

ELLIOTT®

ELLIOTT ADVISORS (UK) LIMITED
PARK HOUSE, 116 PARK STREET, LONDON W1K 6AF
TEL: +44 (0)20 3009 1818

January 18, 2026

Dear Fellow Shareholders of Toyota Industries Corporation:

We write on behalf of funds advised by Elliott Investment Management L.P. and Elliott Advisors (UK) Limited (together “Elliott” or “we”) as the largest minority investor in Toyota Industries Corporation (the “Company” or “Toyota Industries”).¹ Our investment reflects our strong conviction in the Company, its value and its immense potential as a standalone business.

Based on our conversations with many of you, we know that you share our concerns regarding the attempt by Toyota Fudosan Co., Ltd (“Toyota Fudosan”) to squeeze out minority shareholders of Toyota Industries at a deeply discounted and unfair valuation in a coercive transaction. Although Toyota Fudosan’s revised tender offer bid at ¥18,800 per share (the “Revised TOB”) acknowledges the inadequacy of the original transaction terms, the new price continues to very substantially undervalue Toyota Industries, whose intrinsic net asset value is ¥26,134 per share or almost 40% above the Revised TOB price. If successful, **the Revised TOB would represent a major setback for corporate governance, minority shareholder rights and fair M&A in Japan.** Elliott opposes the Revised TOB as it is not in the best interests of minority shareholders and because we believe substantially more value can be generated by pursuing the Standalone Plan for the Company (described below) than by tendering into this wholly inadequate offer.

Elliott does not intend to tender its shares into the Revised TOB and we strongly encourage other shareholders not to tender.

Key Takeaways

Elliott has followed Toyota Industries for many years and has invested significant time and resources in underwriting its investment in the Company. We have worked with leading commercial consulting firms, former employees, industry executives, asset valuation experts, tax advisors, law firms and accountants to form our views on the Company’s business and significant financial assets.

Our conclusions are as follows:

- Toyota Industries owns world-class, market-leading businesses that are dominant in their respective areas, are exposed to positive secular tailwinds and have

¹ Based on Toyota Industries’ semi-annual report for the period ended September 30, 2025 and other public sources of information, we believe Elliott is the largest shareholder of Toyota Industries which is not affiliated with any Toyota Group companies.

tremendous growth potential. These include the Company’s materials handling business, which is a global market leader and well positioned for future growth;

- Beyond its best-in-class operating businesses, Toyota Industries holds valuable minority stakes in publicly traded companies that together are worth more than the entire market capitalization at the Revised TOB price and account for two-thirds of the intrinsic net asset value (“NAV”) of Toyota Industries;
- The initial tender offer bid pre-announced on June 3, 2025 (the “Original TOB”) significantly undervalued Toyota Industries at ¥16,300 per share;
- Since the Original TOB was pre-announced, the value of Toyota Industries’ stakes in publicly traded companies has increased by more than 40% and its closest operating peer has appreciated by over 50% – yet the Revised TOB captures only a fraction of this increase, widening the gap to fair value;
- The transaction governance process remains deeply flawed, with deficiencies in the Original TOB only superficially addressed in the Revised TOB, representing a setback for corporate governance reform in Japan; and
- The Standalone Plan (described below) offers a clear path to NAV of more than ¥40,000 per share by 2028 – more than double the Revised TOB price.

A Fork in the Road for Toyota Industries Shareholders

The Revised TOB presents Toyota Industries shareholders with a choice that will determine the future of the Company. It is also a test of the effectiveness and credibility of Japanese corporate governance more broadly.

For more than a decade, Japanese policymakers, regulators and market participants have worked to improve the governance standards of the country’s world-class businesses and capital markets. The METI Fair M&A Guidelines², the Guidelines for Corporate Takeovers³, the Code of Corporate Conduct in the Securities Listing Regulation⁴, and the broader effort to promote fair M&A practices are meant to protect shareholders in situations precisely like this one. The question now is whether those protections have substance – or whether, when tested, powerful companies like Toyota Industries can forcibly squeeze out their minority shareholders at a fraction of the investment’s fair value.

If a transaction on these terms is permitted to proceed – at a price representing a significant discount to fair value, through a process with structural conflicts, and over the objections

² The “Fair M&A Guidelines — Enhancing Corporate Value and Securing Shareholders’ Interests” published by the Ministry of Economy, Trade and Industry dated June 28, 2019.

³ The “Guidelines for Corporate Takeovers – Enhancing Corporate Value and Securing Shareholders’ Interests” published by the Ministry of Economy, Trade and Industry dated August 31, 2023.

⁴ The “Revisions to Securities Listing Regulations and Other Rules Pertaining to MBOs and Subsidiary Conversions” published by the Tokyo Stock Exchange dated July 7, 2025.

of a broad coalition of institutional shareholders – it will send a discouraging signal about the effectiveness of Japan’s vital governance reforms and set a dangerous precedent for shareholders in other Japanese companies. The credibility of the Toyota Group and Japan’s capital markets are at stake. If, on the other hand, shareholders reject an inadequate offer and the Company pursues a path that maximizes value for all stakeholders, it will demonstrate that Japan’s governance modernization is real.

We believe this is a decisive moment. As the largest non-conflicted minority investor in Toyota Industries, we face a clear choice: accept an inadequate price, or decline to tender and retain ownership in a world-class industrial and materials handling business capable of delivering substantially greater value. Elliott is committed to the latter – and we believe it represents the better outcome for long-term shareholder value.

Significant Undervaluation from the Start

When the Original TOB at ¥16,300 per share was pre-announced on June 3, 2025, our valuation analysis showed Toyota Industries’ NAV to be ¥20,696 per share (see Appendix 1). Due to the Company’s opaque disclosures, we were not able to reconcile the significant gap between the Original TOB price and the Company’s true intrinsic value, but we suspect the key factors were some combination of:

- A discount applied to Toyota Industries’ stakes in publicly traded companies, which have a visible and known price and therefore cannot plausibly be undervalued in any offer;
- An inappropriately low valuation of the Company’s best-in-class operating businesses, including the world’s leading materials handling business; and
- No value given to the substantial tax savings available when unwinding cross-shareholdings through issuer buybacks. This structure benefits from a favorable deemed dividend treatment that Toyota Industries can utilize – and which it indeed envisages will be utilized, as part of both the Original and Revised TOB plans.

There was overwhelming consensus among market participants that the Original TOB was, at the time, fundamentally undervaluing Toyota Industries – evidenced by the share price trading 13% above the Original TOB price on the trading day before the pre-announcement. In our assessment, Toyota Industries’ NAV on June 3, 2025 – before any of the subsequent appreciation – was ¥20,696 per share, **representing a 27% premium to the Original TOB price and a 10% premium to the Revised TOB price.**

The Undervaluation Has Only Widened

Since the Original TOB was pre-announced, Toyota Industries’ intrinsic value has materially increased. Our analysis shows NAV of ¥26,134 per share on January 16, 2026 (see Appendix 2). **Toyota Industries’ NAV has risen by ¥5,438 per share since the**

Original TOB, while the Revised TOB represents an increase of only ¥2,500 per share (see Appendix 3).

The key drivers of the demonstrable increase in NAV from June 3, 2025 to January 16, 2026 include:

- An increase in the value of Toyota Industries' stakes in publicly traded companies. These stakes have increased in value by more than 40%, or ¥5,720 per share before tax. Net of tax, the value of these stakes has increased by ¥4,805 per share since the Original TOB was pre-announced;⁵
- An increase in the market valuation of Toyota Industries' core operating businesses. KION Group AG ("Kion") is the most relevant peer company, given its number-two position in the global materials handling market. Kion's share price increased by more than 50% between the Original TOB and the Revised TOB; and
- Cash generation by Toyota Industries, as well as other changes in assets and liabilities at the Company during this time period as customary in a NAV analysis, net of the settlement of the emissions-related class action lawsuit in the U.S.

In this context, the Revised TOB is wholly inadequate. The significant undervaluation evident at the time of the Original TOB pre-announcement on June 3, 2025 has not been addressed, nor will minority shareholders participate in the indisputable increase in the value of Toyota Industries' stakes in publicly traded companies or in the market value of the Company's operating businesses since the Original TOB.

The disconnect is evident from the final negotiations over the Revised TOB:

- On January 9, 2026, in response to a proposed offer price of ¥18,600, it was deemed that the price "*still significantly deviates from the price level envisioned by the Company's board of directors and the Special Committee, and must be largely increased also from the perspective of securing minority shareholders...in light of the fact that there is an increasing trend in the share prices of TMC and the Three Toyota Group Companies owned by the Company, the Tender Offer Price must be proposed factoring in the risk of price fluctuations up to the scheduled announcement date of commencement of the Tender Offer...".*"⁶
- The Special Committee urged Toyota Fudosan to "*substantially increase*" the proposed offer price accordingly, acknowledging both the inadequacy of ¥18,600 and the rising value of the Company's stakes in publicly traded companies.

⁵ At a tax rate reflecting the benefits to Toyota Industries from its larger cross-shareholdings from the deemed dividend tax treatment under the issuer buyback unwind structure the Company plans to utilize.

⁶ Appendix 7 (The Process of Negotiations Before the Report) to the Toyota Industries Special Committee report dated January 14, 2026.

- On January 12, 2026, Toyota Industries received the final Revised TOB price of ¥18,800 per share from Toyota Fudosan. On January 13, 2026, just one day after the proposal was received, Toyota Motor Corporation's share price rose by 7.5% and the Company's other stakes in publicly traded companies also increased in value. This rise resulted in a ¥1,005 per share increase in the post-tax intrinsic value of Toyota Industries – an increase which should have been fully accounted for in a further revised TOB price, but which was not.
- Despite the foregoing, on January 14, 2026, the Company accepted and recommended the Revised TOB price of ¥18,800 – just a cosmetic ¥200 more than the price which, days before, the Company had said deviated significantly from its expectations and needed to be substantially increased to safeguard minority shareholder interests – even before the increase in value of the Company's stakes in publicly traded companies on January 13, 2026.

This example demonstrates that intrinsic value growth from Toyota Industries' stakes in publicly traded companies has not been appropriately captured in the price negotiation process. It is therefore unsurprising that Toyota Industries' representatives, at the January 14, 2026 press conference, were unable to explain how the significant increase in the value of the Company's publicly traded stakes since the Original TOB announcement had been reflected in the Revised TOB price.

The deficiencies in the Revised TOB price are also evident from the shockingly low implied valuation under other methodologies:

- *Less than 1x estimated book value:* The Revised TOB price is materially below our estimate of IFRS book value as of December 31, 2025 (see Appendix 4). It is even further below our pro forma estimate of book value as of today, given the subsequent material increase in value of Toyota Industries' stakes in publicly traded companies and in the overall Japanese stock market.
- *Less than 1x EBITDA for the core operating business:* At the Revised TOB price, Toyota Fudosan would effectively be acquiring the core operating business at a valuation of less than 1x EBITDA (see Appendix 5), resulting in ¥2.2 trillion of value accruing to Toyota Fudosan that instead should accrue to Toyota Industries' shareholders.

The market appears to share our assessment. Toyota Industries' shares have traded above the Revised TOB price since the January 14, 2026 announcement, indicating continued investor dissatisfaction with the transaction terms.

A Coercive Transaction

The fundamental conflicts and inherent coercion that arise from the Revised TOB and network of interconnected Toyota Group transactions call for enhanced transparency and adherence to the fundamental protections and fairness measures for minority shareholders.

These are enshrined in the Fair M&A Guidelines, the Guidelines for Corporate Takeovers, and the Code of Corporate Conduct in the Securities Listing Regulation. Instead, the Revised TOB disregards many of the core principles underpinning these frameworks, including:

- *Lack of true majority-of-minority protection:* The Company claims the Revised TOB satisfies a majority-of-minority standard because the Toyota Group companies – which are clearly interested parties in the transaction – have not entered into binding agreements to tender their shares. This claim is disingenuous. On the one hand, the Company claims that these Toyota affiliates are independent. On the other, it rejected a legally binding offer from a third party to purchase the Company’s cross-shareholding in one of these Toyota affiliates at a higher price on the basis that selling the stake would jeopardize the Revised TOB.⁷ Under the currently proposed majority-of-minority condition, only 42% of non-Toyota Group shareholders need to tender into the Revised TOB, which is meaningfully below a true majority-of-minority threshold (see Appendix 6).
- *Financial advisors that lack independence:* Mitsubishi UFJ Morgan Stanley Securities and SMBC Nikko Securities – financial advisors to the Special Committee and the Company, respectively – are affiliated with entities that are key lenders to the offeror group, creating a clear conflict of interest.
- *Abuse of minority shareholders to benefit Toyota Group companies:* Toyota Industries has over-invested in its automobile business for years, as evidenced by exceptionally high capital intensity compared to peers and a bloated nearly ¥1 trillion asset base in this division, combined with an unacceptable low-single-digit return on invested capital. While this business is critical to the operations of Toyota Motor Corporation, it does not serve the best interests of Toyota Industries’ shareholders.

The Standalone Plan for Toyota Industries

We have been discussing a standalone plan for the Company (the “Standalone Plan”) with members of the Company’s Board and Special Committee for several months. The Standalone Plan represents a clear alternative to the Revised TOB that will generate significantly more value for Toyota Industries’ shareholders. The Company holds the number-one global position in forklifts, with 28% market share, and has a world-class automation systems business with attractive growth prospects. Toyota Industries also has substantial financial assets, a strong balance sheet and significant opportunities for operational improvement.

Elliott sees a clear path for Toyota Industries to achieve a valuation of more than ¥40,000 per share by 2028 through the Standalone Plan. Key elements of the Standalone Plan include:

⁷ Page 35 of the Toyota Industries Special Committee report dated January 14, 2026.

- Unwinding cross-shareholdings outside the context of any tender offer;
- Capturing the significant margin improvement opportunity in the business, through consolidation initiatives, product revitalisation and increased efficiency;
- Improving capital allocation by ceasing overinvestment in the automotive segment, which today predominantly serves the interests of Toyota Motor Corporation rather than Toyota Industries, as well as other initiatives; and
- Implementing governance reforms to ensure Toyota Industries operates for the benefit of its own shareholders rather than other Toyota Group stakeholders.

The choice for Toyota Industries' shareholders is not between accepting ¥18,800 or receiving less. It is between accepting ¥18,800 today or retaining ownership in a strong business capable of delivering more than twice that value over the medium term. Elliott plans to release further details of the Standalone Plan in the near future.

Do Not Tender

Elliott has no intention of tendering its shares into the Revised TOB and we strongly encourage other shareholders not to tender.

Based on our analysis, the Revised TOB significantly undervalues the Company and is not in the best interests of shareholders. Toyota Industries' recent trading price suggests the broader market agrees. With a clear path to unlocking value as a standalone company through operational improvements and more efficient capital allocation, there is no imperative to proceed with this transaction. As a supportive long-term shareholder, we believe the Company has immense value-creation potential.

Even absent the implementation of the Standalone Plan, we believe that the Toyota Industries share price would, in the near term, significantly increase above its current levels if the Revised TOB fails, because the share price has been materially anchored down by the Original and Revised TOBs ever since the June 3, 2025 pre-announcement.

The outcome of this tender offer depends on the decisions of genuinely independent shareholders. If a sufficient number decide not to tender, the offer will not succeed at this price. Independent shareholders have the opportunity to determine whether they receive fair value for their investment – either through meaningfully improved transaction terms or through the Company pursuing a standalone path.

The implications of this transaction are far-reaching. **If the Revised TOB is allowed to succeed, it will result in a substantial and potentially irreversible setback for Japan's corporate governance reforms and dampen investor interest in the Japanese market.** As one of the largest and most important corporate groups in Japan, how the Toyota Group

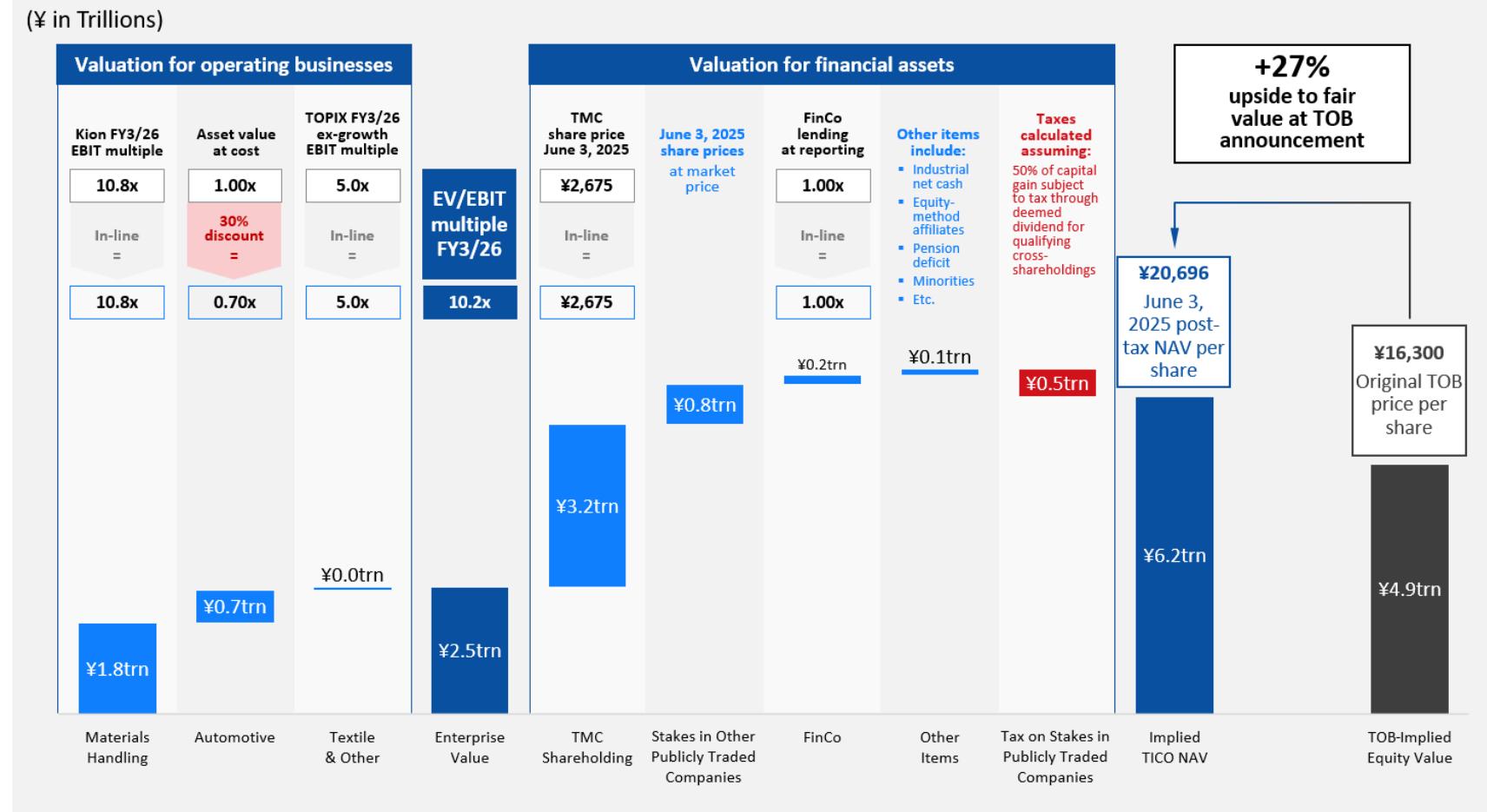
acts will set the tone for how both domestic and foreign investors view the Japanese market. Every shareholder has a voice in this transaction and can affect its outcome. We urge you to advocate for a better outcome for Toyota Industries and its shareholders by declining to tender your shares.

Sincerely,

Aaron Tai
Portfolio Manager

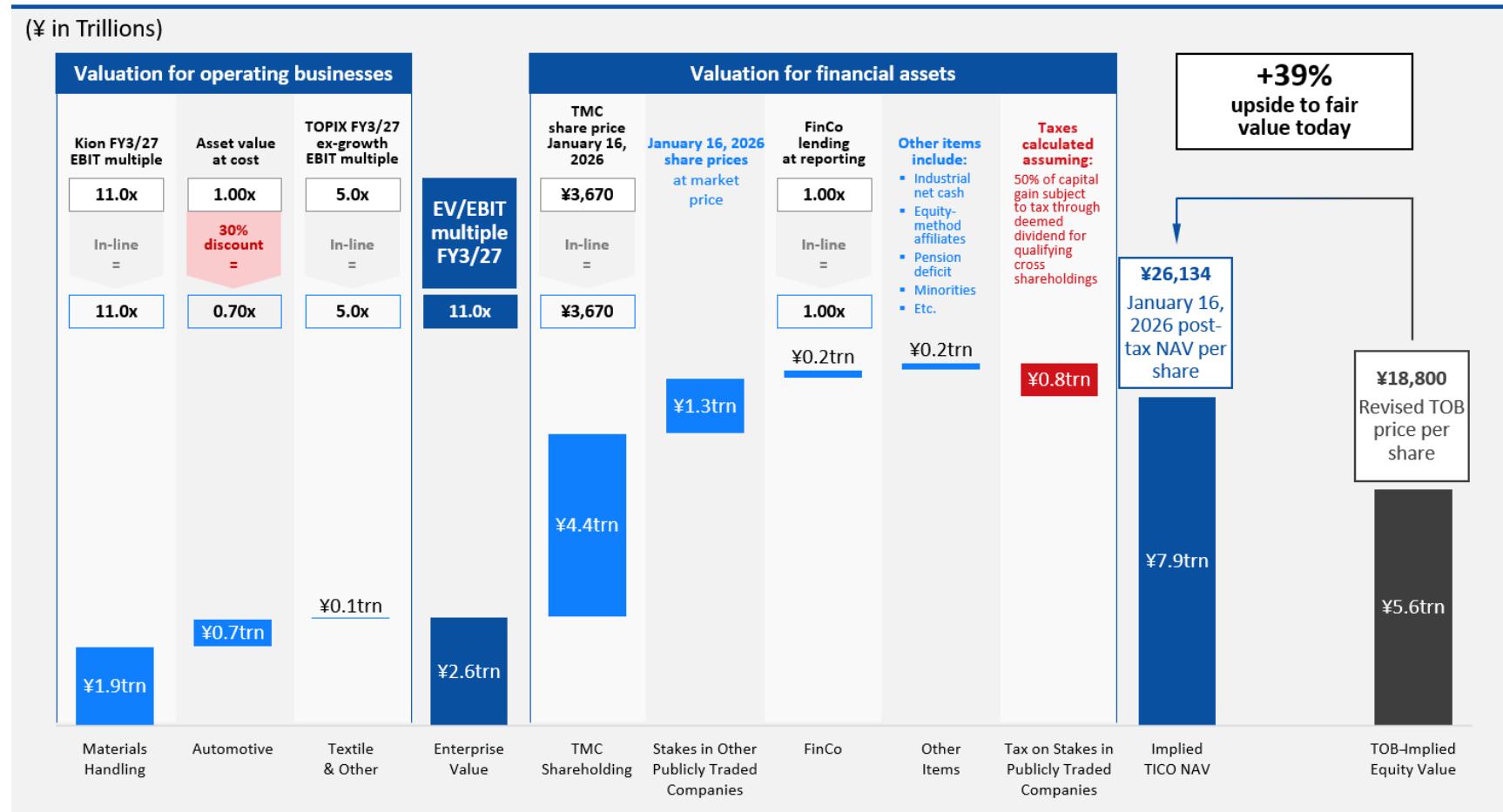
Gordon Singer
Managing Partner

Appendix 1: Original TOB Terms Significantly Undervalued Toyota Industries at Announcement (June 3, 2025)



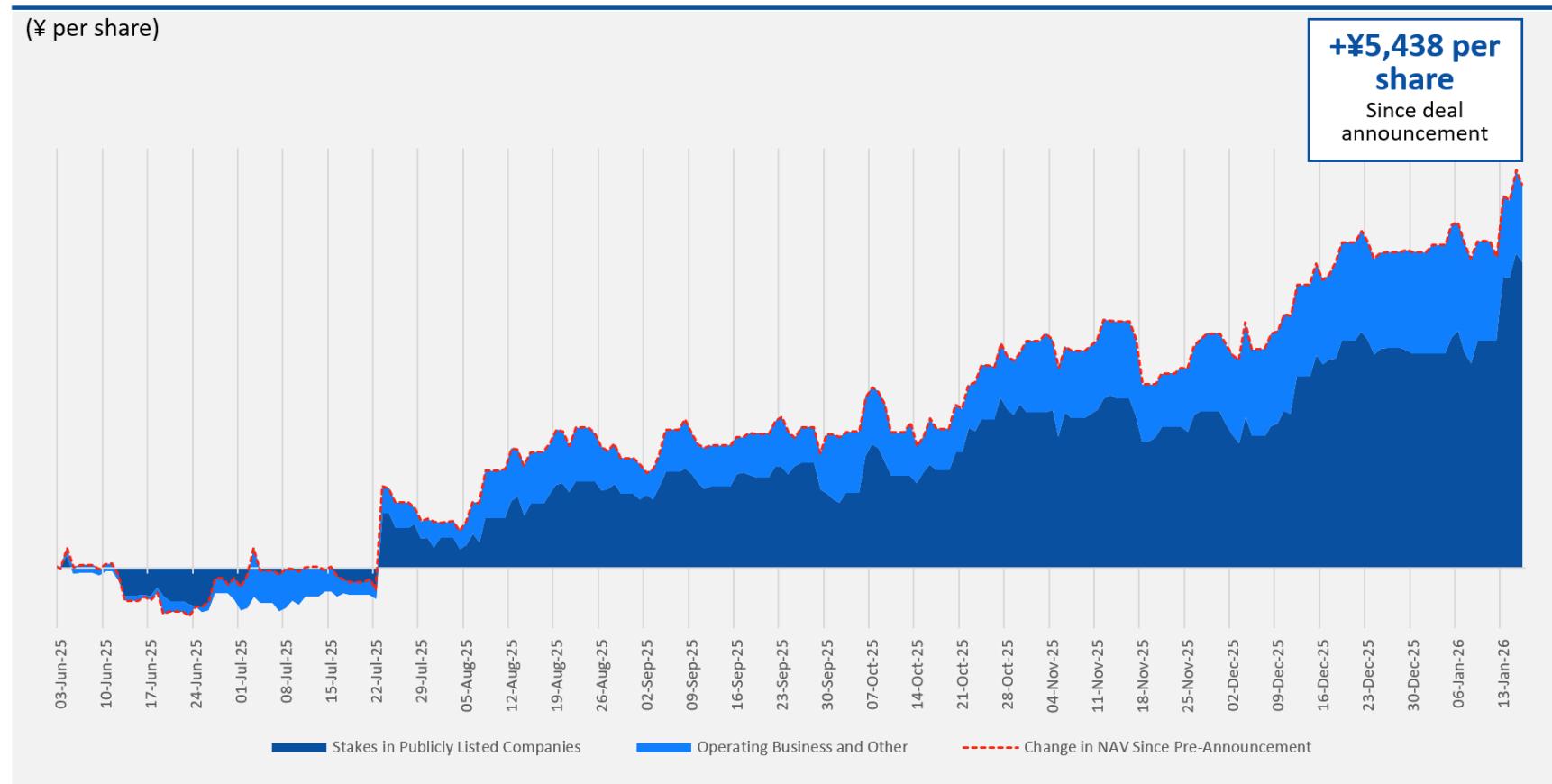
Source: Bloomberg, Company Materials

Appendix 2: Revised TOB Terms Continue to Very Significantly Undervalue Toyota Industries (January 16, 2026)



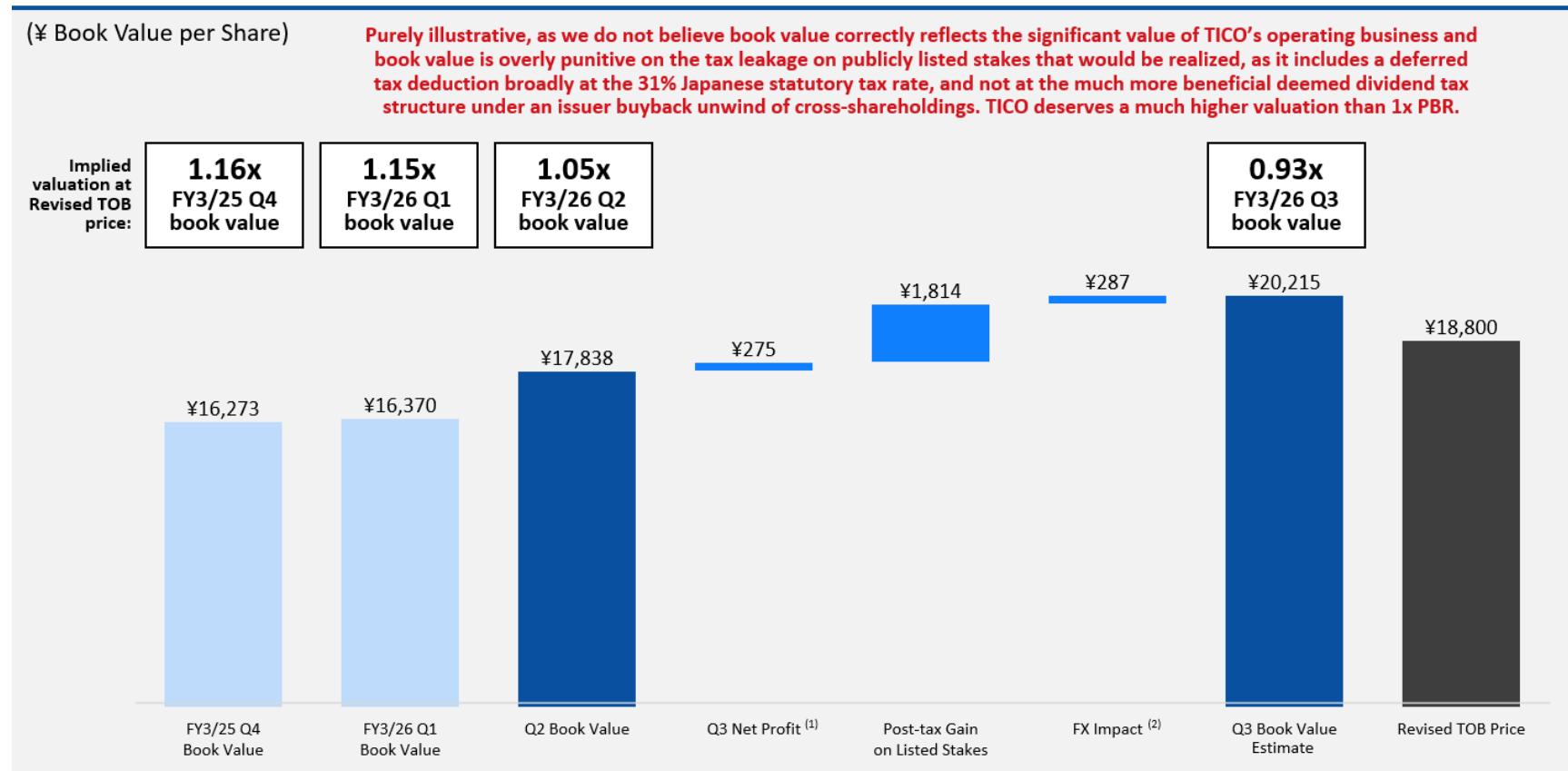
Source: Bloomberg, Company Materials

Appendix 3: Change in NAV per share between Pre-Announcement of Original TOB (June 3, 2025) and January 16, 2026



Source: Bloomberg, Company Materials

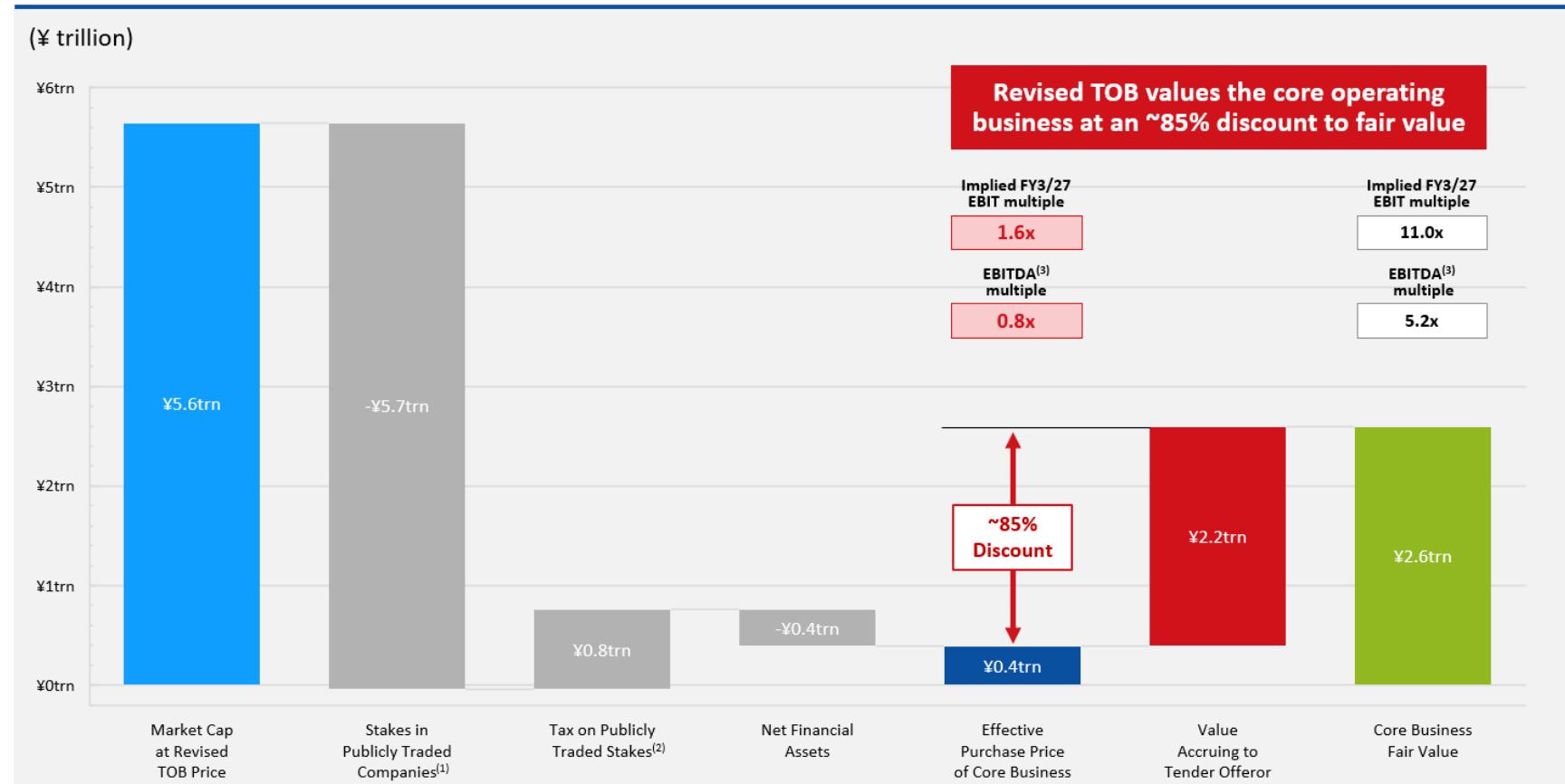
Appendix 4: The Revised TOB Price is Expected to be Below 1x PBR on FY3/26 Q3 Book Value



Source: Bloomberg, Company Materials

Notes: (1) Assumes Bloomberg consensus FY3/26 Q3 net profit; (2) FX impact is estimated based on the historical relationship between FX driven movements in the JPY book value (as disclosed in the statement of comprehensive income) vs. the FX rate movement in the quarter to December 31, 2025.

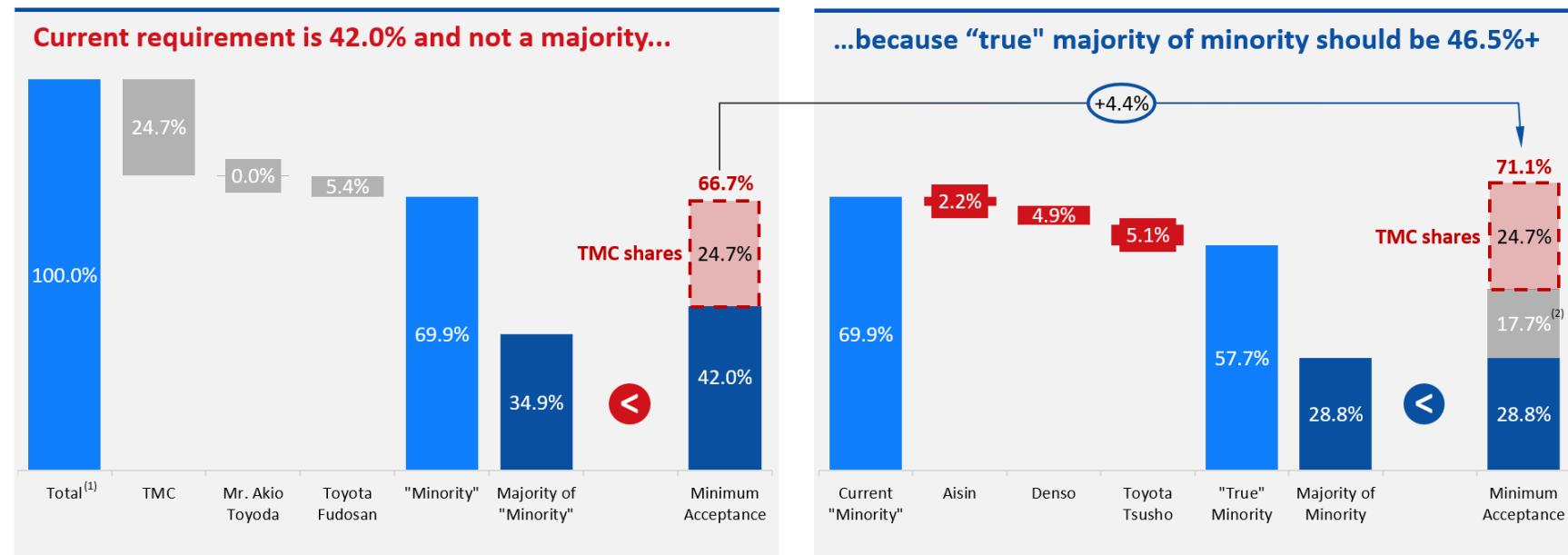
Appendix 5: Implied Valuation of the Operating Business of Toyota Industries



Source: Bloomberg, Company Materials

Notes: (1) Assumes cross-shareholding unwind at current market value (as of January 16, 2026); (2) Assumes the deemed dividend tax structure is enabled for qualifying cross-shareholdings through issuer buyback unwinds; (3) EBITDA after lease expenses.

Appendix 6: Current Minimum Acceptance Condition Does Not Satisfy True Majority-of-Minority Threshold



While Aisin, Denso, and Toyota Tsusho are all “Toyota Group” companies and have a role in the contemplated deal, they are currently classified as “minority” shareholders



When Aisin, Denso, and Toyota Tsusho are included as “majorities” in the calculation of MoM, the actual minimum acceptance should be 46.5%

Source: Company Materials

Notes: (1) Share count as of September 30, 2025; (2) Total of Mr. Akio Toyoda, Toyota Fudosan, Aisin Corporation, Denso Corporation and Toyota Tsusho Corporation.

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