

Toyota Industries Corporation

Notice Concerning Change of Subsidiary (Partial Transfer of Shares), Execution of Business Alliance Agreement and Plan to Recognize Gains on Sale of Subsidiaries and Affiliates Shares in Consolidated and Non-Consolidated Financial Statements

The Company hereby announces that its Board of Directors resolved at a meeting held today to transfer a portion of the common stock of its consolidated subsidiary, AICHI CORPORATION (“AICHI”), to ITOCHU Corporation (“ITOCHU”; that transaction, the “Share Transfer”) and today executed a share transfer agreement as described below. The Company also announces that Board of Directors resolved at a meeting held today to execute of a three-way business alliance agreement with AICHI and ITOCHU, and that the agreement was executed today.

The Share Transfer is planned to be implemented as a series of transactions (the “Transactions”) combining the tender offer by AICHI for treasury stock (the “Tender Offer”) and the Company’s tendering of shares in the Tender Offer, which were announced in the “Notice Regarding Decision on Tender Offer for Treasury Stock by the Company’s Subsidiary and Tender by the Company” released today, after the completion of the settlement of the Tender Offer. Although AICHI is expected to cease being a subsidiary of the Company as a result of the Tender Offer, the number of shares to be transferred by the Company in the Tender Offer may vary depending on the final conditions of the Tender Offer. Therefore, it remains possible that AICHI will continue to be a subsidiary of the Company; however, even in such a scenario, AICHI is planned to cease being a subsidiary due to the Share Transfer. Following the completion of the Transactions, the percentage of voting rights in AICHI held by the Company is expected to be at least 20%, and it is planned that AICHI will become an equity method affiliate of the Company.

1. Reason for share transfer and business alliance

The Company has provided various management resources to AICHI as its parent company in order to support its growth to date and has deeply collaborated with it as a business partner for skid-steer loader (“SSL”) production and development.

AICHI holds a dominant market share as the leader in the domestic aerial work platform market for electricity and telecommunications, and it manufactures and sells various special vehicles with a focus on truck-mounted and self-propelled aerial work platforms. The core of its growth strategy is contributing to society by improving the safety and efficiency of work for customers involved in infrastructure development and supporting disaster recovery work. AICHI is working to improve its corporate value, with its medium-term management plan ending in FY2027 listing the following as growth strategies: (i) sales expansion strategy focusing on the rental industry and overseas, (ii) increasing production capacity, and (iii) proactive development investment including alliances in various areas and M&A.

After repeated discussions with AICHI regarding measures for its further growth and enhancement of corporate value, the Company has come to believe that it is best to invite a new partner that, together with the Company, can support AICHI’s growth from a medium- to long-term perspective, while maintaining its independence as a listed company. The Company has held ongoing discussions with ITOCHU as a potential partner, and believing that ITOCHU has the potential to be the optimal partner in light of its strengths set out below, the Company has decided to tender shares in AICHI’s Tender Offer and transfer a portion of its shares held to ITOCHU to welcome ITOCHU as a shareholder of AICHI. Furthermore, a three-way business alliance agreement has been concluded between AICHI, ITOCHU, and the Company.

ITOCHU’s Strengths:

- (i) Ability to use its strong network and abundant know-how in the domestic leasing/rental, used vehicle distribution, and after-sales service areas to support expansion of earnings and the promotion of ownership-type business by strengthening after-sales service and used vehicle sales
- (ii) Ability to use the existing network that it has established around the world to support strategic planning and local partner development
- (iii) Ability to use its expertise based on extensive experience in creating new revenue opportunities through collaboration with manufacturers

After the completion of the Transactions, AICHI will become an equity-method affiliate of the company and will be excluded from the scope of the consolidated financial statements, but the Company will continue to deepen its collaboration with AICHI in various fields, focusing on the SSL business where further expansion is sought, and responding to the diversifying needs of the Company's customers, such as vehicle automation, electrification, and operation management.

The Company will use the funds obtained through the Transactions for investments in infrastructure and growth, as well as for shareholder returns, and will work to further enhance corporate value.

2. Details of business alliance

Through the three-way business alliance, the Company, AICHI, and ITOCHU will achieve medium- to long-term business growth for AICHI in the Japanese and global markets and enhance the corporate value of each company. It is planned that a Business Alliance Committee will be established in the future to discuss specific details of the business alliance and carefully examine the progress of each business alliance.

3. Number of shares to be transferred, transfer price, and status of shares owned before and after the change

(1)	Number of shares held before the change	40,521,000 shares (Number of voting rights: 405,210) (Percentage of voting rights held: 54.35%; see Note 1)
(2)	Number of shares transferred	To be determined (see Note 2)
(3)	Transfer price	To be determined (see Note 2)
(4)	Number of shares held after the change	To be determined (see Note 2)

Note 1: "Percentage of voting rights held" refers to the number of voting rights pertaining to the shares of AICHI held by each party, expressed as a percentage (rounded to the second decimal place) of the number of voting rights (745,601 voting rights) pertaining to the difference (74,560,148 shares) of the total number of issued shares of AICHI as of December 31, 2024 (74,570,000 shares), as stated in the "Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]" announced by AICHI on January 30, 2025, less number of treasury shares held by AICHI as of that date (9,852 shares).

Note 2: AICHI has set 10,000,000 shares as the maximum number of shares to be purchased in the Tender Offer, and the number of shares that the Company will transfer to AICHI in the Tender Offer will change depending on how shares are tendered in the Tender Offer. Therefore, the number of shares to be transferred, the transfer price, and the number of shares held after the transfer will be disclosed as soon as they are finalized. Furthermore, the number of shares to be transferred to ITOCHU in the Share Transfer is 17,608,900 shares (176,089 voting rights), and the transfer price is 23,683 million yen (1,345 yen per share).

4. Schedule

(1)	Date of Board of Directors resolution	March 19, 2025
(2)	Date of Tender Offer Agreement(the Company, AICHI)	March 19, 2025
(3)	Date of execution of share transfer agreement (the Company and ITOCHU)	March 19, 2025
(4)	Date of execution of business alliance agreement (the Company, AICHI, and ITOCHU)	March 19, 2025
(5)	Date of commencement of settlement of the Tender Offer	May 14, 2025 (planned)
(6)	Date of implementation of the Share Transfer	May 15, 2025 (planned)

5. Future outlook

As a result of implanting the Transactions, the Company plans to record a maximum of 31,673 million yen (see Note 3) in gains on sales of shares of subsidiaries and affiliates as extraordinary gains in the non-consolidated financial statements for the fiscal year ending March 31, 2026. The Company also plans to record gains on sales of shares of subsidiaries and affiliates as other income in the consolidated financial statements as well, and the specific amount will be announced as soon as it is determined.

Note 3: The amount if the number of shares transferred by the Company to AICHI in the Tender Offer is 10,000,000 shares (the maximum number of shares to be purchased in the Tender Offer) has been recorded as the maximum, but the actual amount will vary depending on the status of tenders in the Tender Offer.

End

<Reference : Company Profile>

AICHI CORPORATION

<https://www.aichi-corp.co.jp/en/ir>

ITOCHU Corporation

<https://www.itochu.co.jp/en/ir/index.html>