)	6.7%	2.9%	6.6%	10.0%

Ratio of associates with disabilities (non-consolidated) and legally mandated ratio



Initiatives under Our Human Resources Strategy >> Diversity, Equity, and Inclusion

Major Initiatives

Creating an age-inclusive environment

The ratio of older production associates (ages 50–64) working in manufacturing departments reached about 70% (or 1,300 persons) at the end of FY2025, and we expect that the percentage will continue to rise. In order to enable them to work and take active roles in production operations, we have been creating better, less physically stressful production lines for them. Efforts include setting up standards for the handling of heavy objects and a work environment that makes it easier for older associates to work, and improvements in processes using digital technologies. The number of processes updated in a worker-friendly way reached 2,400, and we plan to continue undertaking further improvements.

Fostering a mutual understanding among associates from different countries

To foster a mutual understanding among associates working in different countries and regions, TICO dispatches associates to overseas TICO Group companies on temporary assignments and as expatriates and trainees. Additionally, we accept associates from different countries by proactively utilizing the Intra-Company Transferee (ICT) system*¹, under which associates of overseas affiliated companies work at TICO for a certain period. In FY2026, we will start accepting non-Japanese trainees at our production floor.

*¹: System to dispatch associates to TICO based on the concept of intra-company transferees as defined in the Immigration Control Act

Strengthening mid-career recruitment

Link to performance data (page 1) 

We have been reinforcing mid-career recruitment to incorporate external knowledge. For office work and engineering positions, in particular, we have reinforced the recruitment of individuals with a few years of work experience to bring out their potential and adopted a referral recruitment system*² in addition to our conventional recruitment of work-ready persons with specialized knowledge. As a result, we increased the ratio of mid-career associates in office work and engineering positions to 32% of all main career track associates in FY2025. They are assigned to their desired business divisions or job categories and after finishing induction training, they take active roles in each workplace. We plan to increase the ratio to 39% in FY2026. For our production floors, we actively promote short-term workers to full-time associates to ensure stable production by securing excellent human resources.

*²: A system of recruitment to receive referrals of potential associates from TICO associates

■ Number of associates sent overseas (temporarily assigned / expatriates / trainees) and associates registered or accepted under ICT system

	FY2023	FY2024	FY2025
Associates temporarily assigned overseas and expatriates	163 persons	155 persons	154 persons
Trainees receiving training overseas	9 persons	11 persons	8 persons
Associates registered under ICT system	4 persons	16 persons	19 persons
Associates accepted under ICT system	2 persons	10 persons	18 persons

■ Ratio of mid-career associates

	FY2024	FY2025	FY2026 plan
Ratio of mid-career associates	15%	32%	39%
Mid-career associates	29 persons	101 persons	138 persons
New graduates	169 persons	213 persons	220 persons

■ Ratio of short-term workers promoted to full-time associates

	FY2024	FY2025	FY2026 plan
Ratio promoted	30%	38%	42%
Number promoted	119 persons	182 persons	220 persons
New graduates	283 persons	298 persons	310 persons

Initiatives under Our Human Resources Strategy

Creating an Environment to Encourage Active Roles

We have been enhancing our support to enable associates to demonstrate their full potential and find their work rewarding in each stage of life. Based on the results of our annual morale survey, we have been improving the workplace environment to foster organizational growth. Additionally, we support associates' more active roles by creating an environment where they can work with peace of mind both in terms of equipment and systems. In order to support the promotion of personal and trustworthy relationships among associates outside work hours, we periodically provide opportunities for associates and their families to interact with others.

Link to performance data (page 3)



Efforts to support work-life balance



We are working to enhance our support systems to match individual situations. Efforts include shorter work hours for childcare and an in-house day care center, which are available until the child graduates from elementary school; a leave system to allow parental care of children with illnesses, which can be flexibly used to participate in school events; and a leave system and financial aid for fertility treatment. We also hold an interview before reinstating an associate, in which the associate, their supervisor, and the human resources and general administration departments participate, in order to help eliminate the anxiety involved in returning to work. As for family care, we offer systems that surpass legal requirements, such as a system of 732-day leave and eliminating the upper limit on leave taken in smaller increments.

We also distribute a handbook, on-demand videos, and newsletters to provide basic knowledge on family care, facilitate an understanding of the relevant systems, and cultivate an appropriate workplace culture.

As a result of these efforts, TICO received Japan's "Platinum Kurumin" certification and won a "Family-Friendly Company" award from the Aichi prefectural government.

Major Initiatives



Handbook for Balancing Work with Family Care



In-house day care center

■ Support during pregnancy, childbirth and childcare

Pregnancy	Distributing Handbook for Balancing Work with Nursing Care On-demand pre-maternity leave seminars
Childbirth	Leave system for spouses whose partner is giving birth Providing childbirth gift money Leave system for birth of grandchildren
Return to work	Interview with supervisor before returning to work to discuss how to work after being reinstated
Work-life balance	Shorter work hours for childcare (until the child graduates from elementary school) In-house day care center Financial aid for childcare costs (for using babysitters, travel by family members, and daycare center fees) Leave system to allow parental care of children with illnesses Telecommuting
Other	System to reinstate associates who have left work to provide child or family care or to accompany their spouses for a job transfer Inviting family members to Company events (plant tours, sports days, summer festivals, etc.) Leave system for associates who are accompanying their spouses for a job transfer

■ Support for family care

Leave system for family care
Distributing Handbook for Balancing Work with Family Care
Providing newsletters on family care
On-demand seminars on family care
Financial aid for the costs of nursing home with care services operated by a Group company

■ Support for fertility treatment

Leave system for fertility treatment
Financial aid for the costs of fertility treatment

Initiatives under Our Human Resources Strategy >> Creating an Environment to Encourage Active Roles

Major Initiatives

Support for engagement of men in childcare

In order to support the engagement of men in childcare, we have been working to foster a culture that allows associates to take parental leave more easily by providing a video describing our parental leave system, stories of other male associates who have taken leave, and training for supervisors to prevent paternity harassment^{*3}. We have already created an environment where all associates wishing to take such leave can do so.

^{*3}: Harassment that infringes on the rights and opportunities for men to engage in childcare

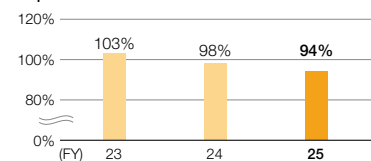
Realizing flexible work styles

To realize flexible work styles, we offer various work style options for associates, allowing them to demonstrate high productivity no matter their lifestyle. For example, we have introduced a flex time system without core-hour requirements, a telecommuting system with no limits on the number of days, and a discretionary system that allows associates to determine the allocation of work hours and the work methods to achieve desired results.

In addition to the legally mandated labor management practices, we have set a target regarding overwork as part of efforts to restrict long working hours. We also make periodic announcements to encourage associates to plan for their annual paid leave, and as a result, the ratio of associates taking the leave reached 94% in FY2025. Our efforts are geared toward enhancing the private lives of associates and their families and creating an environment where associates can work with peace of mind and vitality while remaining healthy. These include newly constructed company dormitories and housing to provide secure and comfortable living conditions; operating company-built welfare facilities available at a reasonable cost; and welfare facilities with a restaurant and other services.

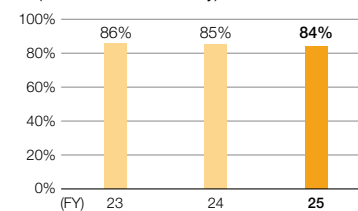
Promoting a well-focused way of working

Ratio of associates taking annual paid leave

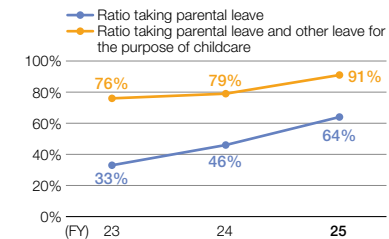


The figure may exceed 100% as we calculate the ratio by dividing the number of days taken, which includes the number of days carried over from the previous fiscal year, by the number of days allocated for a fiscal year.

Satisfaction with the welfare program (associate morale survey)



Ratio of male associates taking parental leave



Number of associates resigning due to childbirth or childcare

	FY2023	FY2024	FY2025
Number resigned	3 persons	1 person	2 persons
Ratio resigned	1.0%	0.3%	0.5%

Initiatives under Our Human Resources Strategy >> Creating an Environment to Encourage Active Roles

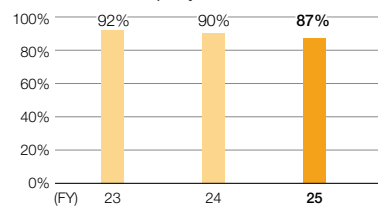
Major Initiatives

Associate morale survey

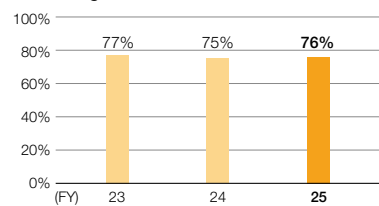
As an initiative for workplace improvement, we conduct an associate morale survey in all departments every year. The survey collects various perspectives, including "Being proud of the Company," "Rewarding work / Growth achieved through work," "Culture of own workplace / Sense of organizational unity," and "Supervisors' management / Feeling of trust." We review our questions each year to adapt to changes in the environment surrounding TICO. The survey results are disclosed to all associates and, with department heads taking responsibility, members of each department are making concerted efforts to improve their workplace.

■ Associate engagement (associate morale survey)

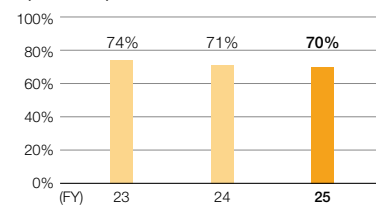
Proud of the Company



Rewarding work



Open workplace



Promoting personal and trust relationships outside work hours

In order to help promote personal and trust relationships among associates outside work hours, we are keen to conduct activities to facilitate communication. For example, social gatherings in the workplace, for which TICO pays a part of the expenses, are utilized as an opportunity for members to deepen interactions. More than 15,000 participants, including associates' families and local residents, come to festivals held at each base every year. Our annual All-TICO *ekiden* long-distance relay race is a grand event in which many teams, including those from our affiliated companies, participate. Through these efforts, we work to deepen a mutual understanding among associates and cultivate a sense of unity across the entire Company.



Company-built welfare facility



Dormitory common room



Autumn festival

All-TICO *ekiden* event

Becoming a Company Focused on Well-Being

Basic Perspective

Based on the idea of building “a homelike atmosphere at work that is warm and friendly” as stated in the Toyota Precepts, we formulated the Safety Vision in 2013 after holding repeated discussions on the “basic stance on safety” and “optimal safety we seek.” The vision has been instilled at all bases in the TICO Group.

Safety Vision

Each and every associate in the Toyota Industries Group, guided by the spirit of our corporate creed, aims to create a corporate culture that places a top priority on maintaining safety in all areas and focuses on mutual courtesy and safety as well as realizing workplaces where associates work each day with a sense of happiness and pride.

Link to
Safety Vision

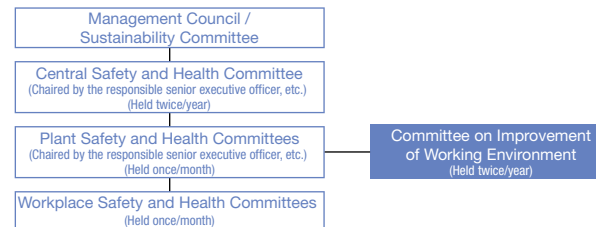


Structure for Promoting Safety and Health

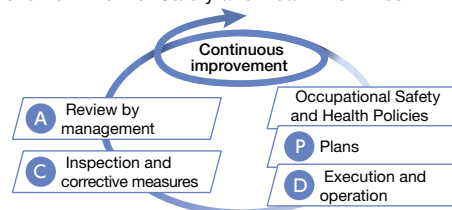
Under our basic policy of placing a top priority on health and safety, we have been striving to eliminate accidents and occupational disorders. As part of such efforts, we have established the necessary committees, including the Central Safety and Health Committee and the Plant Safety and Health Committees.

Occupational Safety and Health Management System

In accordance with the concept of an Occupational Safety and Health Management System (ISO 45001), we have established a required management structure in each plant (or business division) headed by the chair of each Plant Safety and Health Committee (responsible senior executive officer) and have been achieving improvements in safety and health activities on an ongoing basis from human, object, and administrative standpoints based on risk assessment.



Improvement Flow of Safety and Health Activities



Safety and Health Education

In order to cultivate knowledge, awareness and the skills necessary to prevent industrial accidents and occupational disorders, TICO proactively provides education required by law to cultivate relevant knowledge and skills and to raise safety and health awareness, in addition to grade-based and job-category-based education. Through these efforts, we are promoting the development of human resources and workplaces that place the highest priority on safety.

Purpose	Major Initiatives
Acquire qualifications (cultivate personal skills)	Licenses; skills seminars; special education; repeated education for capability improvement
Raise safety and health awareness	Education to improve ability to predict hazards; education to actually experience hazards (safety dojo)
Prepare for roles associated with positions/grades	Induction training; training for production associates; training for newly promoted senior experts and chief experts; training for newly promoted experts; safety and health manager education
Prepare for job categories and business characteristics	Education on emergency measures; education on equipment lockout; equipment safety education; education for equipment safety inspectors; risk assessment education

Becoming a Company Focused on Well-Being

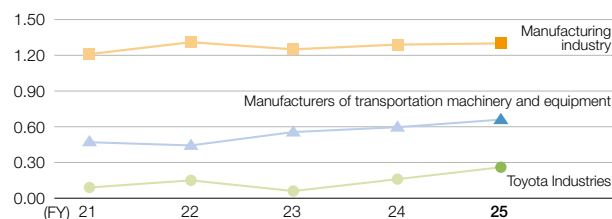
Prevention of Occurrence and Recurrence of Industrial Accidents and Occupational Disorders

In seeking zero serious and semi-serious accidents*¹, TICO has been engaging in a range of activities to prevent the recurrence of accidents and the occurrence of similar accidents.

In particular, we have implemented various measures to eliminate accidents related to powered machinery, which are highly likely to turn into serious accidents. As one physical measure, we have incorporated a mechanism into all applicable machinery and equipment that cuts off power whenever an operator accesses it. As human-related measures, we have laid down internal rules to consider individuals' behavioral tendencies*² in order to ensure the assignment of appropriate personnel for dealing with irregularities (including restoring irregular conditions) based on the risk level of each. We have also been educating operators to instill an approach of always shutting down a machine (cutting power) and making sure to prevent accidental operation by others (enforcing lockout) when accessing powered machinery. Through these measures, we work to reduce the risk of the occurrence of serious accidents.

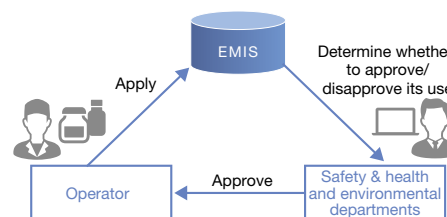
Frequency Rate of Lost Workday Injuries (Non-Consolidated)

[Sustainability material issue](#) > See page 35.



We also implement the Ecology, Safety and Health Material Investigation System, our original environmental management information system (EMIS), to assess the hazard and toxicity risks of relevant chemical substances and approve or disapprove their usage. The assessment is based on various conditions, such as material-specific properties, volume handled, and frequency and methods of use. Additionally, we strive to prevent occupational disorders caused by chemical substances (acute/chronic intoxication, organ/nerve damage, chemical injuries, etc.) by providing operators with precautions on use and information on legally required management methods (including the use of protective equipment).

Flow of Filing Application for the Handling of a Chemical Substance



*1: Fatal accidents and accidents that cause serious disabilities

*2: Risk perception: An ability to recognize a risk as a risk

Risk-taking attitude: Tendency to intentionally accept a risk and act accordingly even when one perceives the risk

Becoming a Company Focused on Well-Being

Basic Perspective on Health

We are promoting the health improvement of associates, mainly focusing on the prevention of lifestyle diseases and mental health support activities, and, as a task for the medium term, we are working to nurture associates and workplaces that can think about mental and physical health and adopt required practices on their own based on the idea of health and productivity management^{*3}. While positioning FY2025 as the first year of our efforts to nurture healthy people and workplaces and to enable associates to work and take active roles over the long term, we provide support toward the cultivation of an autonomous health-oriented culture in which associates care about their own health and take action voluntarily and willingly.

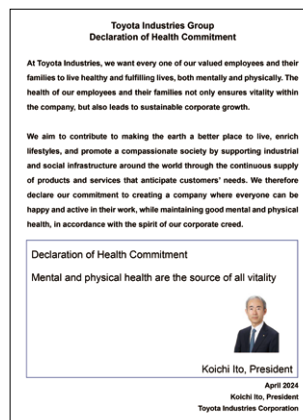
^{*3}: Health and productivity management is a registered trademark of the NPO Kenkokeiei

Promotion of Activities to Improve Health Based on Health and Productivity Management

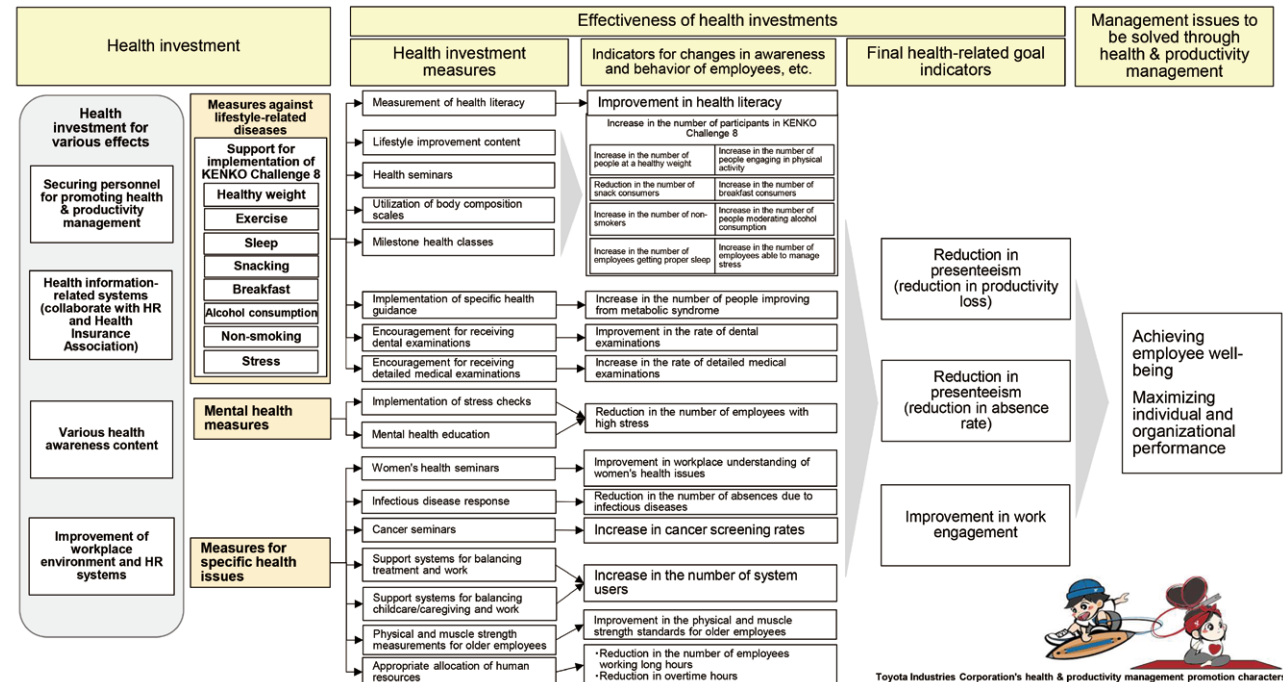
Formulation of Philosophy of Health Management

Under our basic policy of placing a top priority on health and safety, we have been striving to eliminate accidents and occupational disorders. As part of such efforts, we have established the necessary committees, including the Central Safety and Health Committee and the Plant Safety and Health Committees.

Link to the declaration



Health and Productivity Management Strategy Map



Toyota Industries Corporation's health & productivity management promotion characters

Health and Productivity Management Map

We undertake activities while setting “achieving the well-being of associates” and “drawing out maximum individual and organizational performance” as management issues we want to resolve through health and productivity management, with “reducing presenteeism,” “reducing absenteeism,” and “improving work engagement” as our ultimate target indicators. We will implement and evaluate strategic measures that will lead to awareness and behavior changes in associates by positioning the KENKO Challenge 8^{*4} as a focused measure against lifestyle diseases.

^{*4}: Eight lifestyle habits (1. Desirable weight, 2. Breakfast, 3. Snacks, 4. Sleep, 5. Exercise, 6. Alcohol consumption, 7. No smoking, 8. Stress level)

Health-Related Indicators and Reasons for Selection

We have selected the well-being of associates as our main key performance indicator (KPI). Toward achieving our targets in 2030, we will promote health improvement activities with a focus on the KENKO Challenge 8. Because the word “well-being” is defined as being healthy mentally and physically as well as socially, we aim to nurture human resources with a balanced set of lifestyle habits, mental health, and communication capabilities and have accordingly included relevant indicators in our health KPIs.

Becoming a Company Focused on Well-Being >> Health

■ KENKO Challenge 8



■ Health KPI

	Evaluation item	Results (FY)		Target (FY)	
		2024	2025	2026	2031
Main KPI	Well-being*5	12.2	12.4	13.0	Above 16.0
	Presenteeism*6	17.3%	18.0%	16.0%	Below 10.0%
Sub-KPI	Absenteeism*7	1.16%	1.09%	1.00%	Below 0.70%
	Work engagement*8	3.00	2.98	3.10	Above 3.50
Activity KPI	KENKO Challenge 8*9	5.67	5.37	5.85	Above 6.50
	Health literacy*10	—	17.9	19.0	Above 20.0

The above data is taken from valid responses from full-time associates.

*5: The World Health Organization-Five Well-Being Index (WHO-5); Highest score: 25 (Average of 14,272 full-time associates with a response rate of 98.2%)

*6: Productivity loss percentage under Single-Item Presenteeism Question (Average of 12,900 full-time associates with a response rate of 88.7%)

*7: Percentage of associates absent from work due to non-occupational injuries/diseases for four or longer consecutive days (among 14,705 full-time associates)

*8: Utrecht Work Engagement Scale (UWES); Highest score: 6 (Average of 14,257 full-time associates with a response rate of 98.1%)

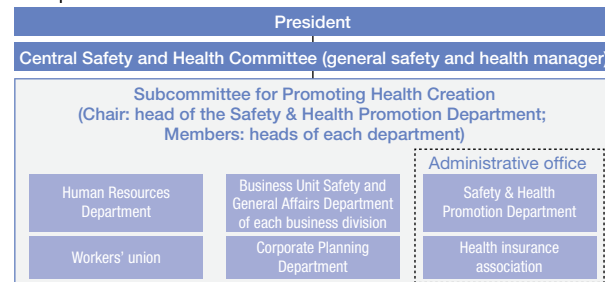
*9: Number of habits exercised among the eight lifestyle habits; Highest score: 8 (Average of 14,180 full-time associates with a response rate of 97.5%)

*10: Measurements based on the Communicative and Critical Health Literacy (CCHL) Scale (Average of 14,266 full-time associates with a response rate of 98.1%)

Structure for Promoting Health

To reinforce our health improvement activities, we have established the Subcommittee for Promoting Health Creation, for which the Safety & Health Promotion Department and our health insurance association serve as an administrative office. At the subcommittee, with participation from related departments and our workers' union, we have been holding a series of discussions on systems and measures related to associates' health improvement. We will continue to hold more in-depth discussions and provide ongoing support to enhance the well-being and health of associates.

■ Implementation Structure



Communicating Our Health Improvement Activities

We have created two original corporate characters for promoting health and productivity management, and by soliciting their names from associates, have been working to familiarize associates with the idea of health improvement. We also hold health-related events on a periodic basis as an effort to communicate and increase recognition for our health improvement activities involving external parties, including associates' families and our business partners.

■ Characters

The path we weave for our future health

Woof-kun Warp-chan



TICO characters who promote health and productivity management



Participants taking health measurements at our annual Aozora Ichiba event held in November 2024



Health booth we set up at an ekiden long-distance relay race held in March 2025

Becoming a Company Focused on Well-Being >> Health

Focused Measures

KENKO Challenge 8

Since FY2022, we have continuously been promoting the “KENKO Challenge 8 (8 Challenges for a Healthier Lifestyle)” initiative to promote the cultivation of appropriate lifestyle habits in daily lives by defining eight lifestyle habits and giving each a score. We have provided health education to associates during a TICO Safety & Health Meeting in order to improve and facilitate their health literacy^{*11} and behavior change and encouraged each to make “My Health Challenge Declaration.” As an effort to promote health improvement activities in each workplace, an industrial physician gave a lecture at a meeting of the Plant Safety and Health Committee to show data trends for each plant/department and provide improvement advice on lifestyle habits with low practice rates. While striving to increase the recognition of the initiative, we will also work with our health insurance association and workers’ union to increase the practice rate of the “Exercise” habit, which has remained lower than the other seven habits.

^{*11}: Knowledge, willingness, and ability to obtain, understand, and utilize health-related information



Milestone Health Class

As a collaborative initiative of TICO, its workers’ union, and health insurance association, we conduct the Milestone Health Class, a periodic age-based health education for all associates. In FY2025, we revised the program to match the health issues that vary by age or job type (production associates and those in office work/engineering positions). We are focusing on the “Exercise” habit, the practice rate of which is the lowest under the KENKO Challenge 8, and working to increase the rate by giving advice on the tendencies of individual associates’ physical fitness,



Milestone Health Class

needed measures, and recommended exercises to enhance fitness.

Beyond exercises, we have added “dental checkups” to the items of our KENKO Challenge 8 and have been providing health education broadly on lifestyle habits in general. To maintain and further accelerate behavior change, we also ask associates to set a lifetime health goal to achieve well-being and visualize specific targets and actions for improving lifestyle habits. In a questionnaire survey conducted after the class, 87.5% of the participants said that the class was effective in improving their health. Our continuous support has thus helped to improve associates’ health literacy.

Mental Health Support

As part of mental health support activities, we have in place a system under which associates can easily seek advice on their health through a health-related hotline. The system allows us to receive consultation requests broadly via e-mail, telephone, and other means.

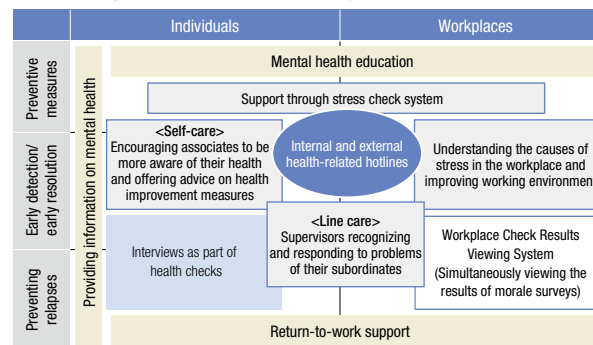
As a result of our focused efforts to reinforce line care by associates’ immediate supervisors since 2019, the cooperation between each workplace and the Health Promotion Department has been strengthened further, leading to an increase in cases where problems are detected early while still in a mild stage. In the future, we plan to further enhance our education in this field with a focus on preventing the onset of problems.

We also conduct an annual stress check and give feedback on the results to all participants and workplaces with suggestions for improvement. As personal support, we make a recommendation to associates showing a high level of stress in the internal check to seek medical advice and set up an individual interview with a doctor for those wishing to do so. To help workplaces, we provide improvement support where applicable.

Health Support for Associates Working Overseas

As we regularly have 160 to 170 associates working overseas, we are currently setting up a health support system for them, which is similar to the one provided in Japan. For example, the system includes an interview with an industrial physician after arrival at the post, a periodic check on physical conditions through a health management questionnaire, and health education at each base. Because associates start working overseas while adapting to a new culture and environment, we recognize the need to show additional care for their mental and physical health management and are working to further reinforce our support system.

Improving Mental Health Support System



Relationship with Our Local Communities

Basic Perspective

To contribute to the harmonious and sustainable development of the earth and society, we actively undertake social contribution activities while respecting the culture, traditions, and history of each country.

Based on the Sustainability Policy and as a global company, TICO seeks to contribute broadly to society through all its corporate activities conducted in each country and region. Simultaneously, we aim to realize a sustainable society and the growth of local communities with an emphasis on the areas of social welfare, youth development, environmental protection and community contribution. While providing cooperation and support through personnel, facilities, funds, and know-how, we undertake initiatives to promote employees' participation in social contribution activities.

Implementation Structure

We have established the Social Contribution Group within the General Administration Department in the Head Office. Each plant and Group company of TICO around the world collaborates with each other and promotes social contribution activities matched to the local characteristics and needs while cooperating with NPOs and interacting with local community members.

Enlightenment Activities

We promote a range of activities for employees of TICO and its Group companies to increase their interest in social issues and cultivate a mindset to always think about what they can do to address these issues. Such activities include donating one item per person to help welfare facilities hold a charity bazaar; social welfare, youth development, and environmental protection activities of employee associations*1; providing information on volunteer activities via the intranet; and presenting examples of social contribution activities of Group companies across the world.

In this way, we provide various opportunities and venues to participate in social contribution activities.

*1: Voluntary organizations formed by employees at each job level

Dialogue with Local Communities

We hold local community meetings for the purpose of sharing and resolving various issues in each community. These meetings are attended by local community representatives and responsible persons of TICO in the general administration, environment, and other relevant departments. Depending on the theme of the meeting, representatives from the local government also join. Participants exchange opinions not only on our business activities and associated environmental risks but also on local events and activities for crime/disaster prevention and traffic safety.



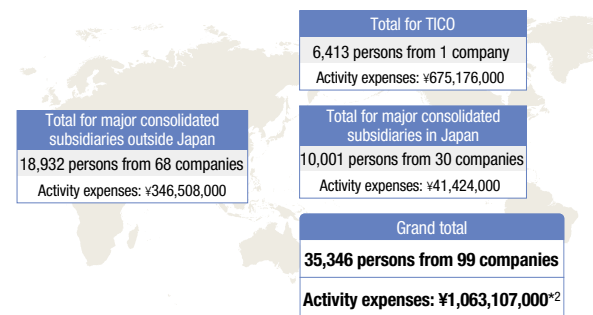
Forest conservation activity (employee associations)



Local community meeting

Status of Social Contribution Activities in FY2025

[Sustainability material issue](#) > [See page 35.](#)



*2: On a consolidated basis including TICO and its major subsidiaries as of March 31, 2025. Due to rounding, the sum of expenses of each activity does not necessarily match the grand total.

Major Social Contribution Activities of TICO and Group Companies

Theme	Activities
Social welfare	Support for persons with disabilities Interactive events ("Welfare Festival," farming experience, Walk Rally (orienteering) and other events), and support for social engagement and independent living (purchasing products made by persons with disabilities, providing opportunities for sales of these products, and activities to facilitate a mutual understanding)
	Support for persons in need Donating foodstuffs, providing meals, housing support, and medical support
	Medical support and support for persons with illnesses Sponsoring and participating in awareness-raising events, making donations to research institutes, and volunteering at care houses
	Support for children facing difficulties Christmas donations and support for field trips Supporting blind children in developing countries (TICO) P. 75
Youth development	Education and career support Providing courses on <i>monozukuri</i> , STEAM*3, sports, etc. Holding lessons at schools, concerts, and plant tours. Accepting participants for workplace experience events and holding job fairs
	Scholarship support and distribution of school supplies
	Financial support to schools Renewing facilities, donating school buses, and providing financial support for extracurricular activities, summer schools, etc. Providing mobility solutions to children with disabilities in collaboration with a university (TMH) P. 75
Environmental protection	Activities to raise environmental awareness Holding lessons at school and donating benches that made effective use of thinned wood
	Tree-planting activities
	Cleanup activities Activities to protect biodiversity Protecting rare animals and conserving habitats Recycling work clothing (Vanderlande) P. 75
Community contribution	Volunteer activities to give back to local communities Repair of welfare facilities, tree pruning, park maintenance, etc.
	Cooperating in disaster prevention and fire-fighting activities
	Cooperating in traditional events
	Meetings with local communities Contributing to the Paris Olympic and Paralympic Games (TMH FR) P. 75
Other	Donating and free-of-charge leasing of materials handling equipment, etc. Disaster relief and humanitarian support Support for cultural and art activities

*3: Short for Science, Technology, Engineering, and Mathematics, STEM is an educational approach that enables the comprehensive learning of these four key areas.

Relationship with Our Local Communities

Activity Examples of TICO Group

Japan

Social Welfare > Supporting Blind Children in Developing Countries (TICO)

TICO supports Hikarikanata Foundation, an NPO engaging in activities to help children with treatable blindness in developing countries receive visual recovery surgery. On the day following surgery, children draw pictures of the things they see for the first time in their lives. We borrow these pictures and display them at the Kariya Plant, in which our Head Office is located, and in the Nagakusa Plant. A picture drawn by a boy conveys his joy of seeing colors come alive as he passionately drew on the paper with crayons.



Picture drawn by a child in Myanmar



Picture display (drawn by a child in Vietnam)

U.S.A.

Youth Development > Providing Mobility Solutions to Children with Disabilities in Collaboration with a University (TMH)

Toyota Material Handling USA, Inc. (TMH) supports the GoBabyGo program of Indiana University (IU), which provides a means of mobility to children with motor and cognitive delays to help them increase independence. In addition to providing monetary support and battery-powered cars, TMH engineers collaborate as volunteers with physical therapy students and those from the School of Engineering and Technology at IU to engage in the design, customization, safety check, and adaptation work. In recognition of this effort, we received the IU Spirit of Philanthropy Award in 2024.



A big smile after getting on a mobility support car



Spirit of Philanthropy Award ceremony

Netherlands

Environmental Protection > Recycling Work Clothing (Vanderlande)

As one measure to achieve zero waste by 2040, Vanderlande Industries Holding B.V. collects used work clothing (jackets, T-shirts, polo shirts, sweaters, vests, trousers, safety vests, etc.) as well as work shoes and hard hats for processing by a specialized company for reuse or recycling. The effort not only reduces waste but also allows more sustainable, eco-friendly management of work clothing. In 2024, TICO also launched the "Blouson Reborn Project" to collect work clothing and make T-shirts made 100% from the material recycled through the project.



Vanderlande's poster announcing the recycling of work clothing



TICO's T-shirt made of 100% recycled material

France

Community Contribution > Contributing to the Paris Olympic and Paralympic Games (TMH FR)

As an official material handling equipment partner of the Olympic and Paralympic Games held in Paris in 2024, Toyota Material Handling France SAS (TMH FR) delivered 250 lift trucks and pallet trucks specifically designed to meet the needs of the event and provided logistics and operational support behind the scenes from before the start of and until after the event. All lift trucks were equipped with lithium-ion batteries, which meant 94% less carbon emissions than internal-combustion lift trucks, and thus contributed to the achievement of the event's carbon reduction target. Employees of TMH FR were also united in helping with the event, 25 of whom participated in the Paris 2024 volunteer program.



Lift truck in use in a venue of the Paris Olympics








Link to Toyota Material Handling France - Stade Tour Eiffel

Corporate Governance

Management Team (Directors, Audit & Supervisory Board Members, Senior Executive Officers, and Executive Officers) (As of June 30, 2025)

Directors

<div>Chairman</div> <div>Shigeki Terashi</div> <div></div>	<div>Apr. 1980</div> <div>Joined Toyota Motor Corporation (TMC)</div> <div>Jun. 2008</div> <div>Managing Officer of TMC</div> <div>May 2011</div> <div>President and Chief Operating Officer of Toyota Motor Engineering & Manufacturing North America, Inc.</div> <div>Apr. 2013</div> <div>Senior Managing Officer of TMC</div> <div>Jun. 2013</div> <div>Member of the Board of Directors and Senior Managing Officer of TMC</div> <div>Jun. 2015</div> <div>Executive Vice President of TMC</div> <div>Apr. 2017</div> <div>Member of the Board of Directors and Executive Vice President of TMC</div> <div>Apr. 2020</div> <div>Member of the Board of Directors and Operating Officer of TMC</div> <div>Jan. 2021</div> <div>Member of the Board of Directors and Executive Fellow of TMC</div> <div>Jun. 2021</div> <div>Executive Fellow of TMC</div> <div>Apr. 2024</div> <div>Company Advisor of Toyota Industries Corporation</div> <div>Jun. 2024</div> <div>Chairman (current)</div>	<div>President</div> <div>Koichi Ito</div> <div></div>	<div>Apr. 1986</div> <div>Joined Marubeni Corporation</div> <div>Jun. 1998</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2012</div> <div>Managing Officer</div> <div>Jun. 2019</div> <div>Senior Executive Officer</div> <div>Jun. 2023</div> <div>President (current)</div>	<div>Director</div> <div>Akira Onishi</div> <div></div>	<div>Apr. 1981</div> <div>Joined Toyota Industries Corporation</div> <div>Jun. 2005</div> <div>Director</div> <div>Jun. 2006</div> <div>Managing Officer</div> <div>Jun. 2008</div> <div>Senior Managing Officer</div> <div>Jun. 2010</div> <div>Senior Managing Director</div> <div>Jun. 2013</div> <div>President</div> <div>Jun. 2023</div> <div>Vice chairman</div> <div>Jun. 2024</div> <div>Director (current)</div>
<div>Director (Outside, independent)</div> <div>Shuzo Sumi</div> <div></div>	<div>Apr. 1970</div> <div>Joined The Tokio Marine & Fire Insurance Co., Ltd. (Tokio Marine)</div> <div>Jun. 2000</div> <div>Director and Chief Representative in London of Tokio Marine</div> <div>Jun. 2002</div> <div>Managing Director of Tokio Marine</div> <div>Oct. 2004</div> <div>Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd. (Tokio Marine & Nichido)</div> <div>Jun. 2005</div> <div>Senior Managing Director of Tokio Marine & Nichido</div> <div>Jun. 2007</div> <div>President and Chief Executive Officer of Tokio Marine & Nichido</div> <div>Jun. 2007</div> <div>President and Chief Executive Officer of Millea Holdings, Inc.</div> <div>Jul. 2008</div> <div>President & Chief Executive Officer of Tokio Marine Holdings Inc. (Tokio Marine Holdings)</div> <div>Jun. 2013</div> <div>Chairman of the Board of Tokio Marine & Nichido</div> <div>Jun. 2013</div> <div>Chairman of the Board of Tokio Marine Holdings</div> <div>Jun. 2014</div> <div>Director of Toyota Industries Corporation (current)</div> <div>Apr. 2016</div> <div>Counselor of Tokio Marine & Nichido (current)</div> <div>Jun. 2019</div> <div>Retired as Chairman of the Board of Tokio Marine Holdings</div>	<div>Director (Outside, independent)</div> <div>Junichi Handa</div> <div></div>	<div>Apr. 1979</div> <div>Joined Toa Nenryo Kogyo K.K.</div> <div>Feb. 2002</div> <div>Representative Director of Booz Allen and Hamilton (Japan)</div> <div>Apr. 2005</div> <div>CEO of Management Wisdom Partners, Japan Inc.</div> <div>Apr. 2005</div> <div>Project Researcher of Manufacturing Management Research Center, the University of Tokyo</div> <div>Jun. 2013</div> <div>Corporate Officer and Head of HR, Takeda Pharmaceutical Company Limited</div> <div>Jun. 2015</div> <div>Outside Director of Mitsui Sugar Co., Ltd. (now Mitsui DM Sugar Holdings Co., Ltd.)</div> <div>Jul. 2015</div> <div>CEO of Management Wisdom Partners, Japan Inc. (current)</div> <div>Apr. 2016</div> <div>Project professor of the Graduate School of Economics (Management) and member of the Office of the Global Leadership Program, the University of Tokyo</div> <div>Apr. 2022</div> <div>Lecturer of the Graduate School of Economics, the University of Tokyo</div> <div>Jun. 2022</div> <div>Director of Toyota Industries Corporation (current)</div>	<div>Director</div> <div>Kazunari Kumakura</div> <div></div>	<div>Apr. 1985</div> <div>Joined Toyota Motor Corporation (TMC)</div> <div>Jun. 2016</div> <div>Managing Officer of Toyota Industries Corporation</div> <div>Jun. 2019</div> <div>Operating Officer</div> <div>Mar. 2020</div> <div>Retired from Operating Officer</div> <div>Apr. 2020</div> <div>Deputy Chief Officer, Purchasing Group of TMC</div> <div>Jul. 2020</div> <div>Chief Officer, Purchasing Group of TMC (current)</div> <div>Jun. 2023</div> <div>Director of Toyota Industries (current)</div>
<div>Director (Outside, independent)</div> <div>Tokiko Shimizu</div> <div></div>	<div>Apr. 1987</div> <div>Joined Bank of Japan (BOJ)</div> <div>Jul. 2010</div> <div>General Manager of the Takamatsu Branch of BOJ</div> <div>May 2012</div> <div>Principal Examiner, Financial System and Bank Examination Department of BOJ</div> <div>Jun. 2014</div> <div>Deputy Director-General for Asian Affairs, International Department of BOJ</div> <div>Jul. 2016</div> <div>General Manager for Europe and Chief Representative of BOJ</div> <div>Apr. 2018</div> <div>General Manager of the Nagoya Branch of BOJ</div> <div>May 2020</div> <div>Assistant Governor of BOJ</div> <div>Jun. 2024</div> <div>Director of Toyota Industries Corporation (current)</div> <div>Aug. 2024</div> <div>President of EmEco Corporation (current)</div>				

Audit & Supervisory Board Members



Full-Time Audit & Supervisory Board Member
Toru Watanabe

Apr. 1983 Joined Toyota Industries Corporation
Jun. 2016 General Manager of Accounting & Finance Dept.
Jun. 2020 Audit & Supervisory Board Member (current)



Full-Time Audit & Supervisory Board Member
Kuniaki Matsumoto

Apr. 1991 Joined Toyota Industries Corporation
Jan. 2017 General Manager, Accounting & Finance Dept.
Apr. 2021 Senior Executive Officer of UMC Electronics
July 2024 Project General Manager, Procurement Dept. of the Electronics Div.
Jan. 2025 General Manager, Parts Procurement Dept.
Jun. 2025 Audit & Supervisory Board Member (current)



Audit & Supervisory Board Member (Outside, independent)
Akihisa Mizuno

Apr. 1978 Joined Chubu Electric Power Co., Inc. (Chubu Electric Power)
Jun. 2008 Director, Senior Managing Executive Officer, and General Manager of Corporate Planning & Strategy Div. of Chubu Electric Power
Jun. 2009 Representative Director and Executive Vice President of Chubu Electric Power
General Manager of Corporate Planning & Strategy Div. and General Manager of Affiliated Business Planning & Development Dept.
Jun. 2010 President & Director of Chubu Electric Power
Jun. 2015 Chairman of the Board of Directors of Chubu Electric Power
Jun. 2016 Audit & Supervisory Board Member of Toyota Industries Corporation (current)
Apr. 2020 Director & Advisor of Chubu Electric Power
Jun. 2020 Advisor of Chubu Electric Power (current)



Audit & Supervisory Board Member (Outside, independent)
Masanao Tomozoe

Apr. 1977 Joined Toyota Motor Sales Co., Ltd.
Jun. 2005 Managing Officer of Toyota Motor Corporation (TMC)
Apr. 2011 Senior Managing Officer of TMC
Apr. 2011 Senior Vice President of Toyota Motor North America, Inc.
Jun. 2012 President and Representative Director of Toyota Motor Sales & Marketing Corporation
May 2015 Advisor of Central Japan International Airport Company, Limited
Jun. 2015 President and CEO of Central Japan International Airport
Jun. 2019 Audit & Supervisory Board Member of Toyota Industries Corporation (current)
Jun. 2019 Advisor of Central Japan International Airport
Jun. 2021 Special Advisor of Central Japan International Airport
Jun. 2023 Retired as Special Advisor of Central Japan International Airport

Senior Executive Officers

Masahiro Kawaguchi



Kazunari Masuoka



Toshihiko Shimizu



Yoichiro Yamazaki



Brett Wood



Norio Wakabayashi



Hiroaki Matsuda



Sotaro Kumazawa



Ken Suito



Hiroshi Fukagawa



Hisashi Ichijo



Shinya Mizutani



Keitaro Hara



Executive Officers

Hiroya Akatsuka

Toru Suzuki

Haruhiko Kimata

Takashi Kubooka

Hiroshi Kobayashi

Hiroyasu Takagi

Takehiko Oishi

Naomori Suzuki

Shigeru Sawaki

Motoki Takahashi

Tomoji Tarutani

Kenichi Katae

Hiromichi Asao

Hitoshi Matsuoka

Taeko Kojima

Hiroyuki Iwama

Hiroyuki Taniguchi

Corporate Governance

Corporate Governance Structure

This governance structure is as of June 10, 2025.

Basic Perspective

TICO regards the most important managerial task as earning trust broadly from society and enhancing its corporate value on a stable, long-term basis. We aim to do this task based on our Basic Philosophy and by earnestly fulfilling our social responsibilities. Our basic focus is on contributing to the creation of an enriched society through business activities, and we believe it is essential to cultivate good relationships with stakeholders, including shareholders, customers, business partners, creditors, local communities, and employees.

Based on our basic perspective on corporate governance, we strive to enhance our corporate governance in order to maintain and improve management efficiency, fairness, and transparency. For example, we have established a structure to quickly and flexibly respond to changes in the business environment and have been working to augment management oversight and ensure the timely disclosure of information.

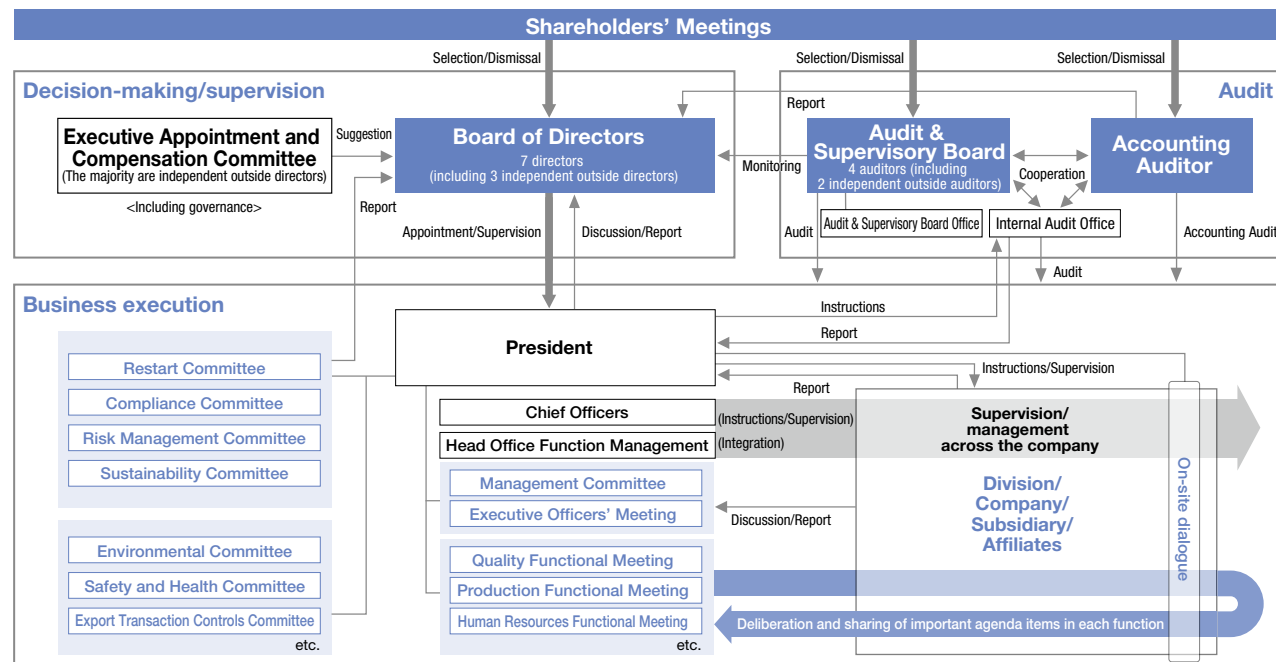
More specifically, the following basic policies drive our initiatives.

- We seek to ensure shareholders' rights and equality.
- We seek to promote appropriate collaboration with stakeholders other than shareholders (including customers, business partners, creditors, local communities, and employees).
- We seek to conduct appropriate information disclosure and ensure transparency.
- We seek to perform the roles and duties of the Board of Directors appropriately in order to make decisions in a transparent, fair, quick, and resolute manner.
- We seek to promote a constructive dialogue with shareholders.

Link to the Corporate Governance Report



Corporate Governance Structure



Implementation Structure

TICO convenes monthly meetings of the Board of Directors to resolve important management matters and monitor the execution of duties by directors. We appoint outside directors who have a wealth of experience and knowledge such as business management. They attend meetings of the Board of Directors and give opinions and ask questions as deemed necessary based on their individual, wide-ranging experience and insights related to the management of globally operating companies and *monozukuri* (manufacturing). Through this supervisory function of outside directors, we ensure the legality and validity of the Board's decisions as well as the directors' execution of duties from an objective perspective. Moreover, a variety of issues concerning important management matters, such as our corporate vision, management policies, medium-term business

strategies, and major investments, as well as crucial projects in each business division, are discussed by the Management Committee, which is composed of the president, chief officers, and audit & supervisory board members as well as relevant senior executive officers and other executives, prior to deliberation by the Board of Directors.

At the Executive Officers' Meeting, the president, chief officers, and senior executive officers convene to report and confirm the monthly status of business operations and discuss business and functional issues.

In addition, issues pertaining to quality, production, and human resources are discussed at the corresponding functional meetings. We have also put in place committees to deliberate on more specific matters, such as compliance, risk management, sustainability, the environment, safety and health, as well as export transaction controls. These

Corporate Governance >> Corporate Governance Structure

functional meetings and committees discuss important matters and action themes in respective areas. Furthermore,

■ Initiatives for Enhancing Corporate Governance

1971	Introduced a divisional organization system
2006	Reduced the number of directors (from 30 to 17) Introduced a managing officer system
2010	Appointed independent members of management
2016	Established the Executive Appointment Committee and Executive Compensation Committee Reduced the number of directors (from 17 to 11)
2017	Conducted an evaluation of the effectiveness of the Board of Directors
2019	Revised executive management structure and reduced the number and rank of executives
2022	Revised the composition of the Board of Directors (independent outside directors accounting for a third or more of the total number of members)
2023	Reorganized the Executive Appointment Committee and Executive Compensation Committee into the Executive Appointment and Compensation Committee, with its chairperson position now assigned to an independent outside director
2024	Established chief officer (CxO) positions Appointed a female director

in response to the engine certification issue, we established the Restart Committee to promote recurrence prevention measures.

Moreover, we strive to maintain and improve internal controls by establishing the Internal Audit Office and conducting internal audits of TICO's business divisions and departments as well as our subsidiaries.

Selection and Dismissal of Senior Management and Appointment of Director and Audit & Supervisory Board Member Candidates

■ Policies and Procedures for Selection (and Dismissal) of Senior Management and Appointment of Director and Audit & Supervisory Board Member Candidates

We appoint candidates from the viewpoint of placing the right persons in the right positions. As director candidates, we appoint persons capable of making sound and quick decisions about corporate management in general, managing risk appropriately, and monitoring the execution of business operations. In appointing audit & supervisory

board member candidates, we ensure a balance among the financial, accounting, and legal insights, knowledge of our business fields, and the diversity of perspectives on corporate management. We also select senior management members from the viewpoint of placing the right persons in the right positions, while considering a balance of their abilities to cover each function and business division of TICO in executing business operations. We will consider dismissal if a certain situation precludes sufficient execution of duties.

Based on these policies, we review proposals, exchange views, and confirm details at the Executive Appointment and Compensation Committee chaired by an independent outside director, members of which include the president with a majority comprising independent outside directors, and then submit these proposals to the Board of Directors for resolution.

Appointment of Independent Members of Management

As a publicly listed company, TICO strives to ensure the fairness and transparency of management. Following the Securities Listing Regulations stipulated by the Tokyo Stock Exchange and Nagoya Stock Exchange, respectively, to further enhance our corporate governance, TICO has appointed as independent members of management three outside directors and two outside audit & supervisory board members who are deemed to have no conflicts of interest with our shareholders.

Determination of Compensation for Directors and Audit & Supervisory Board Members

■ Matters Related to Policy for Determining Individual Compensation for Directors

Basic Perspective

- We ensure fairness and transparency.
- We emphasize incentives for achieving better business performance and sustainable growth, link compensation with the business performance of TICO, and reflect individual duties and performance.

Compensation Structure

- Compensation for directors consists of fixed

■ Experience and Expertise of Directors and Audit & Supervisory Board Members

		CEO or equivalent position of business enterprise	Knowledge of industries			Technology development, manufacturing	IT and digital technologies	Finance and accounting	Legal affairs and risk management	ESG
			Materials handling equipment	Automobile	Textile machinery					
Directors	Shigeki Terashi	○		○		○	○		○	○
	Koichi Ito	○	○		○		○	○	○	○
	Akira Onishi	○	○	○	○				○	○
	Shuzo Sumi	○				○	○	○	○	○
	Junichi Handa	○				○	○	○	○	○
	Kazunari Kumakura			○		○	○		○	○
	Tokiko Shimizu	○	○				○	○	○	○
Audit & supervisory board members	Toru Watanabe		○	○				○	○	○
	Kuniaki Matsumoto			○	○			○		○
	Akihisa Mizuno	○				○	○		○	○
	Masanao Tomozoe	○		○			○		○	○

compensation (basic compensation) and performance-linked compensation (bonuses and restricted share compensation).

- However, non-executive directors such as outside directors are paid only fixed compensation as they are independent of the execution of business operations.

Method of Determining Individual Compensation

- We have established the Executive Appointment and Compensation Committee consisting of TICO's president and independent outside directors.
- To ensure the Committee's objectivity and transparency, we have a rule that independent outside directors serve as the chairperson and make up half or more of the total number of its members.
- The Executive Appointment and Compensation Committee deliberates on a policy for determining individual compensation for directors, proposed compensation for each director, and important matters related to compensation.
- The Board of Directors votes on the policy based on the results of deliberations made at the Executive Appointment and Compensation Committee.
- From the standpoint of determining directors' individual compensation amounts flexibly and swiftly, the Board of Directors delegates the related decision-making authority to the president.
- The president determines the directors' individual compensation amounts based on the policy and the results of deliberations made at the Executive Appointment and Compensation Committee.

Composition Ratio

- The ratio of fixed compensation and performance-linked compensation (bonuses and restricted share compensation) for directors, excluding non-executive directors such as outside directors, is approximately 40:60 (for the chairman and president). However, TICO is not precluded from using a ratio different from the above, depending on the circumstances of the consolidated operating profit amount and others.
- The ratio of bonuses to restricted share compensation in the performance-linked compensation is approximately 70:30.

Policy for Determining Fixed Compensation, Bonuses (together, "Cash Compensation"), and Restricted Share Compensation

Cash Compensation

The cash compensation paid to directors after combining fixed compensation and bonuses is determined to be ¥700 million or less per year (including ¥150 million or less per year for outside directors), as per the resolution approved at the 146th Ordinary General Meeting of Shareholders.

Fixed Compensation

- Fixed compensation for directors consists of monthly salaries, which are paid periodically while in service.
- We determine a reasonable level of individual compensation amounts while giving consideration to other companies' compensation levels as well as the rank and duties of each director.

Bonuses

- We pay a bonus at a certain time after the end of the General Shareholders' Meeting in each fiscal year.
- The bonus is determined by using the consolidated operating profit as the indicator and is approximately 70% of the total amount of performance-linked compensation calculated for each rank based on the amount of consolidated operating profit for the previous fiscal year. The bonus will be 100% of the total amount of performance-linked compensation if there is a reason for not providing directors with restricted share compensation.
- In determining the total amount of performance-linked compensation, we give comprehensive consideration to dividends, employees' and other companies' bonus levels, past records of bonus payments, and execution of duties and assigned work.

Restricted Share Compensation

- Restricted share compensation is paid at a certain time after the end of the General Shareholders' Meeting in each fiscal year. If there is a reason for not providing directors with restricted share compensation, all of their performance-linked compensation is paid as a bonus and restricted share compensation is not paid.
- Compensation paid to provide restricted share units is a pecuniary claim, and the total amount is ¥200

million or less per year separate from the director's fixed compensation and bonus. The class of shares allotted is common share (with a transfer restriction attached to the allotment contract), which is issued or transferred, and the total number is 60,000 shares or less per year (if the total number of TICO's outstanding shares has changed due to a share split or reverse share split, including the allotment of shares without contribution, the ceiling amount is adjusted according to the ratio), as per the resolution approved at the 146th Ordinary General Meeting of Shareholders.

- The restricted share compensation is determined by using the consolidated operating profit as the indicator and is approximately 30% of the total amount of performance-linked compensation calculated for each rank based on the amount of consolidated operating profit for the previous fiscal year.
- The restricted share compensation is provided on the condition that an allotment contract, which includes the following provisions, is concluded.
 - A transfer restriction is attached to the shares allotted for a period between three years and 30 years from the date of allotment, which is determined in advance by the Board of Directors, and the restriction will be lifted at the expiration of the period. The transfer restriction will be lifted if a director has retired from their position due to the expiration of their term of office, death, or other legitimate reasons.
 - If a director violates a law or any of the events specified by the Board of Directors occurs during the period of transfer restriction, TICO may acquire all or part of the shares allotted for no consideration.

Compensation for Audit & Supervisory Board Members

Compensation for audit & supervisory board members is fixed remuneration only, and is determined through discussions among audit & supervisory board members in accordance with certain standards established by TICO.

■ Compensation for Directors and Audit & Supervisory Board Members

Executive category	Total compensation (¥ million)	Total compensation by type (¥ million)			No. of applicable executives
		Fixed compensation	Compensation linked to business performance		
		Basic compensation	Bonuses	Share compensation	
Director (Of which, outside director)	395 (55)	228 (55)	167 (-)	- (-)	8 (3)
Audit & supervisory board member (Of which, outside audit & supervisory board member)	91 (27)	91 (27)	- (-)	- (-)	4 (2)
Total	487	319	167	-	12

Note 1: The figures include one director who resigned at the conclusion of the 146th General Shareholders' Meeting held on June 11, 2024.

Note 2: Bonuses show the amounts approved by resolution of the Board of Directors meeting held on June 10, 2025.

Effectiveness of the Board of Directors and Its Evaluation

With regard to the effectiveness of the Board of Directors, we conduct questionnaire surveys and interviews mainly with outside directors and outside audit & supervisory board members and hold discussions with them to increase effectiveness. The following summarizes the results of their evaluation.

■ Evaluation

- It is regarded that the Board holds lively and constructive discussions with an atmosphere welcoming open opinions and has the structure and functions needed and sufficient for a board of directors.
- Additionally, the Board provides opportunities, separate from the Board meetings, to invite the heads of respective business divisions for casual discussion, in which a wealth of relevant information is also provided. These occasions serve as an important opportunity to discuss the direction of management.

■ Suggestions for Further Improvement of the Effectiveness

- When reporting the execution of business operations and on similar occasions, the Board should devise ways to even more easily grasp the actual conditions and issues associated with the practical work.
- In an early stage of examining TICO's medium- to long-term plans, the Board should provide more

opportunities to hold in-depth discussions about growth strategies with the heads of business divisions.

As shown above, TICO's Board of Directors has been evaluated as effective. Nonetheless, we will undertake efforts to further increase the effectiveness on a continuous basis.

■ Meetings of the Board of Directors and Relevant Committees

Meeting body	No. of meetings held per year	Average attendance rate
Board of Directors	13	99% (Directors and audit & supervisory board members)
Audit & Supervisory Board	14	100% (Audit & supervisory board members)

Audit & Supervisory Board Members and Audit & Supervisory Board

TICO has four audit & supervisory board members, two of whom are full-time members and two of whom are outside members.

The four members attend meetings of the Board of Directors and provide their opinions as appropriate. The full-time members also attend other important meetings and receive reports on the execution of duties by directors and other responsible persons. They work to monitor and provide advice on the management status through on-site audits at the Head Office, major business sites, and subsidiaries, thereby contributing to the maintenance and improvement of internal controls. They also collaborate appropriately with the accounting auditor and the Internal Audit Office.

Meetings of the Audit & Supervisory Board are held every month to share information on audits conducted by full-time members with outside members, to receive reports on important business statuses from Board members and responsible persons, and to receive reports from the accounting auditor regarding how key audit matters have been examined and determined.

At these meetings, the members also discuss and make decisions on important matters, such as audit policies and plans, the audit method used by the accounting auditor, and the appropriateness of their audit results.

Cross-Shareholdings

Policy on Cross-Shareholdings

TICO's basic policy is not to own cross-shareholdings unless there is a rational reason to do so. On the other hand, collaboration, such as maintaining and reinforcing business relationships with business partners, is essential to sustainably enhance our corporate value. We thus hold shares as needed based on our business strategies.

Verifying Appropriateness of Cross-Shareholdings

Each year, the Board of Directors verifies if the purpose of cross-shareholdings is appropriate and if associated benefits and risks are commensurate with capital cost.

More specifically, we annually conduct a survey on the significance of cross-shareholdings with responsible departments to pick out less significant investee companies and examine whether to sell their shares. At the same time, we carry out verification based on quantitative information, such as profitability indicators of investee companies and investment returns compared to capital cost. If those investee companies are found to be below our criteria as a result of the verification, we again examine the significance of holding their shares and consider selling these shares.

Exercise of Voting Rights

While respecting the management policies of individual investee companies, we determine how we exercise our voting rights by checking each item on the agenda from the perspectives of medium- to long-term enhancement of corporate value, policy concerning shareholder returns, corporate governance, and social responsibility.

Internal Control System

In accordance with the Companies Act, in May 2006 TICO's Board of Directors adopted the Basic Policies for the Establishment of an Internal Control System (Basic Policies) to ensure compliance, risk management, as well as the effectiveness and efficiency of business operations by

incorporating these policies into each business segment's annual policies and day-to-day routine management.

However, following our legal violations related to engine certification in Japan, we initiated efforts to prevent recurrence while going back to the basics and making a fresh start, vowing never to commit such misconduct again. At the same time, we decided to revise our Basic Policies, and the decision was approved by resolution of the Board of Directors in April 2024.

In order to never repeat the same mistake, we will continue to foster a culture of noticing and always pausing when something is wrong and make improvements by engaging all employees.

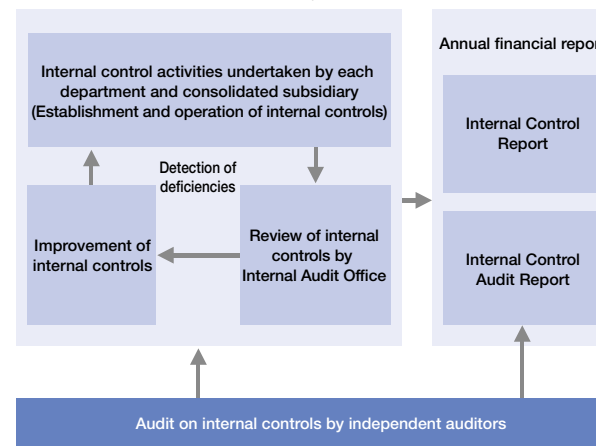
We will also establish an organization and system to respond to risk appropriately and make optimum allocation of management resources. In executing actual business operations, we will remain sincere and conduct proper manufacturing, incorporate a mechanism to find a problem, and ensure improvement, including a check function, into our corresponding processes, and simultaneously work to nurture human resources to practice such sincere, proper manufacturing.

We assess the implementation status at the end of each fiscal year and determine actions for the coming year, including reviewing the mechanism and enhancing day-to-day operational management.

Furthermore, based on the Financial Instruments and Exchange Law (so-called Japanese Sarbanes-Oxley Act (J-SOX)), we have established an internal control system to maintain the reliability of financial reporting. The system's status and progress are evaluated by the Internal Audit Office and audited by independent auditors. We determine which TICO Group companies fall within the scope of J-SOX based on the degree of impact on the reliability of financial reporting. We determined that our internal controls over financial reporting as of the end of FY2025 were effective, and accordingly, submitted an Internal Control Report in June 2025. The report was reviewed by independent auditors and judged fair in their Internal Control Audit Report. As part of our internal controls, we also have an audit system to ensure appropriate, ethical, and integrity-driven business operations. With the Internal Audit Office taking the lead, we periodically and systematically perform various audits, including audits

based on self-assessment questionnaires (self-audits), business audits, theme audits, and J-SOX assessments, at a scheduled interval of three to five years. Through these audits, we seek to strengthen our Group-wide risk management and compliance. These audits are conducted on all departments within TICO and our major subsidiaries around the world and help us detect risks early and prevent them from materializing.

Internal Control Assessment System (Based on J-SOX)



Sustainability Implementation Structure

Based upon our belief that the realization of the Toyota Precepts (corporate creed) and Basic Philosophy makes a contribution to a sustainable society, TICO has established the Sustainability Committee to determine the directions for Group-wide activities in accordance with the Toyota Industries Group Sustainability Policy, approve action plans, and evaluate the results.

The Sustainability Committee deliberates and makes decisions on the Group-wide issues concerning sustainability and risk, including materiality. These issues are also, as deemed necessary, reported to and deliberated on by the Board of Directors. Each division and Group company

incorporates these decisions into their specific activities and carries them out.



Sustainability Committee

Frequency	Generally once a year (and as necessary)
Chairperson	Executive in charge of enterprise risk and compliance management
Members	Chairman, president, general managers of each business division, administrative executive, executive in charge of human resources, executive in charge of accounting, executive in charge of the environment, senior technical executives, related senior executive officers/executive officers, full-time audit & supervisory board members, and external experts
Office	Enterprise Risk and Compliance Management Department
Main Agenda	<ul style="list-style-type: none"> • Approve action plans on sustainability, encompassing the materiality, and targets (medium term and full year) and evaluate activity results • Determine the direction of our approach to sustainability that captures the opinions of stakeholders and social trends • Revise the Sustainability Policy

Tax Governance

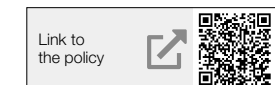
Basic Perspective

The TICO Group regards the most important managerial task as earning trust broadly from society and enhancing its corporate value on a stable, long-term basis in accordance with our Basic Philosophy and by earnestly fulfilling our social responsibilities. We strive to contribute to society and maintain and enhance corporate value by complying with the applicable tax laws and regulations of each country and region, where we undertake business activities, as well as by paying the appropriate level of taxes.

Tax Policy

Under the basic perspective, TICO has formulated the Toyota Industries Group Tax Policy.

The TICO Group will educate its employees as necessary through tax and accounting training and e-learning programs so that we are able to pay the appropriate level of taxes and take the proper tax measures in accordance with the Toyota Industries Group Code of Conduct.



Risk Management

Basic Perspective

Based on the Basic Policies for the Establishment of an Internal Control System in compliance with the Companies Act, TICO is working to strengthen regulations and a structure to promote risk management. We regard the following aspects as the basics of risk management and implement initiatives accordingly.

- Incorporating measures to prevent and reduce potential risks into daily routines and following up on the progress of implementation
- Ensuring quick and precise actions to minimize the impact on business and society when a risk becomes apparent

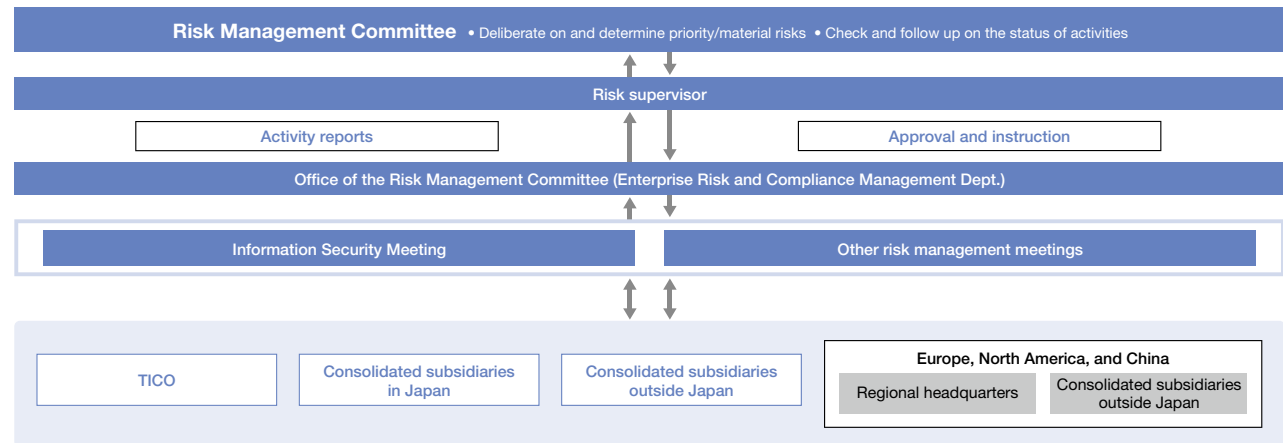
Implementation Structure

Business divisions and other departments at the Head Office develop and promote annual action policies that integrate measures to prevent and control risks related to quality, safety, the environment, personnel, export transactions, disasters, and information security. Progress is assessed and followed up by each functional management entity. Previously, the CSR Committee was responsible for risk management of the entire Company. However, in order to further strengthen our risk management efforts, we newly established the Risk Management Committee, chaired by the risk supervisor (executive in charge of enterprise risk and compliance management), on April 1, 2024.

The Risk Management Committee promotes activities to identify priority/material risks from among risks concerning TICO as a whole and make sure to implement measures at each functional management entity as well as measures to counter emerging risks spanning multiple functions.

At the same time, functional departments at the Head Office such as those responsible for safety, quality, and the environment formulate rules and regulations and create manuals from a Group-wide perspective, encompassing consolidated subsidiaries. By confirming and following up on the progress through operational audits and workplace inspections, they provide support for raising the level of

Risk Management Structure (including the Organization for Promoting Information Security)

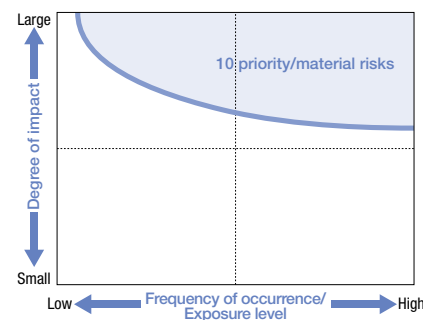


risk management, including the ability to respond to the identified priority/material risks, at each business division and consolidated subsidiary.

We have also formulated the Risk Response Manual, which defines basic rules for risk management activities under normal circumstances and for our initial response to an emergency when a risk becomes evident. The aim is to ensure quick reporting to top management, perform an accurate assessment of the impact on society and business activities, and minimize damage through appropriate actions. The content of the manual is reviewed and revised

as deemed necessary in response to changes in businesses and the surrounding environment.

Risk Map



Information Security

Basic Perspective

Under the Basic Philosophy and the Sustainability Policy, we recognize that the personal information of customers, employees, and business partners as well as information concerning our technologies, sales activities, facilities, and products are assets that need to be protected. Accordingly, with the aim of safeguarding our information assets and strengthening their management, we have formulated the Basic Policies for Information Security.

Basic Policies for Information Security

● Legal compliance

We comply with laws and regulations related to information security while fostering awareness of them among employees.

● Maintaining a stable business foundation

We safeguard and manage information assets appropriately, carry out information security-related education and enlightenment activities on an ongoing basis, and seek to maintain a stable business foundation.

● Providing safe products and services

We provide safe products and services to customers and

Risk Management >> Information Security

society by implementing information security measures in our business activities, including the development, design, and manufacture of products and services.

● Information security management

We build a governance structure to enforce and manage information security and continue to promote and refine the structure.

Implementation Structure

TICO has set up the Information Security Meeting (chaired by an executive in charge of promoting information technology (IT) and digitalization) as a subordinate organization to the Risk Management Committee (led by a risk supervisor^{*1}) to reduce information security risks.

To thoroughly implement the initiatives adopted by the Information Security Meeting, we appoint Confidentiality Management Champions^{*2} and Confidentiality Management Supporters^{*3} at each department of TICO.

For consolidated subsidiaries around the world, we regularly hold meetings of IT managers in each region to share information on security incidents and countermeasures both in and outside the TICO Group and to disseminate relevant policies. Through these and other measures, we are increasing the levels of security and security awareness throughout the Group.

^{*1}: Executive in charge of enterprise risk and compliance management

^{*2}: Head of each department

^{*3}: A person within the department, appointed by the head

Information Security Management

■ Information Security Monitoring and Incident Response

To ensure the early detection of and prompt action against cyberattacks, we have in place systems to monitor the security of PCs and all other terminals used within the TICO Group and to respond to incidents 24 hours a day, 7 days a week. We also share threat information with our consolidated subsidiaries in and outside Japan to swiftly alert each company.

[Sustainability material issue](#) > See page 35

Number of serious incidents occurred: 0

■ Strengthening Information Security Governance within the Group

In accordance with the All Toyota Security Guidelines (ATSG)^{*4}, we annually inspect the implementation status of information security at TICO and our consolidated subsidiaries around the world in order to maintain and improve the level of information security on a continuous basis.

We are also promoting the achievement of a uniform, more sophisticated level of security in all Group companies by sharing information on related initiatives through liaison meetings of affiliated companies in Japan and the TICO Group Cyber Security Summit meetings. We also visit individual Group companies to support their efforts.

^{*4}: Security guidelines of the Toyota Group, which conform to the Cyber Security Framework of the National Institute of Standards and Technology (NIST CSF) and ISO 27000 series of standards for information security management systems

■ Reinforcing Efforts to Enhance Information Security Awareness

With the aim of establishing a structure under which each department voluntarily promotes information security according to the risks associated with its operational characteristics, we are working to raise the level of security awareness among all employees through grade-based education and training.

■ Primary Activity Examples

Activities in FY2025

- Reinforcing a structure to promote production security
- Drills on cyberattack responses
- Lecture for top management by an external expert
- Security seminar for business partners
- TICO Group Cyber Security Summit for overseas Group companies



Lecture for top management by an external expert

DATA

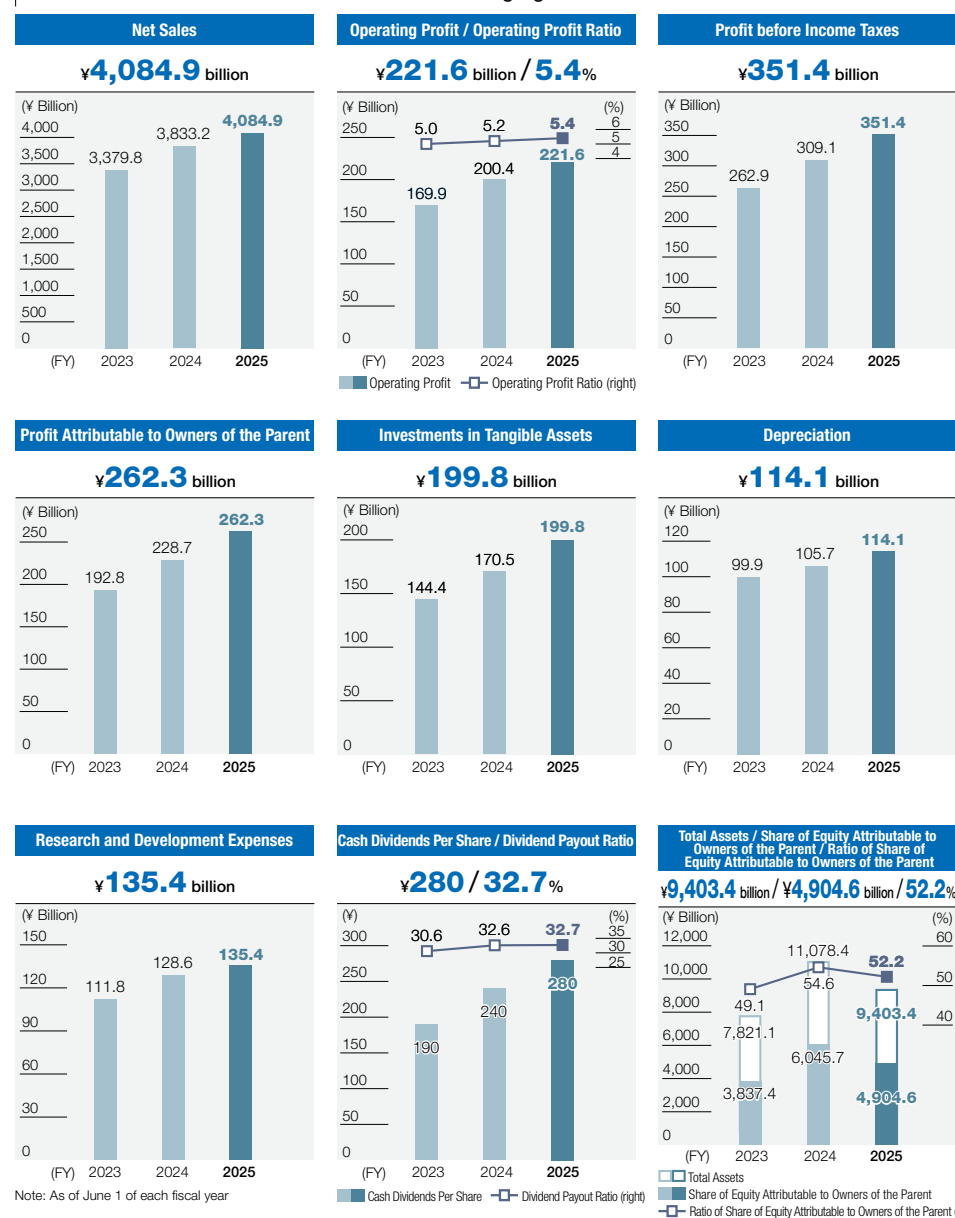
for Previous Fiscal Years

Performance data for financial and non-financial (environmental and social) categories are presented.

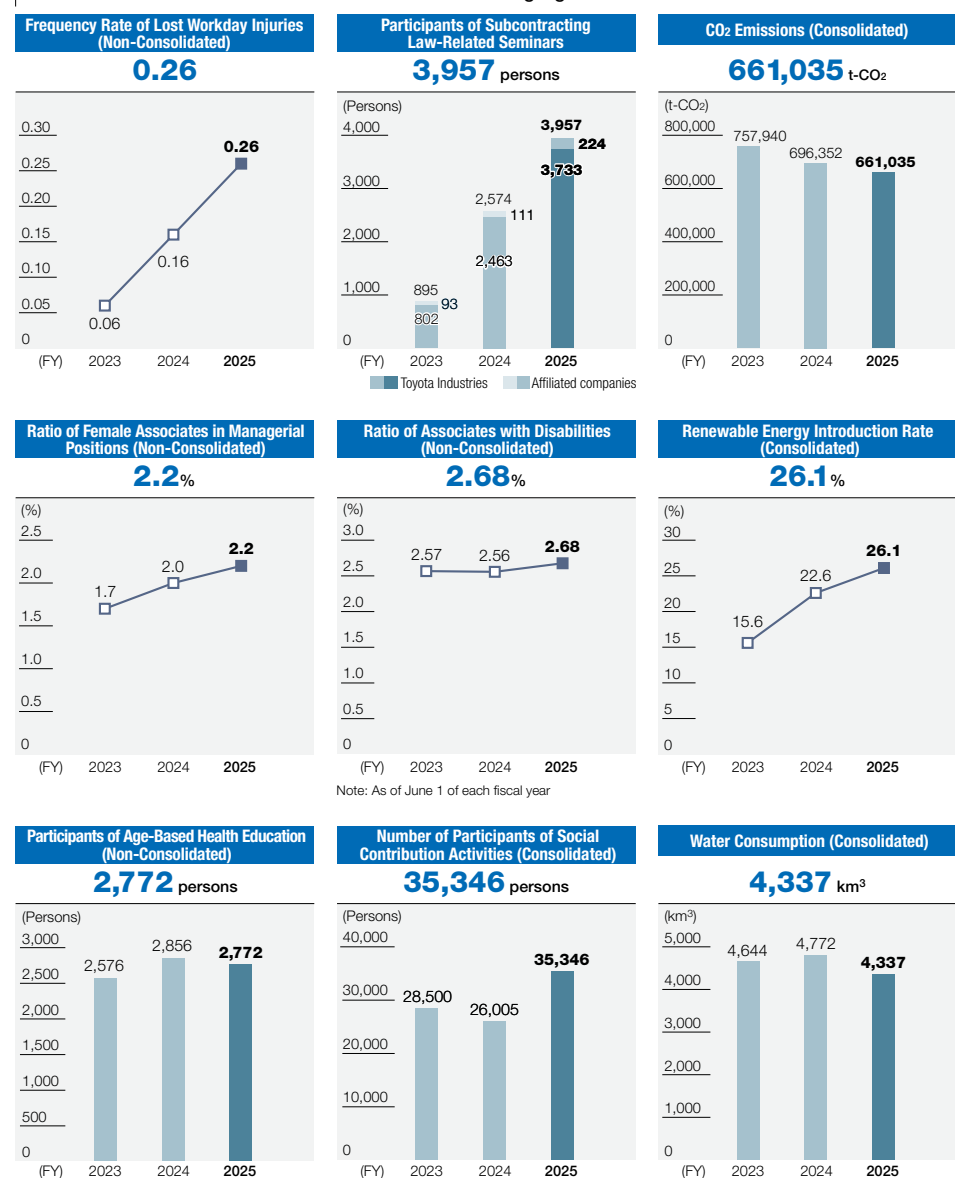
- 86 Consolidated Financial and Non-Financial Highlights
- 87 Consolidated Five-Year Summary
- 88 Financial Statements
- 92 Company and Investor Information

Consolidated Financial and Non-Financial Highlights (FY2025)

Financial Highlights



Non-Financial Highlights



Consolidated Five-Year Summary

Toyota Industries Corporation
Years ended March 31

Link to
"Investors"
webpage



Millions of yen

	International Financial Reporting Standards (IFRS)				
	2025	2024	2023	2022	2021
For the Year					
Net sales	4,084,984	3,833,205	3,379,891	2,705,183	2,118,302
Operating profit	221,695	200,404	169,904	159,066	118,159
Profit before income taxes	351,463	309,190	262,967	246,123	184,011
Profit attributable to owners of the parent	262,312	228,778	192,861	180,306	136,700
Investments in tangible assets*1	199,888	170,528	144,403	134,867	113,361
Depreciation*1	114,109	105,779	99,901	94,190	91,097
Research and development expenses	135,438	128,615	111,877	94,484	88,900
Per share of common stock (yen):					
Earnings per share*2					
Basic	856.96	736.86	621.17	580.73	440.28
Diluted	—	—	—	—	—
Share of equity attributable to owners of the parent	16,273.00	19,472.48	12,359.66	12,653.04	10,422.64
Cash dividends per share	280.00	240.00	190.00	170.00	150.00
At year-end					
Total assets	9,403,481	11,078,462	7,821,185	7,627,120	6,503,986
Share of equity attributable to owners of the parent	4,904,686	6,045,759	3,837,416	3,928,513	3,236,038
Capital stock	80,462	80,462	80,462	80,462	80,462
Number of shares outstanding (excluding treasury stock) (thousands)	301,400	310,476	310,479	310,479	310,481
Cash flows					
Net cash provided by operating activities	171,578	443,590	194,964	321,085	382,386
Net cash used in investing activities	(43,403)	47,903	(427,642)	(229,805)	(404,164)
Net cash provided by (used in) financing activities	(198,654)	(209,491)	183,690	(92,114)	(105,477)
Cash and cash equivalents at end of year	378,455	496,849	202,731	247,085	238,248
Indices					
Operating profit ratio (%)	5.4	5.2	5.0	5.9	5.6
EBITDA (millions of yen)*3	545,055	489,360	435,417	390,525	326,851
Return on equity (ROE) (%)*4	4.8	4.6	5.0	5.0	4.8
Return on assets (ROA) (%)*5	3.4	2.4	2.5	2.6	2.3
D/E ratio (%)*6	35.3	28.2	44.3	35.4	41.6
Ratio of share of equity attributable to owners of the parent*7	52.2	54.6	49.1	51.5	49.8
Number of employees (persons)*8	79,454	77,824	74,887	71,784	66,947

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

*2: Earnings is based on profit attributable to owners of the parent and earnings per share is computed on the average number of shares of each year.

*3: Profit before income taxes + Interest expenses - Interest and dividends income + Depreciation and amortization (including assets other than property, plant and equipment)

*4: Profit attributable to owners of the parent / Average share of equity attributable to owners of the parent at the beginning and the end of the fiscal year

*5: Profit attributable to owners of the parent / Average total assets at the beginning and the end of the fiscal year

*6: Interest-bearing debt / (Share of equity attributable to owners of the parent - Subscription rights to shares)

*7: (Share of equity attributable to owners of the parent - Subscription rights to shares) / Total assets

*8: Number of workers (excluding those dispatched outside the TICO Group and including those dispatched to the Group)

Financial Statements

Consolidated Statement of Financial Position

Millions of yen

	FY2024	FY2025
Assets		
Current assets		
Cash and cash equivalents	496,849	378,455
Time deposits with deposit terms of over three months	243,358	89,747
Trade receivables and other receivables	1,638,998	1,720,610
Other financial assets	5,564	12,185
Inventories	619,082	619,804
Income tax receivables	14,487	63,844
Other current assets	111,189	122,514
Subtotal	3,129,531	3,007,163
Assets held for sale	—	102,263
Total current assets	3,129,531	3,109,426
Non-current assets		
Property, plant and equipment	1,448,343	1,537,333
Goodwill and intangible assets	537,974	551,840
Trade receivables and other receivables	813	1,982
Investments accounted for by the equity method	30,016	23,797
Other financial assets	5,828,188	4,081,905
Net defined benefit assets	44,193	32,702
Deferred tax assets	51,597	57,315
Other non-current assets	7,803	7,177
Total non-current assets	7,948,931	6,294,055
Total assets	11,078,462	9,403,481

Millions of yen

	FY2024	FY2025
Liabilities and Equity		
Liabilities		
Current liabilities		
Trade payables and other payables	876,925	878,848
Corporate bonds and loans	424,486	497,293
Other financial liabilities	93,950	87,850
Accrued income taxes	110,079	32,197
Provisions	85,890	59,506
Other current liabilities	47,864	48,586
Subtotal	1,639,197	1,604,283
Liabilities directly associated with assets held for sale	—	18,001
Total current liabilities	1,639,197	1,622,284
Non-current liabilities		
Corporate bonds and loans	1,281,779	1,232,789
Other financial liabilities	142,323	157,033
Net defined benefit liabilities	68,767	74,080
Provisions	15,059	18,267
Deferred tax liabilities	1,730,231	1,235,275
Other non-current liabilities	47,743	48,504
Total non-current liabilities	3,285,906	2,765,950
Total liabilities	4,925,103	4,388,235
Equity		
Share of equity attributable to owners of the parent		
Capital stock	80,462	80,462
Capital surplus	99,581	99,464
Retained earnings	1,990,203	2,194,100
Treasury stock	(59,369)	(168,444)
Other components of shareholders' equity	3,934,880	2,699,103
Total share of equity attributable to owners of the parent	6,045,759	4,904,686
Non-controlling interests	107,599	110,560
Total equity	6,153,359	5,015,246
Total liabilities and equity	11,078,462	9,403,481

Financial Statements

Consolidated Statement of Profit or Loss

Millions of yen

	FY2024	FY2025
Net sales	3,833,205	4,084,984
Cost of sales	(2,932,058)	(3,133,410)
Gross profit	901,147	951,573
Selling, general and administrative expenses	(656,749)	(723,853)
Other income	24,336	22,025
Other expenses	(68,330)	(28,050)
Operating profit	200,404	221,695
Financial income	126,899	143,014
Financial expenses	(21,391)	(15,869)
Share of profit (loss) of investments accounted for by the equity method	3,276	2,622
Profit before income taxes	309,190	351,463
Income taxes	(72,335)	(80,215)
Profit	236,854	271,247
Profit attributable to:		
Owners of the parent	228,778	262,312
Non-controlling interest	8,076	8,934
Earnings per share		
Earnings per share—basic (yen)	736.86	856.96
Earnings per share—diluted (yen)	736.86	856.96

Consolidated Statement of Comprehensive Income

Millions of yen

	FY2024	FY2025
Profit	236,854	271,247
Other comprehensive income:		
Items not to be reclassified into profit or loss		
Net changes in revaluation of FVTOCI financial assets	1,882,239	(1,178,610)
Remeasurements of defined benefit plans	18,766	(12,754)
Other comprehensive income of affiliates accounted for by the equity method	116	(67)
Total items not to be reclassified into profit or loss	1,901,122	(1,191,432)
Items that can be reclassified into profit or loss		
Translation adjustments of foreign operations	147,969	(15,134)
Cash flow hedges	(418)	(2,383)
Other comprehensive income of affiliates accounted for by the equity method	366	(437)
Total items that can be reclassified into profit or loss	147,917	(17,955)
Total other comprehensive income	2,049,040	(1,209,387)
Comprehensive income	2,285,895	(938,140)
Total comprehensive income attributable to:		
Owners of the parent	2,272,126	(945,543)
Non-controlling interests	13,768	7,403

Financial Statements

Consolidated Statement of Changes in Equity

Millions of yen

	Share of equity attributable to owners of the parent					
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Net changes in revaluation of FVTOCI financial assets	Remeasurements of defined benefit plans
Balance as of April 1, 2023	80,462	101,245	1,652,648	(59,345)	1,960,101	—
Profit	—	—	228,778	—	—	—
Other comprehensive income	—	—	—	—	1,882,077	18,282
Total comprehensive income	—	—	228,778	—	1,882,077	18,282
Repurchase of treasury stock	—	—	—	(24)	—	—
Disposal of treasury stock	—	0	—	0	—	—
Dividends	—	—	(62,095)	—	—	—
Changes in ownership interest of subsidiaries	—	(0)	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	170,872	—	(152,590)	(18,282)
Other increases (decreases)	—	(1,663)	—	—	—	—
Total transactions with owners	—	(1,663)	108,776	(24)	(152,590)	(18,282)
Balance as of March 31, 2024	80,462	99,581	1,990,203	(59,369)	3,689,589	—
Profit	—	—	262,312	—	—	—
Other comprehensive income	—	—	—	—	(1,178,553)	(12,531)
Total comprehensive income	—	—	262,312	—	(1,178,553)	(12,531)
Repurchase of treasury stock	—	(115)	—	(109,074)	—	—
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	(86,336)	—	—	—
Changes in ownership interest of subsidiaries	—	354	—	—	—	—
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	27,919	—	(40,451)	12,531
Other increases (decreases)	—	(356)	—	—	—	—
Total transactions with owners	—	(117)	(58,416)	(109,074)	(40,451)	12,531
Balance as of March 31, 2025	80,462	99,464	2,194,100	(168,444)	2,470,583	—

Millions of yen

	Share of equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Translation adjustments of foreign operations	Cash flow hedges	Total			
Balance as of April 1, 2023	96,032	6,269	2,062,404	3,837,416	97,985	3,935,401
Profit	—	—	—	228,778	8,076	236,854
Other comprehensive income	143,406	(418)	2,043,348	2,043,348	5,692	2,049,040
Total comprehensive income	143,406	(418)	2,043,348	2,272,126	13,768	2,285,895
Repurchase of treasury stock	—	—	—	(24)	—	(24)
Disposal of treasury stock	—	—	—	0	—	0
Dividends	—	—	—	(62,095)	(3,167)	(65,262)
Changes in ownership interest of subsidiaries	—	—	—	(0)	(986)	(986)
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(170,872)	—	—	—
Other increases (decreases)	—	—	—	(1,663)	—	(1,663)
Total transactions with owners	—	—	(170,872)	(63,783)	(4,154)	(67,937)
Balance as of March 31, 2024	239,439	5,851	3,934,880	6,045,759	107,599	6,153,359
Profit	—	—	—	262,312	8,934	271,247
Other comprehensive income	(14,387)	(2,383)	(1,207,856)	(1,207,856)	(1,531)	(1,209,387)
Total comprehensive income	(14,387)	(2,383)	(1,207,856)	(945,543)	7,403	(938,140)
Repurchase of treasury stock	—	—	—	(109,190)	—	(109,190)
Disposal of treasury stock	—	—	—	—	—	—
Dividends	—	—	—	(86,336)	(4,145)	(90,482)
Changes in ownership interest of subsidiaries	—	—	—	354	(296)	57
Changes in non-controlling interests as a result of change in scope of consolidation	—	—	—	—	—	—
Reclassified into retained earnings	—	—	(27,919)	—	—	—
Other increases (decreases)	—	—	—	(356)	—	(356)
Total transactions with owners	—	—	(27,919)	(195,528)	(4,442)	(199,971)
Balance as of March 31, 2025	225,051	3,468	2,699,103	4,904,686	110,560	5,015,246

Financial Statements

Consolidated Statement of Cash Flows

Millions of yen

	FY2024	FY2025
Cash flows from operating activities:		
Profit before income taxes	309,190	351,463
Depreciation and amortization	284,939	324,055
Impairment losses	5,977	1,147
Interest and dividends income	(121,757)	(141,635)
Interest expenses	16,988	11,172
Share of (profit) loss of investments accounted for by the equity method	(3,276)	(2,622)
(Increase) decrease in inventories	(28,391)	(4,840)
(Increase) decrease in trade receivables and other receivables	(82,985)	(91,207)
Increase (decrease) in trade payables and other payables	7,692	13,070
Others	30,083	(206,689)
Subtotal	418,459	253,914
Interest and dividends income received	122,212	142,631
Interest expenses paid	(18,107)	(11,107)
Income taxes paid	(78,974)	(213,860)
Net cash provided by operating activities	443,590	171,578
Cash flows from investing activities:		
Payments for purchases of property, plant and equipment	(348,926)	(211,032)
Proceeds from sales of property, plant and equipment	28,021	5,419
Payments for purchases of investment securities	(9,170)	(4,614)
Proceeds from sales of investment securities	241,530	76,698
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(7,924)	(7,756)
Payments into time deposits	(807,285)	(348,584)
Proceeds from withdrawals of time deposits	995,054	508,697
Payments for transfer of businesses	(6,290)	(1,184)
Others	(37,105)	(61,046)
Net cash used in investing activities	47,903	(43,403)

Millions of yen

	FY2024	FY2025
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable (within three months)	(77,738)	(12,570)
Proceeds from short-term loans payable (over three months)	64,482	67,433
Repayments of short-term loans payable (over three months)	(33,130)	(71,651)
Net increase (decrease) in commercial paper	(62,884)	34,410
Proceeds from long-term loans payable	165,533	93,662
Repayments of long-term loans payable	(167,058)	(133,744)
Proceeds from issuance of corporate bonds	142,470	137,618
Repayments of corporate bonds	(149,183)	(76,428)
Repayments of lease obligations	(44,852)	(55,495)
Payments for repurchase of treasury stock	(24)	(109,190)
Cash dividends paid	(62,095)	(86,336)
Cash dividends paid to non-controlling interests	(3,167)	(4,145)
Others	18,156	17,783
Net cash provided by (used in) financing activities	(209,491)	(198,654)
Translation adjustments of cash and cash equivalents	12,114	(1,042)
Increase (decrease) in cash and cash equivalents due to transfer to assets classified as held for sale	–	(46,871)
Net increase (decrease) in cash and cash equivalents	294,118	(118,394)
Cash and cash equivalents at beginning of period	202,731	496,849
Cash and cash equivalents at end of period	496,849	378,455

Company and Investor Information (As of March 31, 2025)

Company Overview

Corporate Head Office

TOYOTA INDUSTRIES CORPORATION
2-1 Toyoda-cho, Kariya-shi, Aichi 448-8671, Japan
Telephone: +81-(0)566-22-2511

Date of Establishment

November 18, 1926

Common Stock

No par value

Authorized: 1,100,000,000 shares
Issued: 325,840,640 shares (including treasury stock)
Share unit: 100 shares

Capital Stock

80,462 million yen

Stock Exchange Listings

Tokyo and Nagoya (Ticker Code: 6201)

Number of Shareholders

18,418

Independent Accountant

PricewaterhouseCoopers Japan LLC
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku,
Tokyo 100-0004, Japan

Transfer Agent

Special Account Management Institution

Mitsubishi UFJ Trust and Banking Corporation
1-4-5 Marunouchi, Chiyoda-ku, Tokyo 100-8212,
Japan

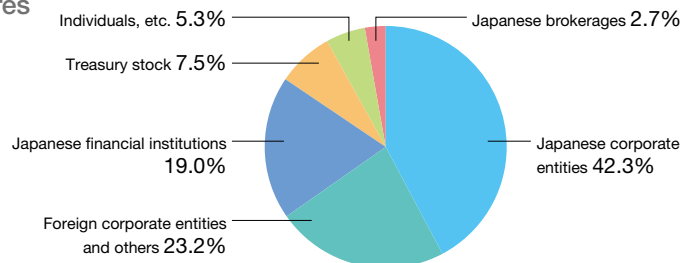
Major Shareholders

Name	Number of Shares Held (Thousands)	Percentage of Total Shares in Issue (Except for Treasury Stock) (%)
Toyota Motor Corporation	74,100	24.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	28,717	9.53
TOYOTA FUDOSAN CO., LTD.	16,291	5.41
Toyota Tsusho Corporation	15,294	5.07
DENSO Corporation	14,823	4.92
Custody Bank of Japan, Ltd. (Trust Account)	10,191	3.38
Nippon Life Insurance Company	6,580	2.18
AISIN Corporation	6,578	2.18
State Street Bank and Trust Company 505001	5,001	1.66
Aioi Nissay Dowa Insurance Co., Ltd.	3,922	1.30

Note 1: Toyota Industries Corporation also holds 24,440 thousand shares of treasury stock but is excluded from the above list.

Note 2: The percentage of total shares in issue is calculated by subtracting the number of treasury shares from the total number of shares issued.

Distribution of Shares



Major Evaluations by Third Parties



In March 2025, we were certified as a Health and Productivity Management Organization (large enterprise category) for the eighth consecutive year in the Certified Health & Productivity Management Outstanding Organizations Recognition Program*1.



In February 2025, we received a Bronze Medal from EcoVadis*3 in its corporate sustainability survey.



In February 2025, we received a B in the climate change category and a leadership level of A- in the water security category in surveys conducted by CDP*4.



Our CFRP*5 recycling technology and circulation system became the first product from Japan to win the Gold Award, the highest award, at the German Innovation Award.

*1: A system designed by the Ministry of Economy, Trade and Industry and operated by the Nippon Kenko Kaigi*2 to promote the spread of health and productivity management (registered trademark of Non-Profit Organization Kenko Kaigi Kenkyukai).

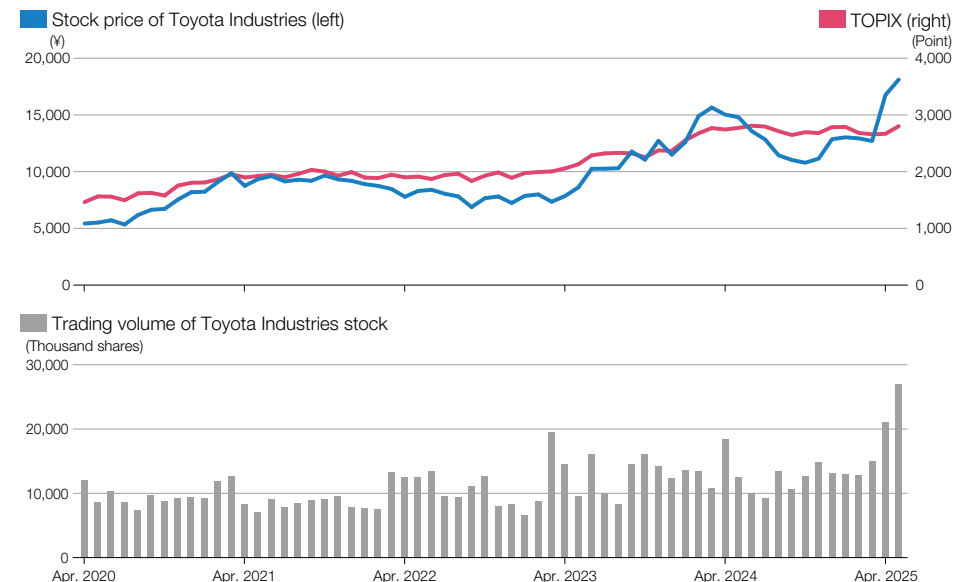
*2: Organized and launched in July 2015 by economic organizations, health insurers, local governments, and medical provider organizations to conduct effective activities to extend people's healthy life expectancy and promote affordable medical expenses.

*3: An international organization that evaluates the sustainability of companies

*4: An international NGO running a project that requests companies to disclose their strategies against climate change and greenhouse gas emissions data

*5: Short for Carbon Fiber Reinforced Plastics

Common Stock Price and Trading Volume





Under our founding spirit,
we remain committed to serving society by creating value
through the continuation and development of our business.