COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA

Case No.: LM074Aug25

In the matter between:

Toyota Fudosan Co., Ltd and Toyota Motor Corporation	**Primary Acquiring Firm**
and	
Toyota Industries Corporation	**Primary Target Firm**

Panel	:	T Vilakazi (Presiding Member)
	:	A Ndoni (Tribunal Member)
	:	G Budlender (Tribunal Member)
Heard on	:	02 October 2025
Order issued on	:	02 October 2025
Reasons issued on	:	21 October 2025

REASONS FOR DECISION

Introduction

1. On 02 October 2025, the Competition Tribunal ("Tribunal") unconditionally approved the large merger in which Toyota Fudosan Co., Ltd ("TF") intends to acquire sole control of Toyota Industries Corporation ("TIC"), while Toyota Motor Corporation ("TMC") intends to acquire the non-voting preferred shares in the parent company ("Holdco") through the stock company ("SPV") (yet to be established). Post merger, TF will hold 99.4% of TIC's voting shares, whereas TMC will beneficially own half of TIC's total issued shares, thereby conferring control in terms of section 12(2)(a) of the Competition Act.[1]

[1] Page 558 of the Merger Record.

Parties and their activities

Primary acquiring firm

2. The primary acquiring firms are TF and TMC, both incorporated in accordance with the laws of Japan. TF is not controlled by any other firm, and it does not supply any products or services in South Africa. TMC is not controlled by any firm or person; however, in South Africa, it controls the following firms, including their respective activities:

    2.1. Toyota South Africa (Pty) Ltd ("TSA") – a holding company with no employees.
    2.2. Toyota South Africa Motors (Pty) Ltd ("Toyota SA") – operates a large manufacturing plant in Prospecton, Durban, producing Toyota Hilux, Corolla Cross GR Sport (hybrid), Fortuner, Hiace, Hiace Ses'fikile, Quantum Bus and Quantum Panel Van.
    2.3. Cataler South Africa (Pty) Ltd ("CSA") – manufactures and sells automotive catalysts and converters.
    2.4. Financial Services South Africa (Pty) Ltd ("TFSSA") – provides automotive-related financing solutions for individuals (including leasing and instalment finance) and businesses (including finance lease and instalment services).
    2.5. Kinto South Africa (Pty) Ltd ("Kinto") – offers 'pay-for-use' subscription for individuals and businesses in South Africa, which allows the customer to have access to a vehicle/s, for a monthly payment, without having to own the vehicle/s.

Primary target firm

3. The primary target firm is TIC, similarly, incorporated in accordance with the laws of Japan. TIC is not controlled by any firm or person; however, it controls a single firm in South Africa, namely, Cascade (Africa) (Pty) Ltd ("Cascade"). TIC's top 10 (ten) shareholders include one shareholder (TMC) with just under 23% shares, and the remaining 9 (nine) shareholders hold between 0%-10% respectively.[2]

4. Globally, TIC is involved in the manufacture and sale of (i) materials handling equipment; (ii) automobiles and automobile parts; and, to a lesser extent (iii) textile machinery. In South Africa, TIC's main area of activity is in materials handling equipment (specifically, the supply of forklift trucks (including attachments) and spare parts for forklift trucks). Further, TIC has limited activities in the textile machinery and logistics services.

Competition assessment

5. The Competition Commission ("Commission") found no horizontal overlap as Toyota SA operates in motor vehicles, while TIC focuses on forklifts, textile machinery, and logistics. To substantiate, the merging parties submitted that TIC will continue to face competition and that the proposed transaction will not result in any market share accretion.

6. Vertically, the Commission found no supply relationship in South Africa, though a potential vertical overlap exists since TIC also develops and sells automobiles (specifically, Toyota RAV4). Furthermore, the Commission found that TIC is not active in South Africa's automobile market. TIC manufactures the Toyota RAV4 and related parts in Japan solely for TMC, which then exports to markets including South Africa via Toyota SA. TIC does not sell vehicles or parts directly in South Africa and does not manufacture for third parties.

7. Given this, the Commission was of the view that the proposed transaction is unlikely to result in foreclosure concerns.

8. Having considered the submissions, we accordingly found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market(s).

[2] Page 36 of the Merger Record.

Public interest

Effect on employment

9. The merging parties submitted that the transaction is international and that it will not have an adverse effect on employment, specifically, there will be no job losses in South Africa as a result of the proposed transaction.[3]

10. The Commission submitted that the representatives of Toyota, namely, (i) United Association of South Africa ("UASA") and (ii) National Union of Metalworkers of South Africa ("NUMSA"), requested a non-confidential version of the merger filing, but have not made any submissions. As such, we contacted the trade unions to solicit their views regarding the proposed transaction and received no response.

11. Employees of Cascade (TIC's subsidiary) are not represented by any trade unions. However, a representative has confirmed that the employees were notified of the transaction, and that the employees did not raise concerns.

12. Based on the above, the Commission concluded that no further intervention is required regarding employment in the circumstances.

13. We found that the proposed transaction was unlikely to raise any employment concerns.

Effect on the promotion of a greater spread of ownership

14. Neither the acquiring firms nor TIC have shareholding held by Historically Disadvantaged Person(s) ("HDPs").

15. The merging parties argued that the proposed transaction is foreign-to-foreign, with only a minimal South African nexus. TF has no local presence, while TIC's presence is limited to Cascade, accounting for *de minimis* shares of global revenue and global

[3] Page 53, paragraph 9 of the Merger Record.

assets. Similarly, of TMC's reported global revenue in FY2025, South Africa accounted for *de minimis* shares of revenue and assets. Furthermore, TMC will acquire only non-voting preferred shares in TIC (and thus no control over its conduct), and Toyota SA will remain a significant local employer and manufacturer, with over [redacted] employees at its Prospecton plant in the south of Durban.

16. The Commission relied on case precedent (in matters such as *SALIC International Investment Company ("SIIC") v Olam Agri Holdings Pte. Ltd* (LM075Jul22); *Bunge Global SA and Viterra* (LM139Dec23); and *Abu Dhabi Marine Business and /Navig8 Topco Holdings Inc* (LM085Aug24), amongst others) in support of its recommendation that no further intervention was required in this matter.

17. Having considered the submissions of the merging parties and the Commission, and the particular facts of this matter as set out in the merger record, we were satisfied that no further intervention was required in relation to the proposed transaction.

Conclusion

18. The proposed transaction does not raise any other public interest issues.

19. Given the above, we unconditionally approved the proposed transaction.

Signed by:Thando Vilakazi
Signed at:2025-10-21 11:58:16 +02:00
Reason:Witnessing Thando Vilakazi

Thando Vilakazi

Prof. Thando Vilakazi

21 October 2025

Date

Ms Andiswa Ndoni and Adv Geoff Budlender SC concurring.

Tribunal Case Manager:	Theresho Galane and Princess Ka-Siboto.
For the Merging Parties	Victoria Anthony and Tamara Dini of Bowmans law.
For the Commission	Betty Mkatshwa and Billy Mabatamela.