

March 22, 2024

Toyota Industries Corporation

Recurrence Prevention concerning Engine Certification Issue

On February 22, 2024, Toyota Industries Corporation (the “Company”) received a correction order (the “Correction Order”) from Ministry of Land, Infrastructure, Transport and Tourism concerning legal violations in domestic engine certification.

Taking into account the measures to be taken by the Company indicated in the Correction Order: “(1) Restructuring of the company's overall business management system,” “(2) Improvement of business management methods for overall engine and vehicle development,” and “(3) Building a system for implementing legal and certification operations that prevent unfair practices,” and recommendations to the Company provided by the Special Investigation Committee, the Company summarized fundamental preventive measures, and reported the same to the Ministry of Land, Infrastructure, Transport and Tourism. The Company will report the progress of implementation in every quarter in the future.

For the recurrence prevention, the Company will return to the basics of providing customers with “safe and secure quality products” and continuing to contribute to society, and implement the three reforms of “Culture,” “Mechanism,” and “Organization / Structure” to ensure that we do the right thing correctly into preventive measures, and the entire Company will work together to carry them out. “Restart Committee,” with the president as the committee chairman, and the general manager, chief officer, head office executives, and department heads as members will take charge of promoting the measures to prevent recurrences, check on progress and effectiveness regularly, and continue to further improve the implementation.

The Company sincerely apologizes again to our customers, dealers, suppliers and all other concerned parties for the significant inconvenience that this domestic engine certification issue may have caused.

Taking seriously their responsibility as management for not having ensured a correct understanding of the certification system, having continued legal violations for an extended period, and having failed to rectify the same, the President, Member of the Board (30 percent of monthly remuneration x 6 months) and Senior Executive Officers (30 percent of monthly remuneration x 3 months) will return their remuneration to the Company. Furthermore, together with the employees, management will put all its efforts into the creation of Culture, Mechanism, and Organization/Structure that allow for honest and correct manufacturing, to achieve the revitalization of the Company.

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Appendix: Report on recurrence prevention measures concerning legal violations in domestic engine certification