

TOYO TIRES

Financial Results for 3rd Quarter of FY2023

November 14, 2023

Toyo Tire Corporation

1. Financial Results for 3rd Quarter of FY2023

2. Financial Forecast for FY2023

3. Topics

- Net sales hit **the record high* of 409.2 billion yen**, driven mainly by growing unit sales of tires in North America.
- Operating income, too, hit **the record high* of 50.3 billion yen**, buoyed by external factors such as ocean freight cost and forex.
- Ordinary income reached **64.5 billion yen**, primarily owing to foreign exchange gains, and profit attributable to owners of parent came in at **56.8 billion yen**, primarily owing to a gain on sale of securities, both of which set **a record high***.
- Given the current situation, full-year forecasts for operating income have been revised up from 60.0 billion yen to **65.0 billion yen**, and profit attributable to owners of parent, from 55.0 billion yen to **60.0 billion yen**.
- Dividend per share forecasts have been revised up from 58 yen to **70 yen** for **year-end payments**, and from 78 yen to **90 yen** for **annual payments**.

Financial Results for 3rd Quarter of FY2023 (Jan-Sep)



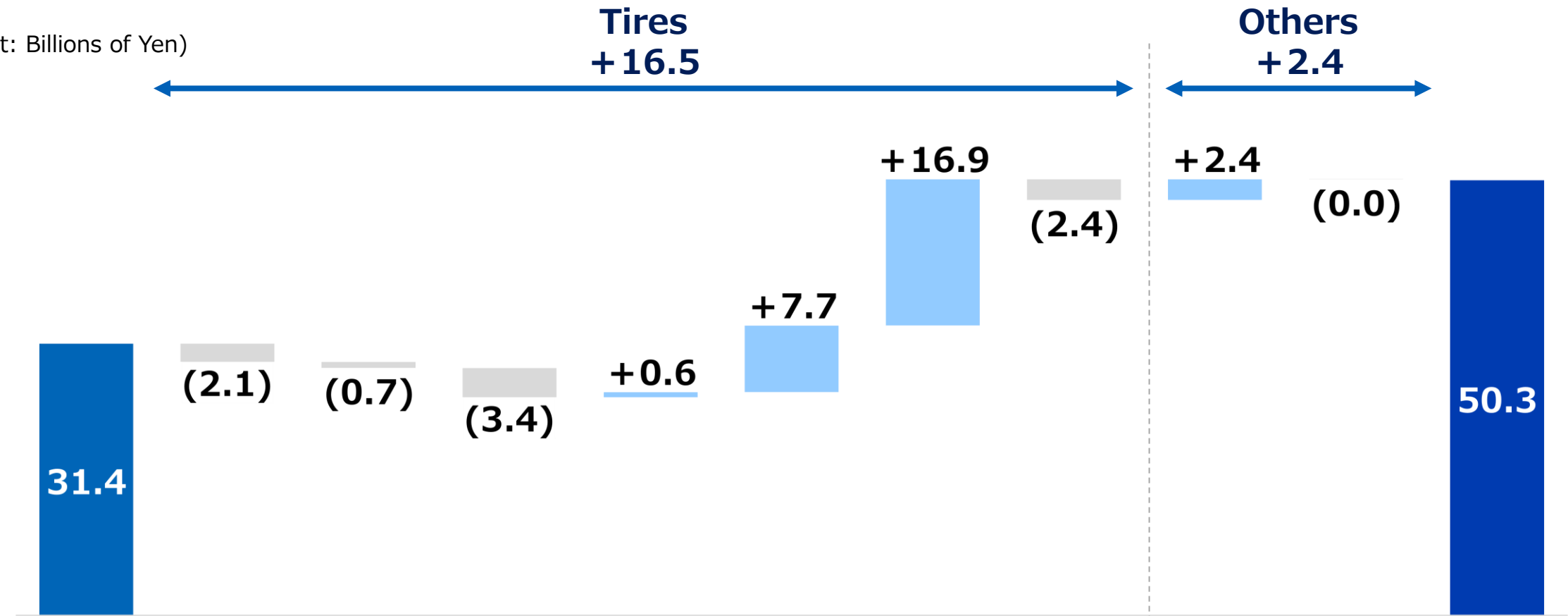
(Unit: Millions of Yen)	2023 Jan-Sep Results	2022 Jan-Sep Results	Change	Change (%)	2023 1H Results	Change	2023 Jul-Sep Results	Change (YoY)
Net Sales	409,221	350,430	+ 58,790	+ 16.8%	265,457	+ 41,790	143,764	+ 17,000
Operating Income	50,324	31,391	+ 18,932	+ 60.3%	26,673	+ 701	23,650	+ 18,231
Margin	12.3%	9.0%	—	—	10.0%	—	16.5%	—
Ordinary Income	64,489	45,288	+ 19,201	+ 42.4%	38,761	+ 251	25,728	+ 18,949
Margin	15.8%	12.9%	—	—	14.6%	—	17.9%	—
Profit Attributable to Owners of Parent*	56,768	44,768	+ 11,999	+ 26.8%	29,122	(1,907)	27,645	+ 13,906

*Profit attributable to parent company shareholders

1 USD	138 Yen	126 Yen	+ 12 Yen
1 EUR	150 Yen	135 Yen	+ 15 Yen

Analysis of Operating Income for 3rd Quarter of FY2023 (Jan-Sep) (vs 2022)

(Unit: Billions of Yen)



	2022 Jan-Sep	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	2023 Jan-Sep
	31.4	(2.1)	(0.7)	(3.4)	+0.6	+7.7	+16.9	(2.4)	+2.4	(0.0)	50.3
		Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Jan-Mar		+0.4	(1.5)	(0.4)	(2.8)	+3.7	+0.3	(1.7)	+0.5	+0.0	(1.6)
Apr-Jun		(3.3)	(0.4)	(1.8)	(0.2)	+1.5	+6.7	(0.4)	+0.2	+0.0	+2.3
Jul-Sep		+0.9	+1.1	(1.1)	+3.6	+2.5	+9.9	(0.3)	+1.8	(0.0)	+18.2

Business Segments for 3rd Quarter of FY2023 (Jan-Sep)



(Unit: Millions of Yen)

Net Sales	2023 Jan-Sep Results	2022 Jan-Sep Results	Change	Change (%)	2023 1H Results	Change	2023 Jul-Sep Results	Change (YoY)
Tires	374,163	320,114	+54,049	+16.9%	242,523	+38,586	131,640	+15,463
Automotive Parts	35,045	30,249	+4,795	+15.9%	22,925	+3,203	12,120	+1,592
Other	24	105	(80)	(77.1%)	18	(13)	6	(68)
Adjustments	(12)	(39)	+26	—	(9)	+13	(3)	+13
Total	409,221	350,430	+58,790	+16.8%	265,457	+41,790	143,764	+17,000

*Net sales include intersegment internal net sales or transfers

Operating Income	2023 Jan-Sep Results	2022 Jan-Sep Results	Change	Change (%)	2023 1H Results	Change	2023 Jul-Sep Results	Change (YoY)
Tires	50,278	33,738	+16,539	+49.0%	27,400	+67	22,877	+16,472
Margin	13.4%	10.5%	—	—	11.3%	—	17.4%	—
Automotive Parts	46	(2,346)	+2,393	—	(728)	+625	775	+1,767
Margin	0.1%	(7.8%)	—	—	(3.2%)	—	6.4%	—
Other	0	5	(5)	—	1	+4	(2)	(10)
Adjustments	0	(5)	+5	—	0	+3	0	+2
Total	50,324	31,391	+18,932	+60.3%	26,673	+701	23,650	+18,231

*Segment profit adjustment amounts include intersegment eliminations

Geographic Area Segments for 3rd Quarter of FY2023 (Jan-Sep)



(Unit: Millions of Yen)

Net Sales	2023 Jan-Sep Results	2022 Jan-Sep Results	Change	Change (%)	2023 1H Results	Change	2023 Jul-Sep Results	Change (YoY)
Japan	84,455	72,651	+11,804	+16.2%	55,744	+10,127	28,711	+1,676
N.America	269,638	227,674	+41,964	+18.4%	174,316	+27,199	95,321	+14,764
Other	55,127	50,104	+5,022	+10.0%	35,396	+4,464	19,731	+558
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	409,221	350,430	+58,790	+16.8%	265,457	+41,790	143,764	+17,000

*Net sales do not include intersegment internal net sales or transfers

Operating Income	2023 Jan-Sep Results	2022 Jan-Sep Results	Change	Change (%)	2023 1H Results	Change	2023 Jul-Sep Results	Change (YoY)
Japan	43,848	14,586	+29,261	+200.6%	22,909	+9,734	20,938	+19,527
N.America	14,843	13,127	+1,715	+13.1%	9,968	(457)	4,875	+2,173
Other	3,007	3,637	(629)	(17.3%)	2,033	(534)	974	(95)
Eliminations or Adjustments	(11,375)	39	(11,415)	—	(8,237)	(8,040)	(3,137)	(3,374)
Total	50,324	31,391	+18,932	+60.3%	26,673	+701	23,650	+18,231

1 . Financial Results for 3rd Quarter of FY2023

2. Financial Forecast for FY2023

3. Topics

Financial Forecast for FY2023 (Jan-Dec)



(Unit: Millions of Yen)	2023 Forecast	2022 Results	Change	Change (%)	2023 Previous Forecast	Change	2023 Oct-Dec Forecast	Change (YoY)
Net Sales	560,000	497,213	+62,786	+12.6%	560,000	±0	150,778	+3,995
Operating Income	65,000	44,046	+20,953	+47.6%	60,000	+5,000	14,675	+2,020
Margin	11.6%	8.9%	—	—	10.7%	—	9.7%	—
Ordinary Income	70,000	51,035	+18,964	+37.2%	61,000	+9,000	5,510	(236)
Profit Attributable to Owners of Parent*	60,000	47,956	+12,043	+25.1%	55,000	+5,000	3,231	+43

*Profit attributable to parent company shareholders

Annual Dividends per Share	90 Yen	80 Yen	+10 Yen	—	78 Yen	+12 Yen
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1 USD	140 Yen	131 Yen	+9 Yen
1 EUR	151 Yen	137 Yen	+14 Yen

Mid-Term '21 Plan Key Performance Indicators

Consolidated OP margin

Over **14%**

Dividend policy (Dividend payout ratio)

30% or higher

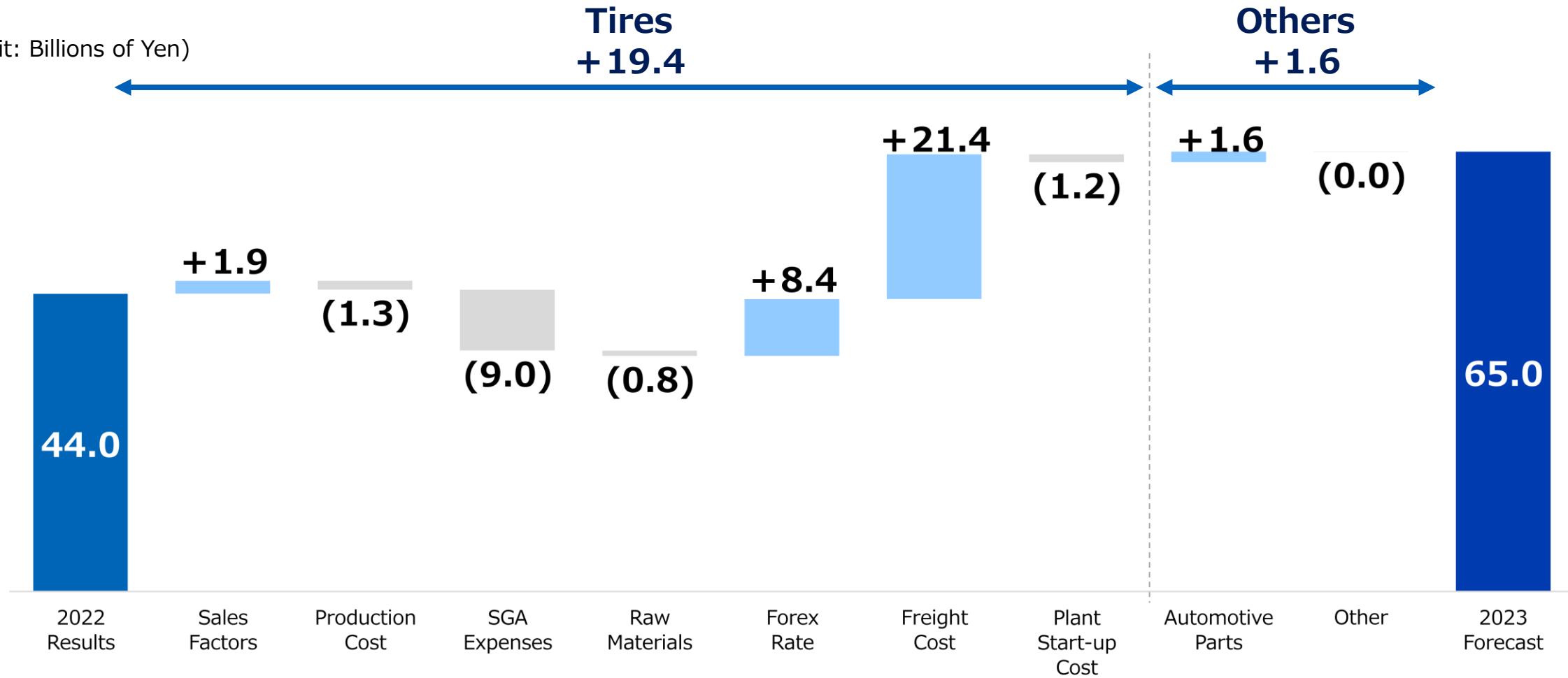
Forex Rate Sensitivity 2023

USD	0.7 Billion Yen/Year
EUR	0.1 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

Analysis of Operating Income for FY2023 (Jan-Dec) (vs 2022)

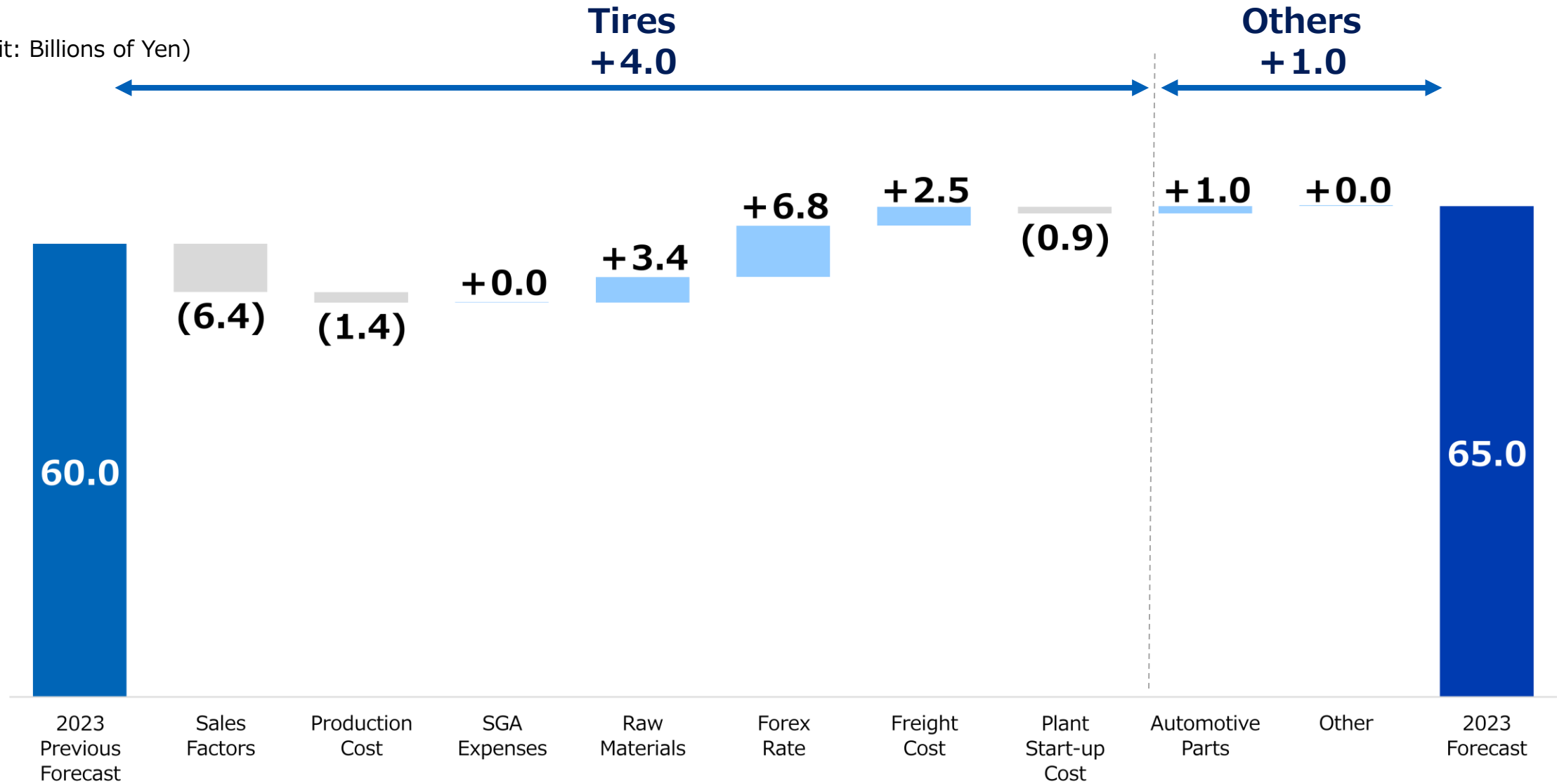
(Unit: Billions of Yen)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Jan-Jun Results	(3.0)	(1.8)	(2.3)	(3.0)	+5.2	+7.1	(2.1)	+0.6	+0.0	+0.7
Jul-Sep Results	+0.9	+1.1	(1.1)	+3.6	+2.5	+9.9	(0.3)	+1.8	(0.0)	+18.2
Oct-Dec Forecast	+4.0	(0.6)	(5.6)	(1.4)	+0.8	+4.5	+1.2	(0.8)	(0.0)	+2.0

Analysis of Operating Income for FY2023 (Jan-Dec) (vs Previous Forecast)

(Unit: Billions of Yen)



Business Segments for FY2023 (Jan-Dec)

(Unit: Millions of Yen)

Net Sales	2023 Forecast	2022 Results	Change	Change (%)	2023 Previous Forecast	Change	2023 Oct-Dec Forecast	Change (YoY)
Tires	514,000	455,796	+58,203	+12.8%	514,000	±0	139,836	+4,154
Automotive Parts	46,000	41,346	+4,653	+11.3%	46,000	±0	10,954	(142)
Other	0	116	(116)	—	0	±0	(24)	(35)
Adjustments	0	(45)	+45	—	0	±0	12	+18
Total	560,000	497,213	+62,786	+12.6%	560,000	±0	150,778	+3,995

*Net sales include intersegment internal net sales or transfers

Operating Income	2023 Forecast	2022 Results	Change	Change (%)	2023 Previous Forecast	Change	2023 Oct-Dec Forecast	Change (YoY)
Tires	66,000	46,636	+19,363	+41.5%	62,000	+4,000	15,721	+2,824
Margin	12.8%	10.2%	—	—	12.1%	—	11.2%	—
Automotive Parts	(1,000)	(2,591)	+1,591	—	(2,000)	+1,000	(1,046)	(802)
Margin	(2.2%)	(6.3%)	—	—	(4.3%)	—	(9.5%)	—
Other	0	7	(7)	—	0	±0	0	(1)
Adjustments	0	(6)	+6	—	0	±0	0	±0
Total	65,000	44,046	+20,953	+47.6%	60,000	+5,000	14,675	+2,020

*Segment profit adjustment amounts include intersegment eliminations

Geographic Area Segments for FY2023 (Jan-Dec)



(Unit: Millions of Yen)

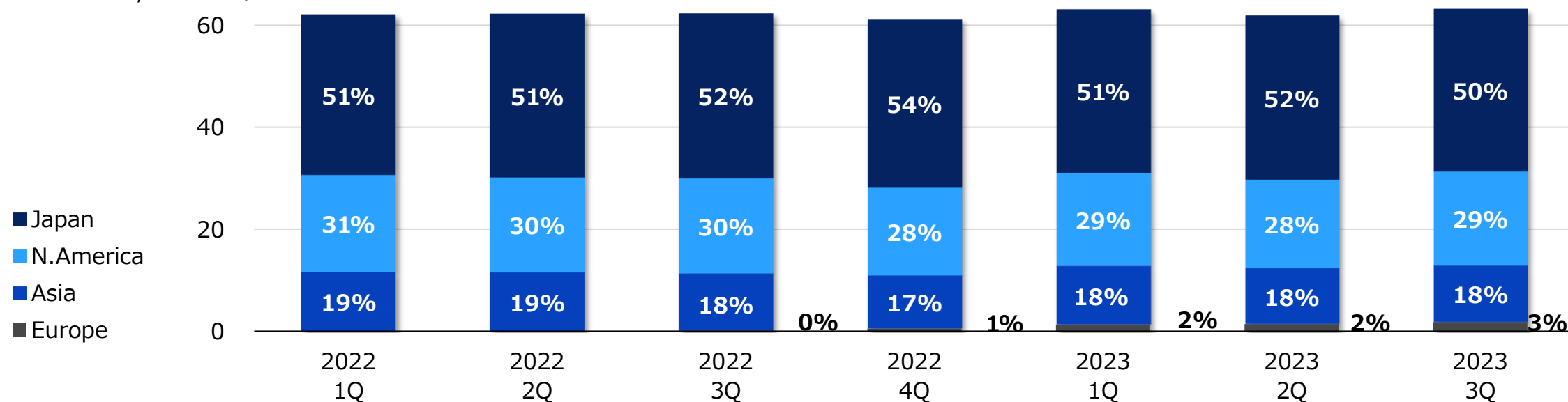
Net Sales	2023 Forecast	2022 Results	Change	Change (%)	2023 Previous Forecast	Change	2023 Oct-Dec Forecast	Change (YoY)
Japan	124,700	109,892	+14,807	+13.5%	122,400	+2,300	40,244	+3,003
N.America	362,700	320,230	+42,469	+13.3%	364,100	(1,400)	93,061	+505
Other	72,600	67,090	+5,509	+8.2%	73,500	(900)	17,472	+486
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	560,000	497,213	+62,786	+12.6%	560,000	±0	150,778	+3,995

*Net sales do not include intersegment internal net sales or transfers

Operating Income	2023 Forecast	2022 Results	Change	Change (%)	2023 Previous Forecast	Change	2023 Oct-Dec Forecast	Change (YoY)
Japan	56,500	23,273	+33,226	+142.8%	47,100	+9,400	12,651	+3,964
N.America	17,200	19,760	(2,560)	(13.0%)	18,900	(1,700)	2,356	(4,275)
Other	2,500	2,729	(229)	(8.4%)	3,500	(1,000)	(507)	+399
Eliminations or Adjustments	(11,200)	(1,717)	(9,482)	—	(9,500)	(1,700)	175	+1,932
Total	65,000	44,046	+20,953	+47.6%	60,000	+5,000	14,675	+2,020

Bar graph values show tire production volume composition ratio by region

(Unit: 1,000 Tons)

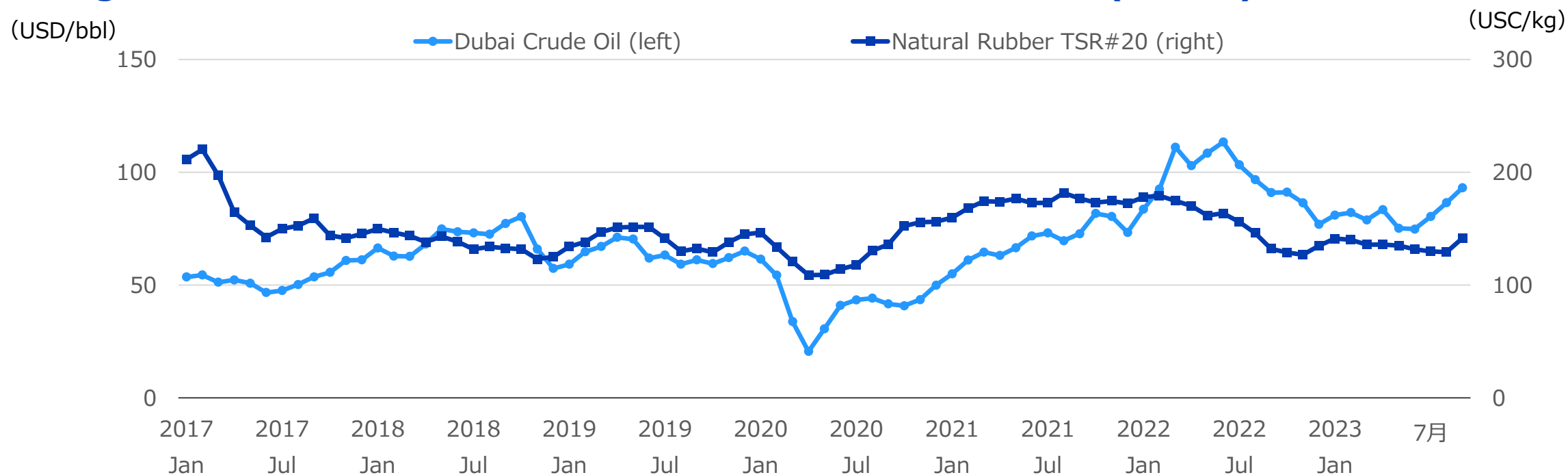


	2022						2023						2023 Previous Forecast
	1Q	2Q	3Q	Jan-Sep	4Q	Total	1Q	2Q	3Q	Jan-Sep	4Q Forecast	2023 Forecast	
Japan	31.5	32.0	32.3	95.8	33.0	128.8	32.0	32.2	31.9	96.1	32.4	128.6	129.7
N.America	19.0	18.6	18.6	56.2	17.2	73.4	18.3	17.3	18.4	54.0	16.5	70.5	73.3
Asia	11.7	11.6	11.3	34.5	10.5	45.0	11.5	11.0	11.1	33.6	11.2	44.8	45.4
Europe	—	—	0.1	0.1	0.5	0.6	1.3	1.4	1.8	4.5	3.0	7.5	9.3
Total	62.1	62.2	62.4	186.7	61.2	247.8	63.1	62.0	63.2	188.3	63.1	251.4	257.7
YoY	101%	103%	102%	102%	98%	101%	102%	100%	101%	101%	103%	101%	104%

Year-on-Year when the same period of the previous year = 100

(%)	2022						2023				2023 Forecast		2023 Previous Forecast
	1Q	2Q	3Q	Jan-Sep	4Q	Total	1Q	2Q	3Q	Jan-Sep	4Q	Jan-Dec	
OE Total	87	95	144	105	108	106	120	122	108	116	121	118	120
RE Japan	102	96	111	103	106	104	104	102	79	94	97	95	96
RE Overseas	95	97	105	99	100	99	107	100	103	103	99	102	105
N.America	107	108	104	106	114	108	110	104	112	108	103	107	110
Europe	81	70	94	81	76	80	103	96	94	98	80	94	95
SE Asia	78	108	139	104	79	98	106	86	92	94	97	95	98
Total	95	97	111	101	103	101	108	103	99	103	102	103	106

Change in Dubai Crude Oil and Natural Rubber TSR #20 Prices (SICOM)



Price Changes & Impact of Raw Materials (Operating Income Basis)

(Unit: Billions of Yen)

	2022						2023				2023 Forecast	2023 Previous Forecast
	1Q	2Q	3Q	Jan-Sep	4Q	Total	1Q	2Q	3Q	Jan-Sep		
Natural Rubber	(0.1)	(0.2)	+0.4	+0.1	+0.7	+0.9	+0.9	+2.0	+1.0	+3.9	+4.3	+3.0
Petroleum Products	(3.9)	(4.4)	(5.0)	(13.3)	(5.2)	(18.5)	(3.0)	(2.2)	+2.2	(3.1)	(2.4)	(5.2)
Other Raw Materials	(3.0)	(2.6)	(3.2)	(8.8)	(1.5)	(10.3)	(0.7)	+0.0	+0.4	(0.2)	(2.8)	(2.1)
Total	(7.0)	(7.2)	(7.8)	(22.0)	(5.9)	(27.9)	(2.8)	(0.2)	+3.6	+0.6	(0.8)	(4.3)

Change in Capital Expenditure

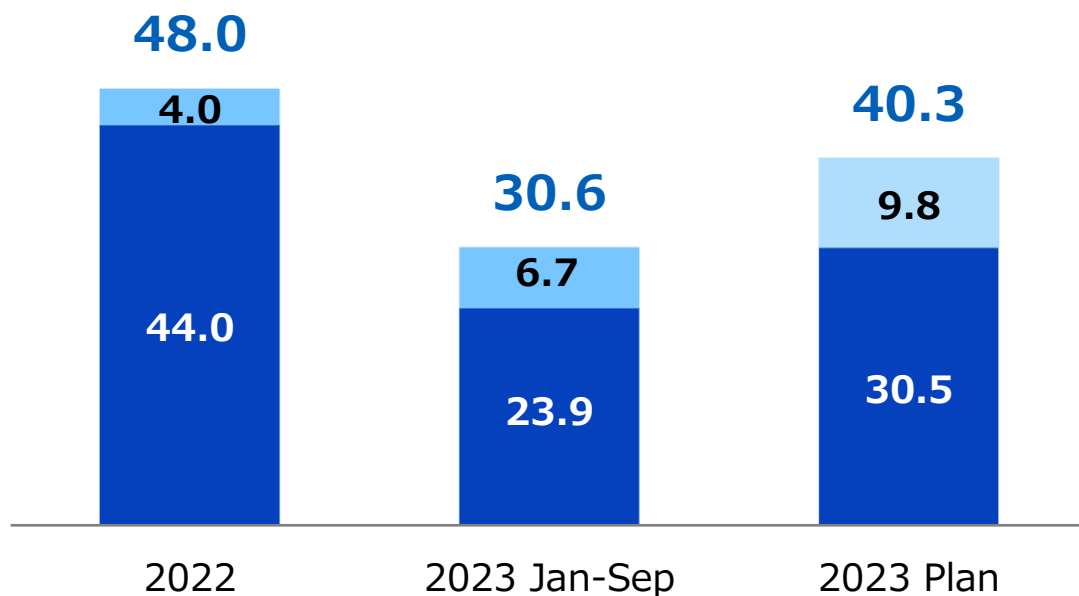
2023 Plan

Capital Expenditure : 40.3 Billion Yen

Execution rate as of the third quarter = 76%

(Unit: Billions of Yen)

■ Tire ■ Automotive Parts, Other



Change in Depreciation

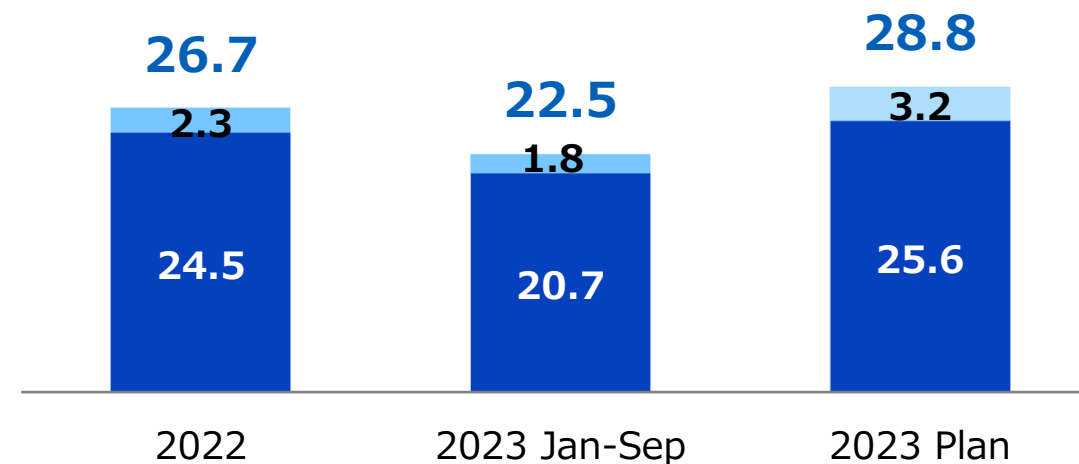
2023 Plan

Depreciation : 28.8 Billion Yen

Execution rate as of the third quarter = 78%

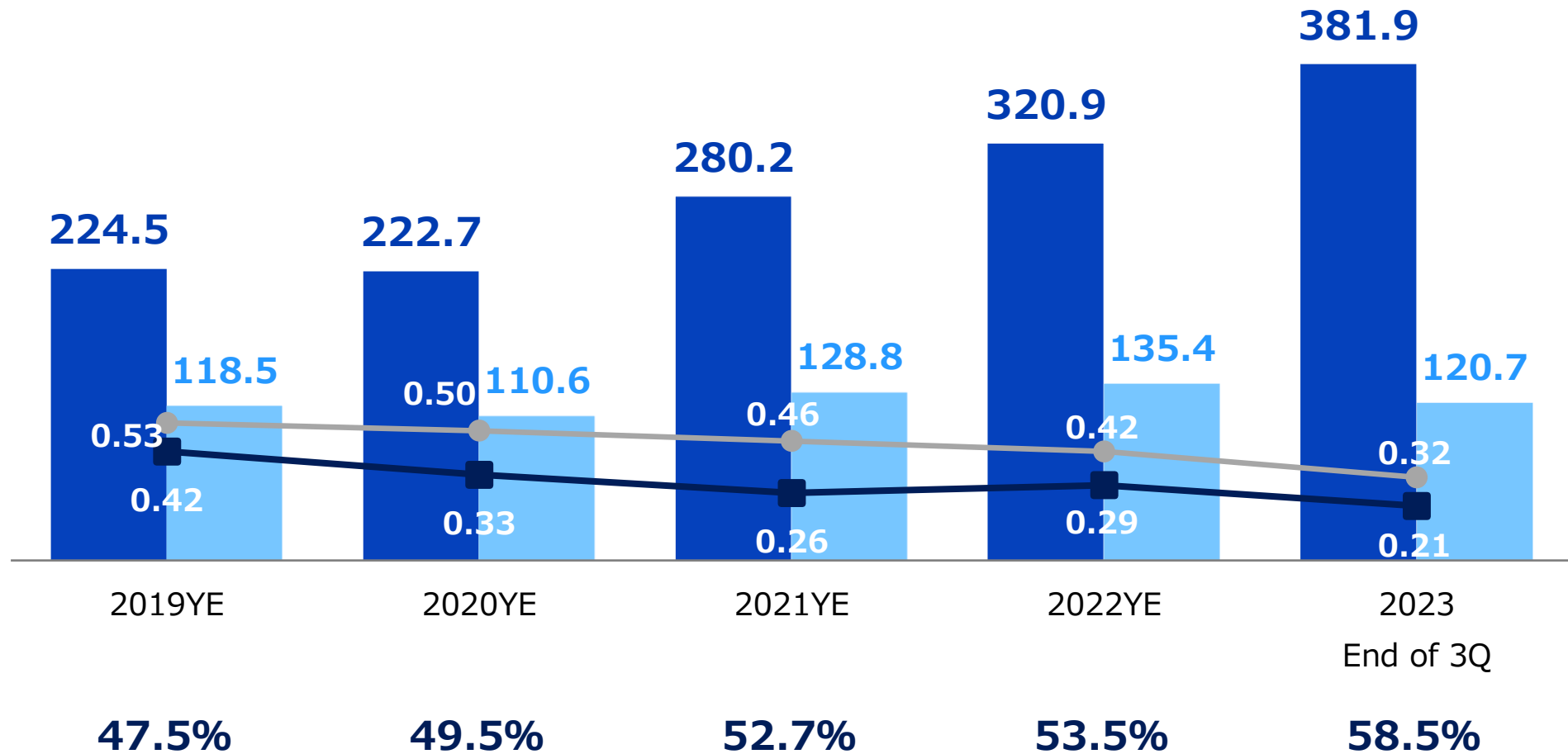
(Unit: Billions of Yen)

■ Tire ■ Automotive Parts, Other



■ Net Assets (Billions of Yen)
 ● Debt / Equity Ratio (ratio)

■ Interest-Bearing Debt Balance (Billions of Yen)
 ■ Net Debt / Equity Ratio (ratio)



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2. Financial Forecast for FY2023

3. Topics

Aiming to achieve carbon neutrality by 2050

In 2022, reduced Scope 1&2 CO2 emissions by 12% vs. 2019 levels

TOYO TYRE MALAYSIA SDN BHD

Introduced a mega solar system with a capacity of 14.0 MW



PV power generation system

- The largest mega-solar system (96,000m²) in the state of Perak, Malaysia
- To become fully operational in December 2023
- Annual generation electricity: 19,000 MWh (plan)
- CO2 reduction: approx. 12,000t per year



With the successful completion of the first half of the construction, a commemorative ceremony was held, attended by Perak Governor Saarani Bin Mohamad and other guests.

Sustainability Management Policy

- 2030: Scope 1&2 CO2 emissions reduced by 46% vs. 2019 levels
- 2050: Carbon neutrality achieved

Two products received GOOD DESIGN AWARD 2023



Two priority products were recognized for their intended purposes and outcomes achieved

PROXES Comfort II_s

Premium comfort tires from the global flagship brands



- Launched in Feb. 2023
- Realizes quality ride and handling stability required of premium comfort tires
- **Won high acclaim for its design that achieves both performance and grace**

H30

Dress-up tires for business vans



- Launched in Feb. 2023
- Offers enhanced wear resistance to support tires during loading
- Features the “white letter” to meet high demand among fashion-conscious users
- **Recognized for the versatile line-up catering to broadening applications of business vans (outdoor activities, etc.) and sturdy structural design**

TOYO TIRES



**2023 SCORE BAJA 400
OVERALL CHAMPIONS**



**2023 RALLY HOKKAIDO
XC-2 CLASS CHAMPIONS**

OPEN COUNTRY

TOYO TIRES

The forward-looking statements contained in these business outlooks and plans are based on information available at the current time and contain potential risks and uncertainties.

Therefore, please keep in mind that actual results may, due to a variety of factors, differ from those expressed in the forward-looking statements.