<Outline of the Briefing on Mobility Production-Related Businesses on October 19, 2026>

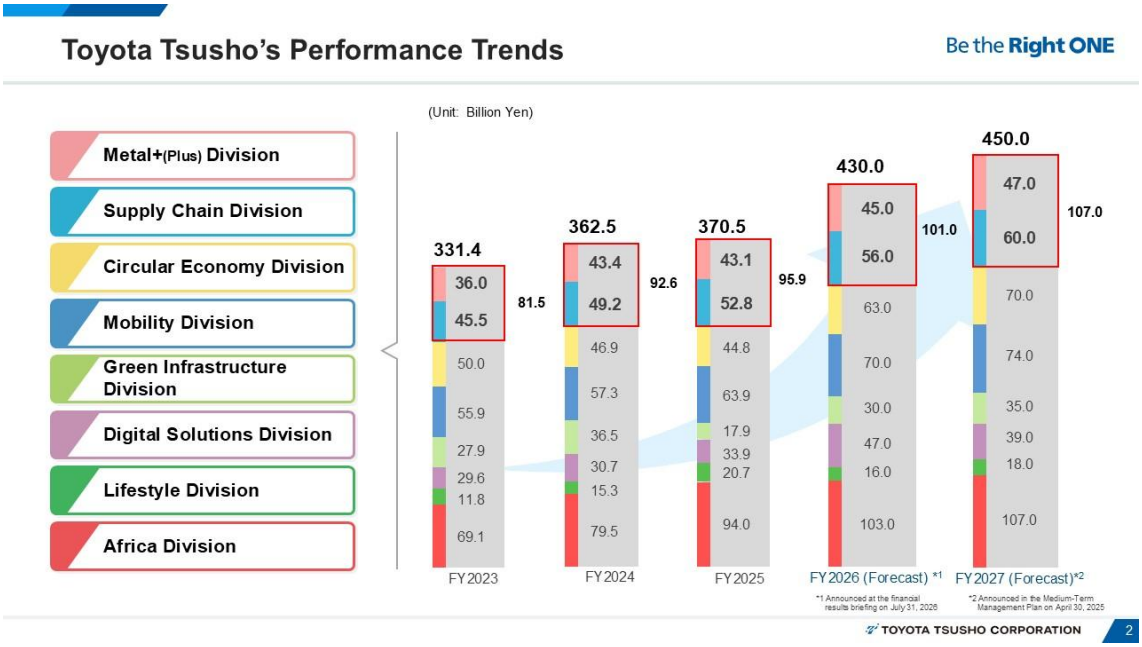
Date and Time: October 19, 2026 (Monday), 15:00 – 16:30

Participants:

Hiromasa Ishii, CEO for Metal+ (Plus) Division

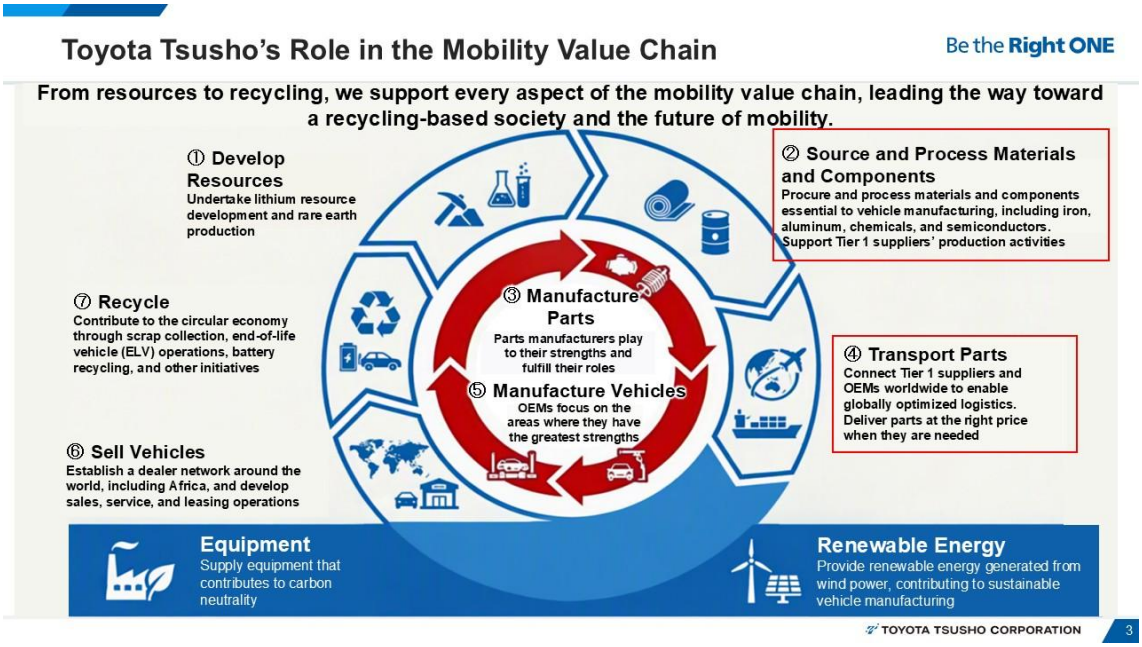
Hiroki Nakayama, CEO for Supply Chain Division

Satoshi Kiyama, Deputy CFO



Deputy CFO Kiyama: I am Kiyama, Deputy CFO.

Today, we will explain the automotive production-related businesses of the Metal+(Plus) Division and the Supply Chain Division, which are our core businesses and have generated stable revenue for many years. Both divisions have steadily increased their revenue even as automotive production volumes have stagnated. While we also plan to grow in other areas, we believe this area will continue to grow steadily as the cornerstone of our revenue. Today, the CEOs of both divisions will explain why these businesses can continue to grow without relying on growth in automotive production volumes.



We support every aspect of the mobility value chain. First, we develop resources, source and process the necessary materials and components, and provide them to parts manufacturers. We transport the parts manufactured by these suppliers to where they are needed, supporting vehicle production by automobile manufacturers. We then sell the produced vehicles and, after use, recycle them to return them to the resource cycle. Furthermore, we support the entire mobility value chain by providing facilities such as plants as well as energy.

The Metal+(Plus) Division, which we will be discussing today, is responsible for sourcing and processing materials and components. The Supply Chain Division is responsible for transporting parts. These two divisions represent core businesses in automotive production and are key areas that sustain our revenue. Today, we will explain each of these businesses. Thank you.



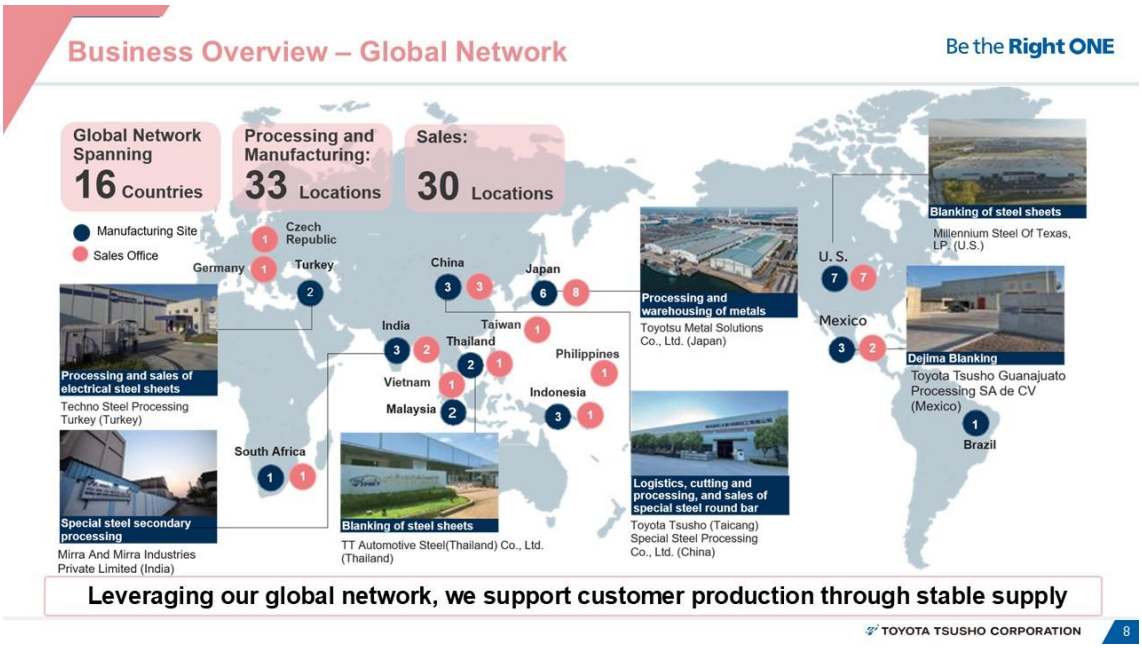
CEO Ishii: I am Ishii, CEO of the Metal+(Plus) Division.

Amid ongoing paradigm shifts in the automotive and steel industries, the Metal+(Plus) Division aims to achieve further growth by accelerating its next-generation growth strategy under the motto, “Creating a sustainable future with ‘the Dynamic Plus’.” Under the “Dynamic Plus” initiative, we are advancing our efforts across four categories: “Material Plus,” “Value Plus,” “Region Plus,” and “Market Plus.”

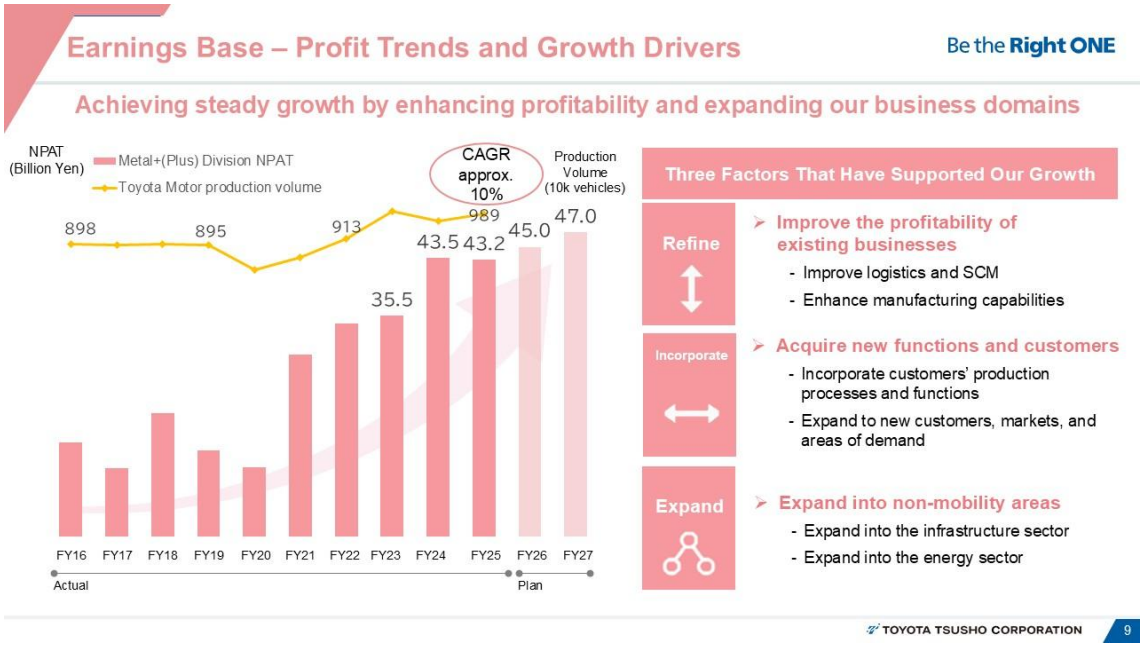
The Metal+(Plus) Division was established in April 2024 from the former Metals Division as part of a company-wide organizational restructuring. It currently consists of three units: the Core Business SBU, the Core Business Global SBU, and the Next Core Business SBU.



I will highlight the key aspects of our business over the next two pages.
First, the mobility supply chain serves as the foundation of our operations. We handle everything from materials procurement to processing and supply through an integrated approach. The just-in-time supply system that we have established supports stable production for customers. Our operational excellence has been highly regarded in recent years, particularly from a business continuity planning (BCP) perspective. In the past, domestic supply chains have been disrupted by events such as fires at steel manufacturers, the earthquake in Kumamoto, and flooding in Chiba Prefecture. Similarly, overseas supply chains have been disrupted by events such as flooding in South Africa and the recent large-scale flooding in Thailand. Even in such situations, our strength lies in our ability to coordinate distribution and maintain the continuity of the supply chain. Our customers have high expectations of us in this regard, and we have worked to maintain and restore the supply chain to meet those expectations.

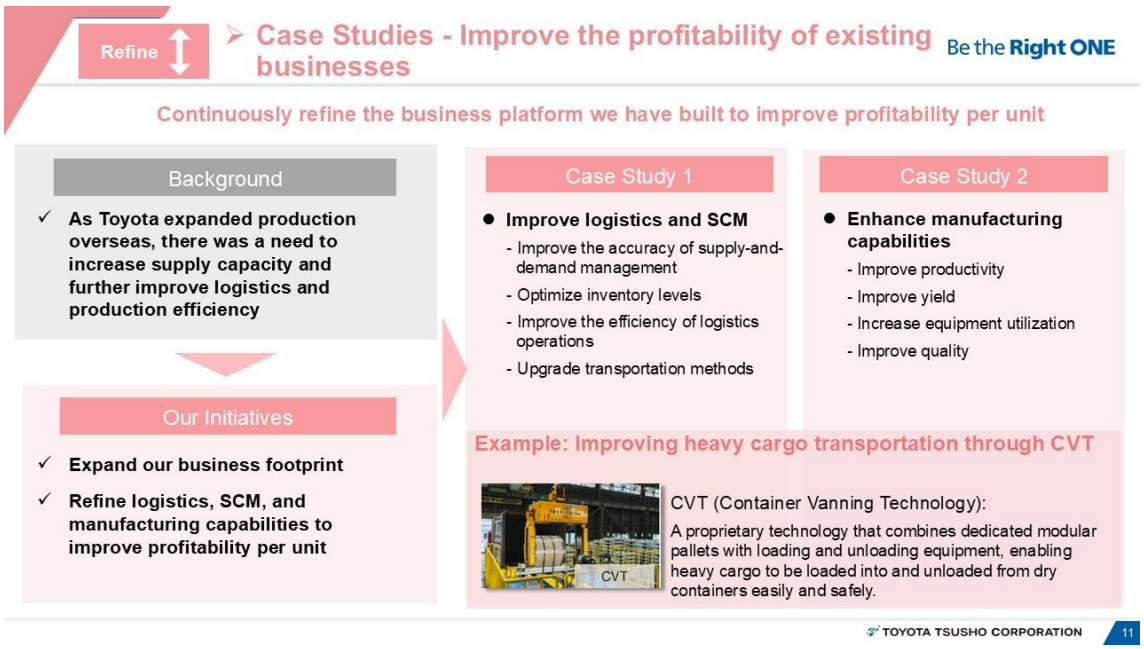


The second point is our global network.
We currently operate in 16 countries worldwide, with 33 processing and manufacturing locations and 30 sales locations. At our processing and manufacturing locations worldwide, we process automotive steel sheets, electrical steel sheets, steel sheets used in construction, and special steel bars and wire rods. We have continued to expand our processing and manufacturing capabilities over the past five years by expanding existing facilities in Mexico and India and establishing new plants.



This chart shows the trends in our revenue base. The yellow line represents Toyota Motor Corporation's global production volume, while the bar chart shows the trend in our profits from FY2016 to FY2027.

To highlight the key points, we project profits for the period from FY2026 to FY2027 to be approximately three times the profit levels recorded from FY2016 to FY2020. There are three factors that have supported this growth. The first is our "Refine" initiative, which improves the profitability of existing businesses. The second is our "Incorporate" initiative, which focuses on acquiring new functions and customers. The third is our "Expand" initiative, which involves expanding into non-mobility areas. These three factors have underpinned our growth to date.



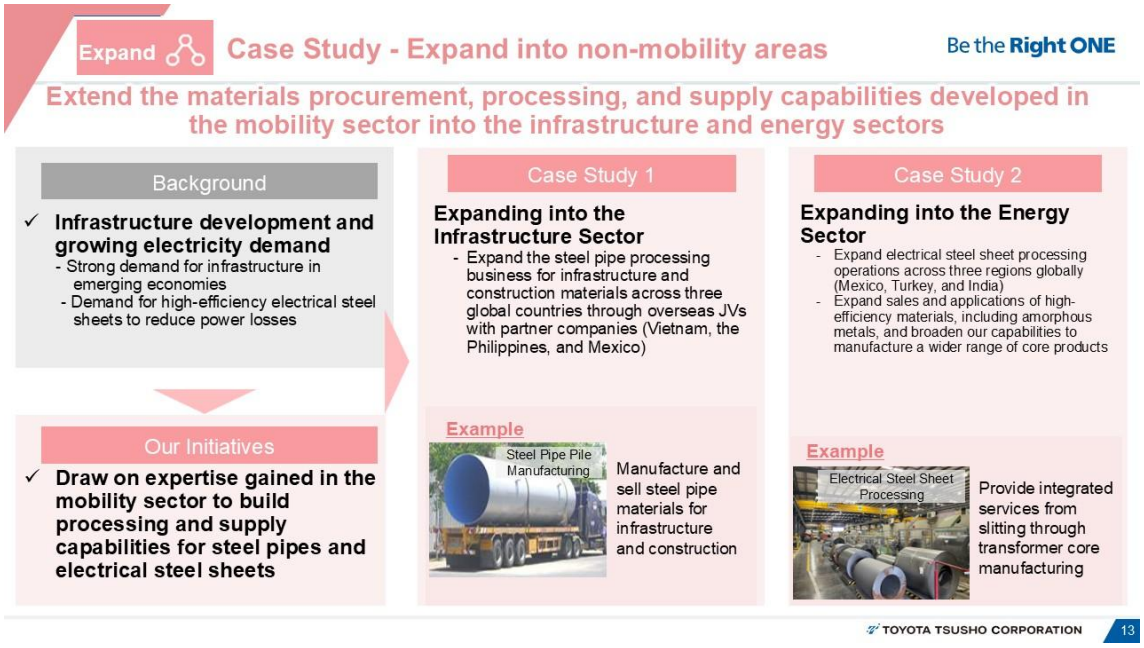
From here on, I'll discuss the sources of competitiveness I briefly mentioned earlier, along with specific examples.

The first factor supporting our growth is "Refine." This refers to initiatives aimed at improving the profitability of existing businesses. As Toyota Motor Corporation and other automobile manufacturers expanded production overseas, demand grew for greater supply capacity and more efficient logistics and production. To meet these needs, we expanded our business footprint while refining our supply chain and manufacturing capabilities, thereby improving profitability per unit. One specific example is improving logistics and SCM. We have utilized our proprietary transportation system, Container Vanning Technology (CVT), to transport goods from steel manufacturers and hub distribution centers to overseas production sites, thereby optimizing inventory levels and improving the efficiency of logistics operations. Another example is enhancing our manufacturing capabilities. We have worked to improve work efficiency and material yield while stabilizing equipment utilization and quality.



The second factor supporting our growth is "Incorporate." This refers to initiatives to incorporate new processing capabilities into our business in response to customer needs. For our customers, the burden of testing new technologies and maintaining their own equipment is growing. Furthermore, they must possess numerous assets and maintain on-site operations and production facilities to respond to high-mix, low-volume production. Amid these circumstances, we have used our expertise in steel processing and the expertise we have developed overseas to address customer challenges by incorporating the necessary capabilities into our own business. One specific example is Dejima Blanking, which we operate in North America. Furthermore, for industry-specific technologies and equipment such as laser cutting and TWB, we have incorporated processes that customers previously handled in-house into our business. By taking on responsibilities in areas that

require such advanced processing technologies and stable operations, we have expanded our business areas. Another key area is our expansion to new customers, markets, and areas of demand. In addition to expanding our business to non-Toyota automotive OEMs, such as Maruti Suzuki in India, we are also expanding into the motorcycle market. Furthermore, we are expanding our business areas by undertaking the refining process, which is the final stage in steel manufacturing, on a contract basis.



The third factor supporting our growth is “Expand.” This refers to initiatives to expand into non-mobility areas. We are capitalizing on strong infrastructure demand in emerging economies and demand across various markets for solutions that reduce power losses. One specific example is our steel pipe business for infrastructure and construction materials. We are expanding this business globally in countries such as Vietnam, the Philippines, and Mexico.

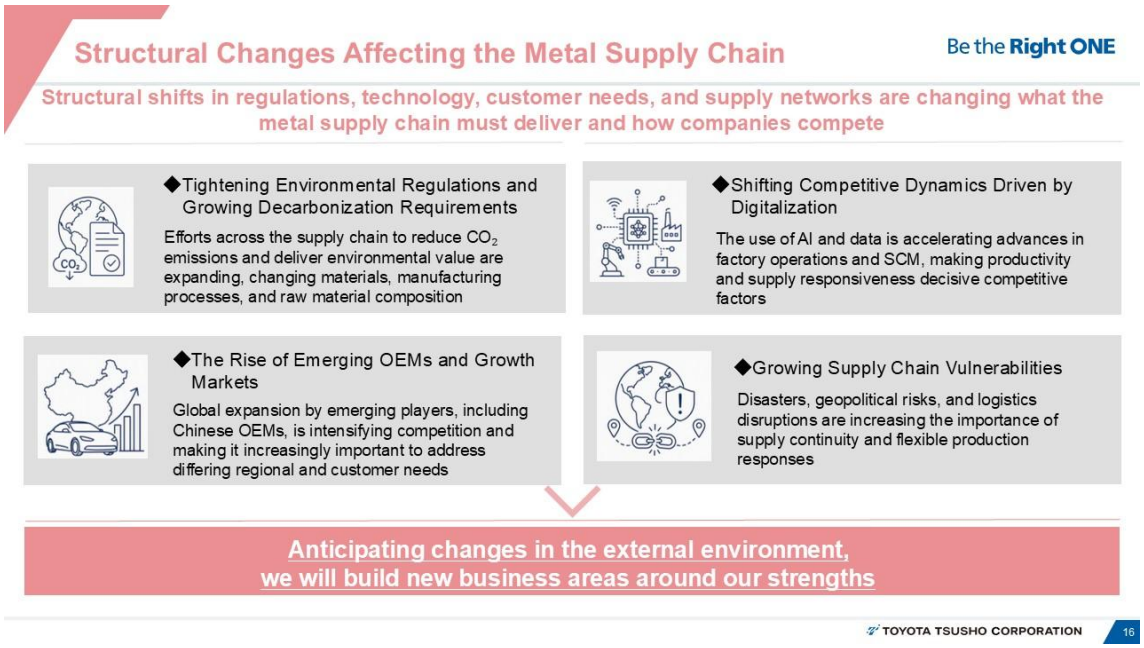
Another example is our electrical steel sheet processing business. Rather than non-grain-oriented electrical steel sheets used in motors, we process high-grade grain-oriented electrical steel sheets and supply them as transformer cores to major transformer manufacturers across three regions globally.



This diagram summarizes the three factors that have supported our growth, as explained earlier.

We begin by identifying customer challenges. Based on that, we propose solutions, refine the capabilities needed to implement them, and turn those into businesses. We then leverage the competitive strengths cultivated through this process to expand into other regions and areas, enabling us to secure new business opportunities.

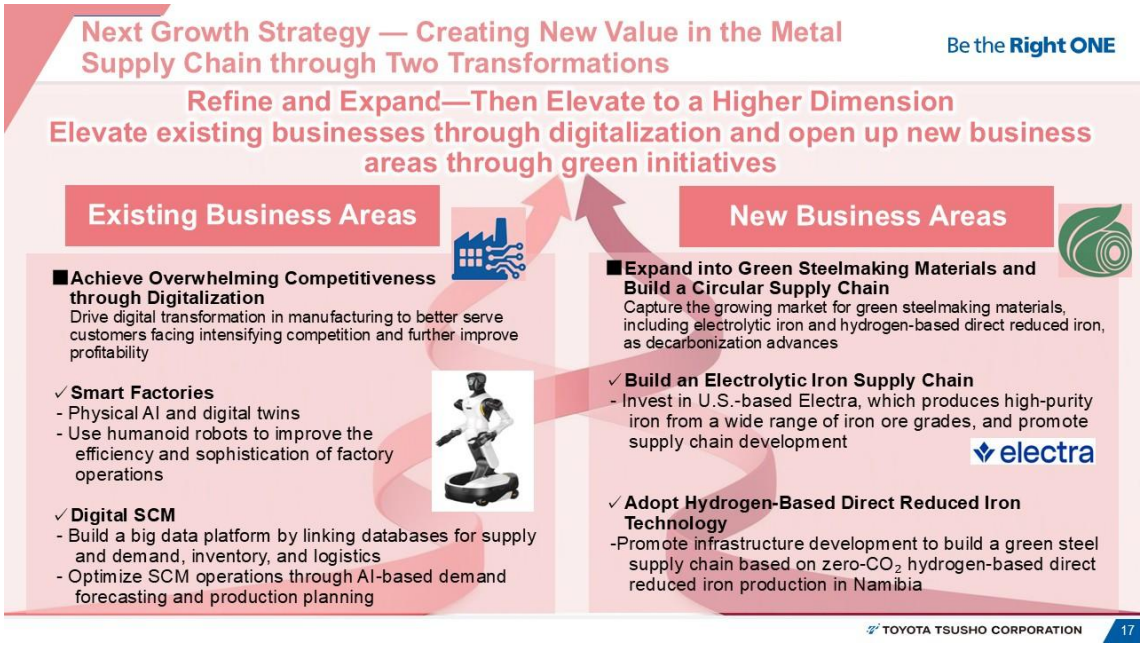
As shown, we have expanded our business by starting with our customers' challenges and utilizing our capabilities to develop solutions.



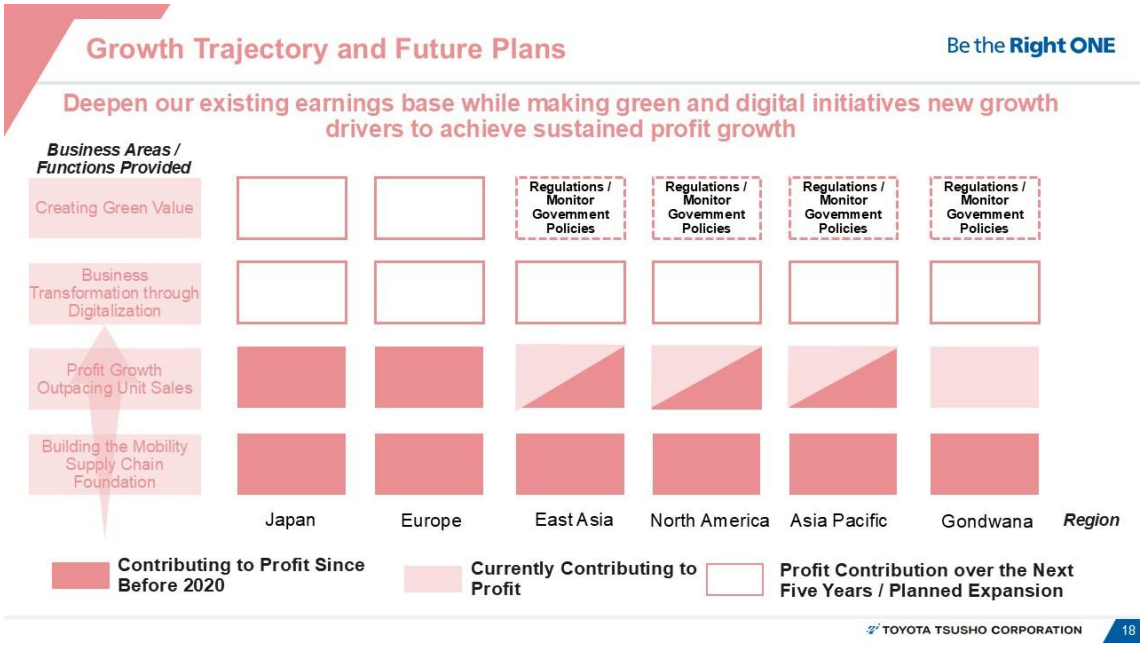
I will now explain the changes in the environment surrounding our division and our next growth strategy.

The market is currently undergoing major structural changes. These include tightening

environmental regulations and growing decarbonization requirements, shifts in competitive dynamics driven by digitalization, the expansion of emerging OEMs and growth markets, and increasingly apparent supply chain vulnerabilities. We aim to anticipate these environmental changes and build new business areas around the strengths we have cultivated to date.

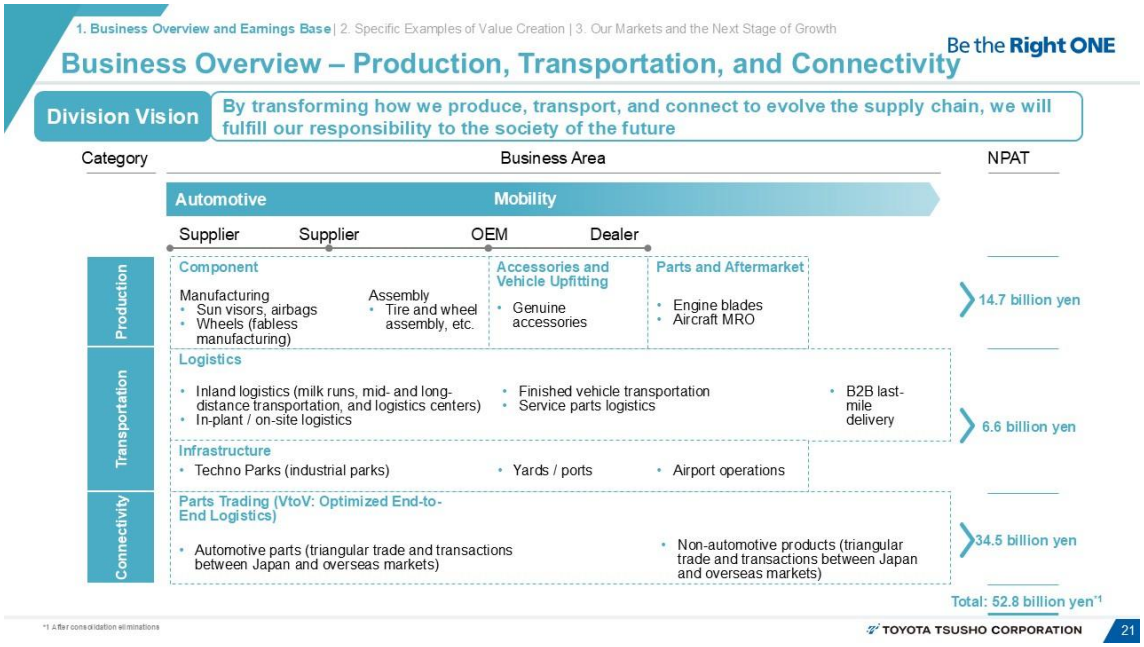


In our key growth strategy, we aim to create new value through two transformations.
The first is transformation within our existing business areas. Our keywords are “digital” and “smart factories,” and we aim to gain a decisive competitive advantage. We will further advance our existing business foundation of sourcing materials, processing and manufacturing them, and delivering them to customers by building operations that leverage digital technology and AI. Additionally, we will build a platform that connects data from procurement through delivery, enabling us to manage the supply chain with unprecedented speed and precision.
The second is transformation in new business areas. Our keyword is “green,” and as a new challenge, we will expand into green steelmaking materials. In collaboration with the Circular Economy Division, we will add new functionality to scrap collected globally and blend it with green steelmaking materials to meet the anticipated demand for green steel and materials for electric arc furnaces. Through these efforts, we aim to establish a closed-loop system connecting the arteries and veins of the supply chain.
Specifically, we are investing in Electra, which is working to commercialize electrolytic iron in North America, and promoting hydrogen-based direct reduced iron production in Namibia. Going forward, we intend to build on these initiatives to establish mass-production systems.



This depicts our future plans. The bottom two sections provide a broad overview of the mobility supply chain foundation that has supported our growth to date and the regions that have driven our recent significant profit growth. Moving forward, we will develop the two areas shown at the top—“Creating Green Value” and “Business Transformation through Digitalization”—into new growth pillars. The green-related business areas outlined by dotted lines are significantly influenced by laws, regulations, and government policies. Therefore, we intend to narrow down our target markets while closely monitoring trends in each country and region as we aim to achieve commercial production and a stable supply to the market.

This concludes the presentation from the Metal+(Plus) Division.



CEO Nakayama: I am Nakayama, CEO of the Supply Chain Division.

The phrases “Production,” “Transportation,” and “Connectivity” listed at the top of the business overview represent the three categories that define our businesses. Our vision is “By thus transforming the concepts of production, transportation, and connectivity for the evolution of the supply chain, we will fulfill our responsibility to the society of the future.”
Originally, our automotive-related business focused primarily on Toyota Motor Corporation and other Toyota Group companies. In recent years, we have expanded our business beyond automobiles into the broader mobility sector. We are not only expanding our business with Toyota Motor Corporation but also with other automobile manufacturers. Beyond automobiles, we are also expanding into aviation-related businesses.
First, in the production area, we handle the manufacturing of certain parts. One of our wholly-owned subsidiaries manufactures sun visors and holds approximately an 80% market share in Japan.
Overseas, we operate a sewing business that produces cushions used in airbags. Additionally, as a fabless business, we collaborate with partner companies to manufacture products such as aluminum wheels and supply them to automobile manufacturers as a Tier 1 supplier.
In the assembly area, we are engaged in the parts assembly business. Specifically, we operate this business globally, assembling tires and wheels and delivering them to automobile manufacturers' plants.
In the accessories and vehicle upfitting area, we handle genuine accessories. One of our subsidiaries has a dedicated design team, and the products designed there are manufactured by external manufacturers and delivered to customers.
Furthermore, in the aviation area, we have invested in a company that machines aircraft engine blades. We are also taking steps to enter the aircraft MRO business, which I will explain later.

Next is the transportation area. Here, we primarily operate logistics businesses. With a focus on overseas markets, we handle milk runs and relay transportation of parts around the plants of automobile manufacturers, including Toyota Motor Corporation, while also operating logistics centers serving as hubs in countries around the world.
We also handle finished vehicle transportation and service parts logistics. Recently, we invested in a company that provides B2B last-mile delivery services, and we have also entered Japan’s last-mile delivery market. I will explain this initiative in more detail later.

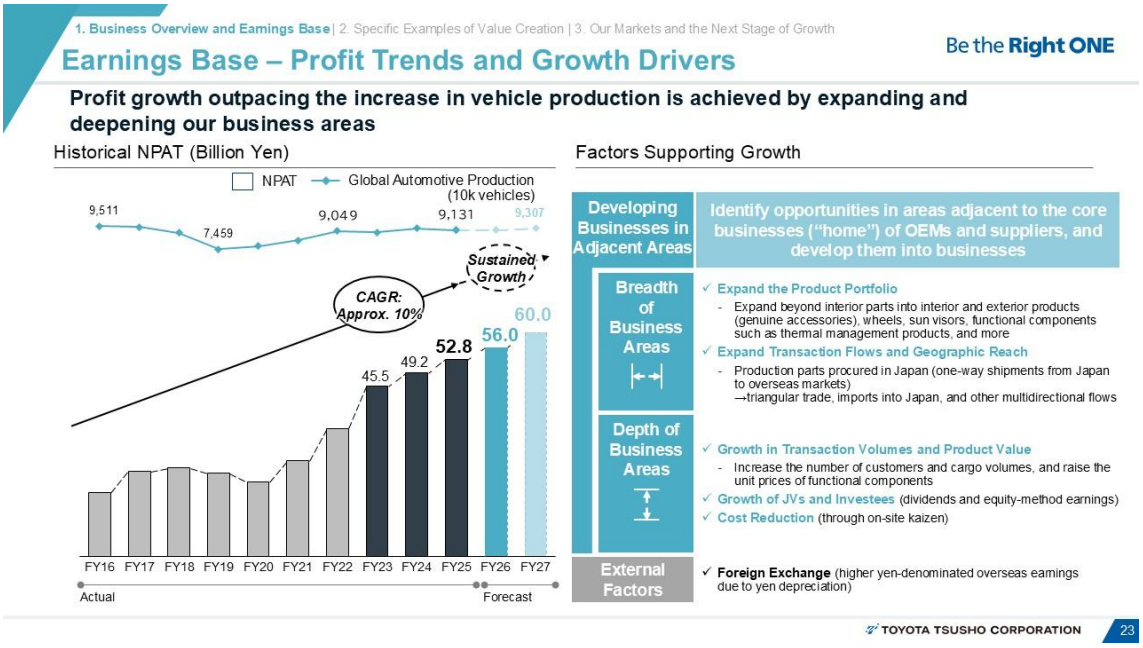
Finally, the connectivity area. This is our parts trading business, which accounts for the largest share of our net profit after tax. The term “VtoV” listed in the materials is an abbreviation for “Vendor to Vendor.” We primarily handle the supply of parts from Tier 2 to Tier 1 suppliers, managing both the commercial and logistics aspects to provide integrated services for the sale and transportation of parts. While this initially focused on exports from

Japan, in recent years we have expanded into triangular trade that bypasses Japan, such as from Thailand to South America and from Indonesia to Africa.
We are also expanding our business into non-automotive areas. Moving beyond automobile manufacturers, we are expanding into the broader mobility field. Currently, we have begun transporting parts for a major bicycle manufacturer in Taiwan, among other activities.



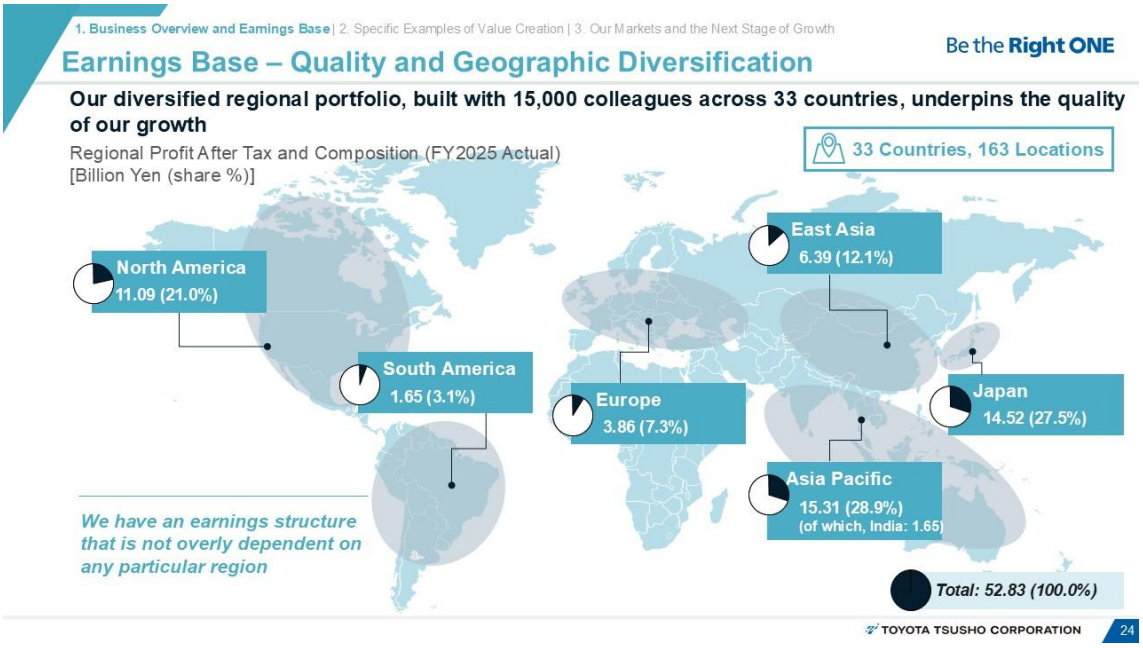
This page features photos showing the frontline operations that support the businesses I've discussed so far.
The top row, from left to right, shows sun visor manufacturing, airbag sewing, tire assembly, and the accessories business.
On the left side of the middle row is an automated warehouse for semiconductors operated by our subsidiary, Toyotsu Logistics Service. Next to it is our in-plant logistics in Brazil, followed by our parts logistics in Thailand. On the far right is an automotive parts warehouse that serves as a hub for shipping parts from Japan to various countries as part of the VtoV business mentioned earlier.

On the left side of the bottom row is a driver training center for our export logistics in Thailand. In addition to training drivers from our own companies and partner companies, the center also provides training to external drivers, thereby helping to improve traffic safety in Thailand. Next to it is our Technopark business, which operates in India and Indonesia. We operate this business as a platform to support the overseas expansion of relatively small companies, primarily Tier 2 and Tier 3 manufacturers.
We are also engaged in the B2B last-mile delivery business I mentioned earlier. In addition, we are involved in airport operations in Laos.



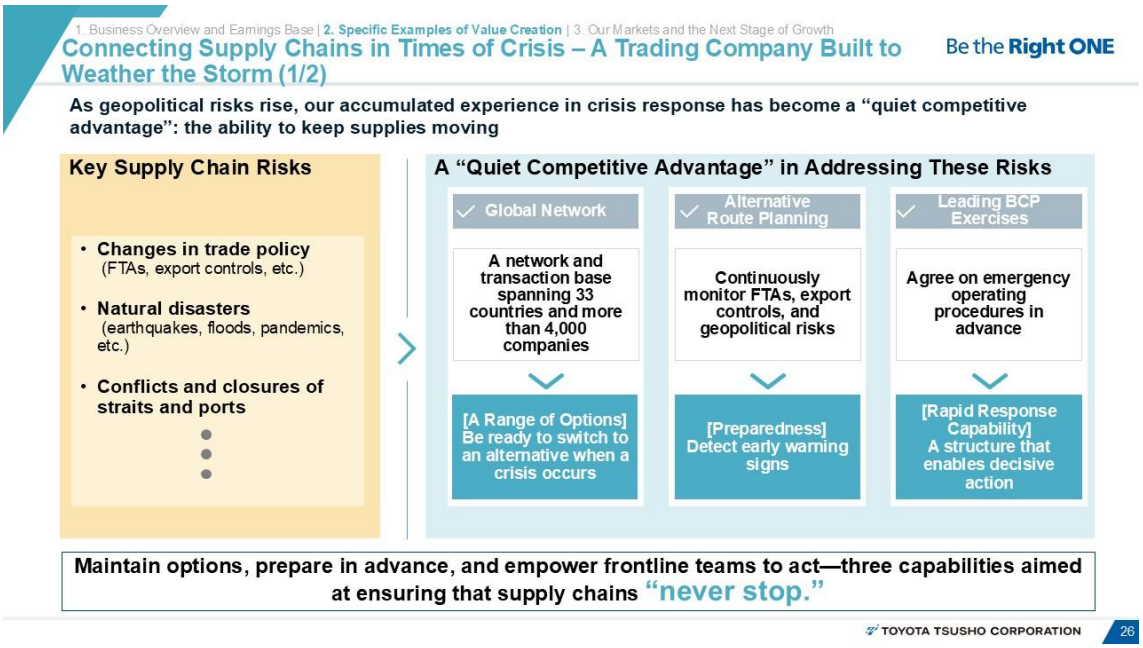
This shows the trend in our profit levels and the factors supporting this growth.
The graph on the left shows that while global automobile production has remained largely flat, our profits have continued to grow steadily. This has been achieved by expanding our business areas while deepening our presence in existing areas.
One of the key factors supporting this growth has been the commercialization of adjacent areas. We refer to the core business areas managed directly by OEMs and suppliers as “home,” and those around them as “adjacent areas.” We have identified business opportunities in the adjacent areas of OEMs and suppliers and have been gradually commercializing them since the 2000s. In recent years, the scale of these businesses has expanded, and their contribution to revenue has grown significantly.
In terms of the “breadth” of our business areas, we have expanded our product portfolio. While we originally focused on interior parts, we now also handle exterior parts. Additionally, we have broadened our product range from basic parts like bolts and nuts to functional and electronic parts.
In terms of transaction flows and geographic reach, we have expanded from a business centered on exports from Japan to include triangular trade. Currently, exports from Japan account for approximately 30 percent of our total transaction volume, while transactions between overseas markets account for approximately 70 percent.

In terms of the “depth” of our business areas, the joint ventures and portfolio companies we have long been involved with have grown, and dividends and equity profits have increased accordingly.



We operate in 33 countries worldwide and employ approximately 15,000 people. We also have 163 locations around the world.

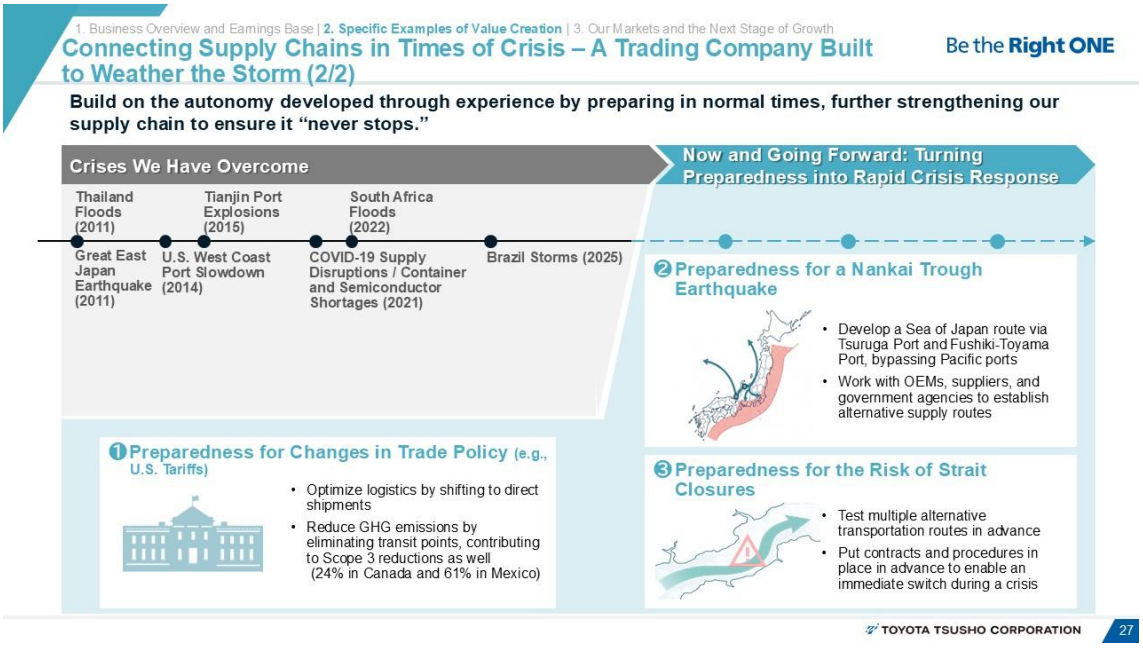
From a regional perspective, while North America, Australia/Asia, and Japan contribute relatively large shares of profits, we also operate in East Asia, Europe, and South America. By diversifying our regional portfolio in this way, we are building an earnings structure that does not rely too heavily on any one country or region.



This illustrates our ability to connect supply chains in times of crisis. Under our motto, "A trading company built to weather the storm," we demonstrate our strength by ensuring that supplies keep moving even in the face of geopolitical risks, natural disasters, and other crises.

In recent years, supply chains have faced various risks, including changes in trade policies, natural disasters, conflicts, and closures of straits and ports. To address these risks, we have been steadily strengthening our “quiet competitive advantage” during normal times. Specifically, we have established networks in various countries and strive to maintain multiple options so that we can switch to alternative sources of supply in the event of a crisis. We also continuously monitor various risks and plan alternative routes so that we can detect early warning signs and respond promptly.

Furthermore, to ensure we can act without hesitation when a crisis actually occurs, we discuss response strategies with our partners and customers during normal times and put the necessary structure in place. Through these preparations and our response capabilities, we are constantly working toward our goal of ensuring that our customers’ operations never come to a halt.

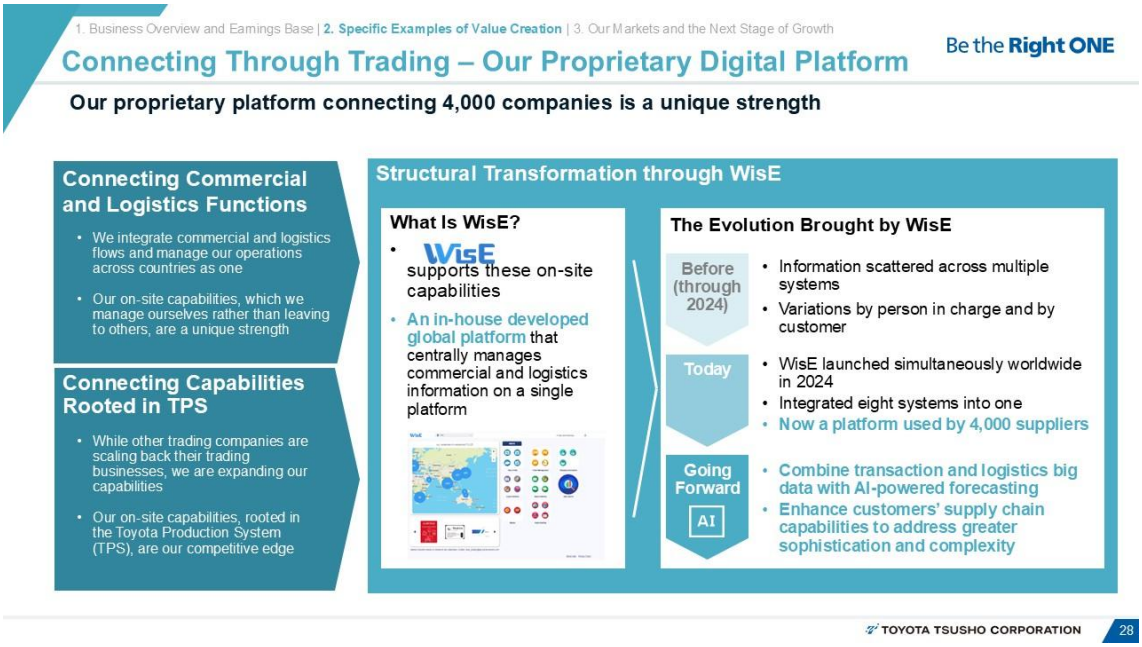


We have overcome various crises over the years. In 2011, we faced the floods in Thailand and the Great East Japan Earthquake; in 2014, work slowdowns on the U.S. West Coast; and in 2015, the Tianjin explosion. In 2021, we experienced supply disruptions caused by COVID-19 as well as shortages of container ships and semiconductors, followed by floods in South Africa and torrential rains in Brazil. Although Toyota Motor Corporation’s plants were damaged and production was temporarily halted, we have responded to each of these crises and continued to support our customers’ supply needs.

We are also preparing for potential future crises. As part of our preparations for the Nankai Trough earthquake, we are exploring alternative routes that would utilize ports on the Sea of Japan side if we are unable to ship goods through ports on the Pacific coast. Furthermore, as the risk of blockades in various straits increases, we are conducting simulations on a regular basis to determine which routes to use if major straits are blocked.

We are also preparing for changes in trade policy. In North America, we proposed revising logistics routes in response to moves by the United States to impose tariffs on imports from Canada and Mexico. Specifically, we are changing the route for parts that were previously shipped from Japan to Canada and Mexico via the United States to a route that transports them directly from Japan to Canada and Mexico using our own facilities. We are also proposing to ship parts directly from Canada and Mexico to Japan, rather than consolidating them in the United States first.

These initiatives not only address tariffs but also help optimize logistics routes and reduce GHG emissions. Specific projects are already underway, and operations began this fiscal year.



Next, I will explain our proprietary digital platform. The fundamental philosophy underlying this platform is “connecting commercial and logistics functions.” This means managing commercial and logistics functions as a single, integrated process.

Generally, trading companies handle the commercial side but outsource logistics, while logistics companies handle logistics but do not get involved in the commercial side. In contrast, we not only handle commercial transactions but also manage logistics ourselves. Rather than outsourcing logistics to other companies, we maintain our own on-site operations and leverage our on-site capabilities to drive our business forward.

This approach is rooted in the Toyota Production System (TPS). Based on TPS, we provide robust support to our on-site operations while striving for continuous improvement.

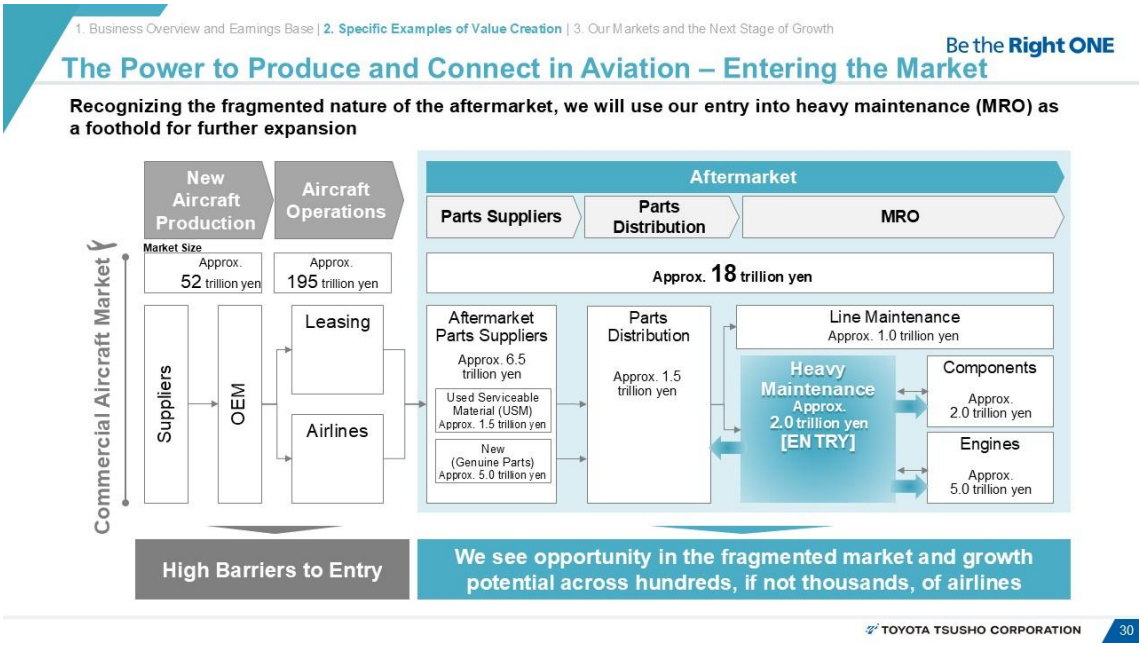
Furthermore, in 2024, we launched WisE, a global platform developed in-house, simultaneously across our worldwide operations. This platform currently connects us with approximately 4,000 suppliers and enables centralized data management on a single platform.

Looking ahead, we plan to integrate AI-powered forecasting into this platform to further

enhance our supply chain.



Next, I'll share examples of our partnerships. We work side by side with partners to tackle things we cannot achieve on our own or that we have been unable to achieve in the past.
In the automotive parts area, we have long helped establish joint ventures involving Toyota Group companies and partners in various countries, such as Thailand's Siam Cement Group and Indonesia's Astra Group. More recently, together with Aisin and Taiwan's Minth Group, we established a new company in Canada to manufacture electrification-related components, and we are working to build a supply system for these components.
In the logistics area, we have long been expanding our business through partnerships and the establishment of joint ventures with domestic companies such as Toyota Transport and Kimura Unity. In India, we have established a joint venture in the inland logistics field with the TVS Group, which operates TVS Supply Chain Solutions, and have begun collaborating with them. Furthermore, in 2024, we invested in LOGIQUEST, marking our entry into the B2B last-mile delivery field.
I will explain the aviation area in more detail starting on the next page. We are expanding into the aviation area, focusing primarily on aircraft MRO, and have established joint ventures with companies such as HAECO in Hong Kong and JAL.



Next, I'll explain the aviation area in a bit more detail.

For about 10 years, we have focused on aviation as one of our mobility business areas beyond automobiles. Initially, we aimed to enter the new aircraft production field and took on the challenge of handling parts for new aircraft. However, the aviation industry has high barriers to entry, and we did not achieve the results we had hoped for.

Consequently, since last year, we have shifted our strategy and are now focusing on the aftermarket, which offers opportunities for diversification and growth, and are working to enter the MRO business.

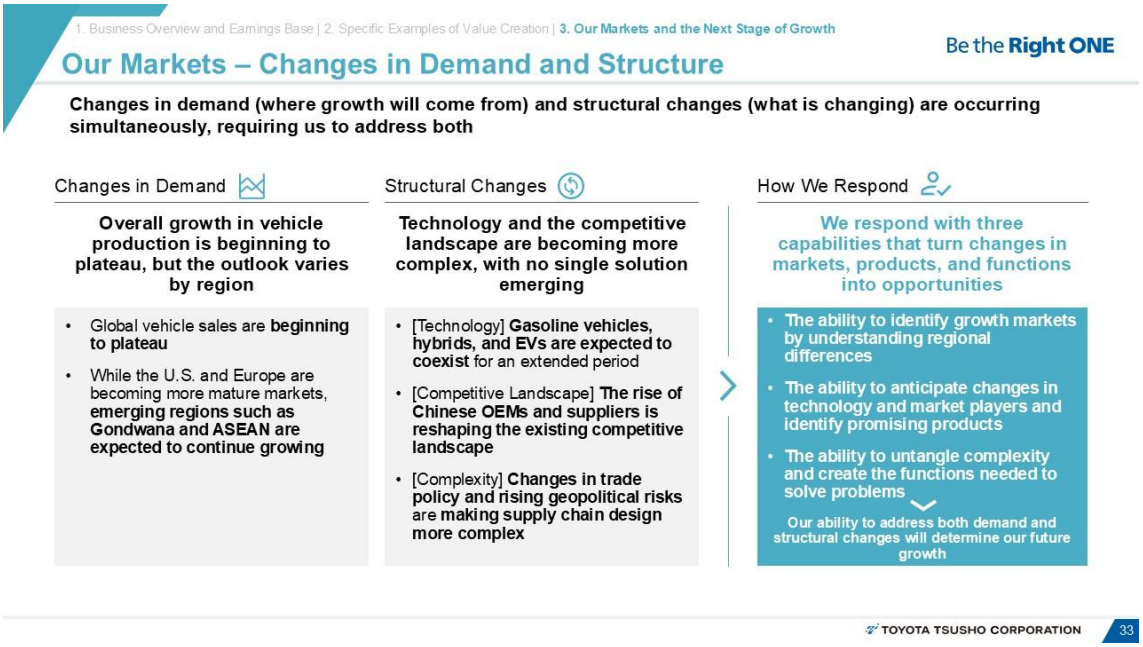
First, we are using aircraft heavy maintenance as our entry point into the aviation area. Building on this foothold, we are exploring ways to expand into aircraft parts distribution, which is closely aligned with our existing businesses, as well as engine MRO.



A specific example of this is our entry into the MRO business in Vietnam. We established a joint venture with Hong Kong's HAECO, JAL, and Vietnam's Sun Group to enter the MRO business.

In Asia, while air travel demand and the MRO market are expanding, maintenance capacity has not kept pace with demand. We are therefore launching a new maintenance business in Vietnam and will help operate one of the country's largest aircraft maintenance businesses.

We are currently preparing to commence operations around September 2028.



Finally, I would like to explain our markets and our future approaches.

We recognize that changes in demand and shifts in industrial structure are occurring simultaneously, requiring us to address both.

First, in terms of demand, we believe global automotive production is beginning to plateau. While Europe and the U.S. are becoming more mature markets, we expect continued growth in the Gondwana and ASEAN regions where we operate, and we will continue to monitor these areas closely as key markets.

Structural changes are also progressing. Amid the multi-pathway trend, while the growth of battery EVs is expected to level off somewhat, we anticipate that gasoline and hybrid vehicles will coexist for the foreseeable future. Furthermore, not only Chinese OEMs but also Chinese suppliers have been expanding their scale and technological capabilities, leading to a fundamental shift in the industry structure itself. We will accurately assess these changes and respond accordingly.

In addition, risks, complexity, and uncertainty surrounding the supply chain are increasing due to factors such as changes in trade policy. We will address these changes by leveraging our three capabilities: market, product, and functions.

“Markets” refers to our ability to identify growth markets. “Products” refers to our ability to anticipate changes in technology and identify promising products. “Functions” refers to our ability to organize complex issues and present solutions to our customers.

We will continue to hone these three capabilities while adapting to the changing market and striving for further growth.



Finally, this illustrates the direction of our future growth as outlined earlier.
First, for markets and regions, we will expand our business in the Gondwana and ASEAN regions in collaboration with our partners. Beyond that, we will also explore further business expansion in these regions, including airport operations in the aviation area.
For products, we will continue to focus on both ICE and EV technologies, deepening our collaboration with partners through investments in promising suppliers and active involvement in their business operations.
As I mentioned earlier, while the shift toward EVs is undergoing changes, in the ICE area, we will continue to keep a close eye on markets such as India. We will move forward with initiatives based on the expectation that ICE-related parts produced in India will be exported to various parts of the world.
Additionally, in the aviation area, using heavy maintenance of aircraft as a foothold, we will explore expanding into other areas of the aftermarket, such as engine MRO.
Finally, in terms of functions, we aim to help customers solve broader management challenges, rather than just addressing on-site issues. We are currently making various proposals to customers outside the Toyota Group as well, using an approach focused on resolving supply chain management challenges. Going forward, we intend to extend these initiatives to other industries.
We always maintain the mindset of turning crises into opportunities. We will work to expand

our businesses so that even when various problems arise, we can turn them into new business opportunities.

That concludes the presentation on the Supply Chain Division. Thank you very much.