

**Earnings Briefing for the Fiscal Year Ending March 31, 2026 (FY2025)
Condensed Transcript of Q&A Session**

Date & time: April 30, 2026, 16:30–18:00

Attendees: Toshimitsu Imai, President & CEO; Hideyuki Iwamoto, Executive Vice President & CFO; Shigeo Obata, CSO

Q. What are the assumptions and timeline for the estimated the impact of the Middle East conflict, and the probability of incurring the losses?

A. Our estimates are based on the hypothesis that the Strait of Hormuz will remain closed through the first quarter and then gradually normalize, but that resource prices, especially for crude oil and naphtha, will remain high throughout the current fiscal year. Please consider them as the maximum possible.

Q. Does that mean a prolonged closure of the strait would lead to greater losses?

A. We have already changed our logistics routes for Africa. Dubai will experience some inventory backlog, but we will procure from other places and sell. We do not expect the losses to balloon if we take measures, such as diverting Toyota cars we cannot sell in the Middle East to Africa.

Q. Regarding the 450-billion-yen profit plan for FY2027, the Circular Economy Division's growth rate is very high. What is the background to this and how confident are you in it?

A. Around 40% of the profit increase comes from the growth of Radius. We expect to establish closed-loop capabilities for scrap steel and improve dismantling precision, as well as recovery in electrification, which has seen a slight slowdown, and a rebound in lithium and other markets.

Q. If foreign exchange rates remain at the current level, we can expect profit to increase to more than 450 billion yen. Did you set the target number at a level you can present to the market with confidence?

A. How conservative our forecast is varies by segment, but we are confident we will achieve the 450-billion-yen target.

Q. What is the background to Radius's earnings recovery in the fourth quarter, and what is

its future profit outlook?

A. It saw a significant profit increase in March as market conditions improved, helped by higher scrap prices in North America. It posted NPAT of 700 million yen for the fiscal year ended March 2026. The strong performance was driven by, in addition to the recovery in business conditions, synergies with our group and continuous operational improvements. While we aim for further revenue growth, our current outlook is conservative.

Q. You position India and South America, in addition to Africa, as growth areas, naming them the Gondwana Economic Zone. What specific time frame and investment you have in mind?

A. Our 2030 revenue targets include around 850 billion in South America and around 600 billion yen in India. We expect this growth to come from growth in the mobility business, linked to the production volume. On that basis, we will expand healthcare and insurance business in India and enhance grain business capabilities in Brazil. We view the greater area as an economic zone because we expect exchanges of people, goods, and services to continue to increase across the regions. For example, we will expand Brazil's grain business, which was initially bound for China and Japan, into Africa and India, growing two-way flows. We would like to serve as a bridge in the economic zone, connecting the regions.

We have an established healthcare and insurance business in India. We will be able to expand the model into Africa in a few years. We have also been investing capital in the South American grain business and expect to expand its capabilities.

Q. What are the assumptions for the Mobility Division's forecast for FY2026?

A. We expect Sri Lanka's strong performance to come to a halt, with sales slowing partly due to high crude oil prices. We operate semi-knockdown factories in Laos and Cambodia; therefore, we expect their performance to remain strong, benefiting from tariff reductions in some items. Papua New Guinea, a resource-rich country, is also performing well. In addition, the Caucasus is launching a counteroffensive against Chinese cars. Overall, we believe the forecast is not a stretch at all.

Q. Given the surging memory prices, isn't the FY2026 forecast for the Digital Solutions Division conservative?

A. Given the FY2025 results and surging memory prices, an upswing can be expected. The number does not mean we see particular risk factors.

Q. Are there any positive factors for future earnings coming from the Middle East situation?

A. The situation could serve as a tailwind for renewable energy, our focus sector. Electricity prices in Europe are rising after a long period of decline. The logistics networks we have built are working effectively amid supply chain disruptions, and our ability to secure shipping space is a strength. The conditions surrounding resource-rich countries in Africa appears to be another tailwind, but it is not priced in our forecasts.

Q. Lithium prices have risen to around 25,000 dollars. What level of profit contribution do you expect from it in the rising phase? What is your assumed price level?

A. We sell two kinds of lithium: lithium carbonate and lithium hydroxide. The breakeven point for lithium carbonate remains at around 10,000 dollars. Our production volumes are below full capacity, but this is mainly because we intentionally capped production, prioritizing profitability amid prolonged sluggish prices. We will increase our capacity utilization in phases and expect recovery. We see a sign of improvement in the price trend, suggesting a positive operating environment.

Q. I understand that Africa relies heavily on the Middle East for gasoline and other procurement. What would be the degree of impact on car sales? Have you already seen an impact since the situation in the Middle East worsened?

A. Africa has 54 countries. Some of them rely on imports, while others produce resources. We are concerned that a number of countries may be negatively impacted. But the sizes of resource-producing economies are relatively large. A profit in one of them could cover losses in the rest. We forecasted the balance to be ± 0 , and estimated the impact from the Middle East conflict at -5 billion yen. We haven't heard of any significant negative impact in the countries where we are directly selling.

Q. What is the level of increase in Toyota's global production volumes, based on which FY2026 forecasts are calculated? What is your view of shortages and the like of naphtha-derived parts, which require production adjustments?

A. We expect the product volumes to grow around 3%. Rare earths pose the biggest risk in parts procurement, but so far, we have enough supply for production. In addition, Toyota's production adjustment for products bound for the Middle East has little impact. Naphtha can be sourced from outside the Middle East, though at higher prices. Therefore, we do not assume any suspension of car production.

Q. Is there an acceleration of the shift to electric vehicles in mobility markets outside Africa against the backdrop of surging prices and shortages in fossil fuels?

A. We understand that competition with Chinese makers is unavoidable in emerging markets. At the same time, the spread of EVs presupposes a stable energy mix, including renewable energy, and the establishment of power infrastructure. In regions where these conditions are insufficient, we believe progress in electrification will be limited. Electrification is progressing in some countries, but we assume the overall market will not experience a rapid shift to EVs. We expect competition to intensify under these conditions. We will continue preparing to become more competitive.

Q. Regarding renewable energy in the growth strategy, what is your specific plan for expanding power generation capacities?

A. When it comes to increasing power generation capacities, our investment policy is to prioritize not only scale but also profitability and efficiency. Abroad, this means, for example, wind power generation projects in Egypt, which have relatively strong ROIC. As for offshore wind power, we will select projects after verifying business viability. In Japan, we expect renewable energy to become even more important in light of energy security. We aim for steady growth by continuing our development efforts in a manner that co-exists with local communities.

Q. It is explained that the impact from the Middle East conflict of -10 billion assumes closure of the Strait of Hormuz until June 2026. What adverse impact do you expect if the closure continues into July onward?

A. Supposing that the closure continues until September, it does not mean an additional 10 billion yen in losses. The Mobility Division may see a decline in sales volumes in case of an economic slowdown in Southeast Asia, but the Circular Economy Division has already priced in losses on the assumption that naphtha prices will continue to rise throughout the fiscal year. In addition, higher logistics costs in the Africa Division are already included in the numbers. Therefore, the impact will be limited.

Q. Regarding capital relationships with listed subsidiaries and associates, I think now is the time to turn them into wholly-owned subsidiaries or sell them to maximize corporate value. Could you comment on the status of your considerations?

A. There are various choices, including the one you have just mentioned, but we would like

to refrain from answering your question because corporate matters are in the category of insider information. All of our holdings have meaning, and we believe we can explain them responsibly to our shareholders.