

***TOYO TIRES***

# Financial Results for 2nd Quarter of FY2024

August 9, 2024

**Toyo Tire Corporation**

- 1. Financial Results for 2nd Quarter (1st Half) of FY2024**
2. Financial Forecast for FY2024
3. Topics

- Net sales amounted to **273.5 billion yen, a record high\*** for the second quarter.
- Operating income came in at **47.6 billion yen, a record high\*** for the second quarter, buoyed by external factors such as ocean freight cost and forex, as well as successful sales promotion of priority products.
- Ordinary profit reached **59.8 billion yen**, primarily owing to foreign exchange gains, while profit attributable to owners of parent amounted to **42.0 billion yen**, both of which set **a record high\*** for the second quarter.
- Given the performance up to the end of the second quarter, **earnings forecasts for FY2024 have been revised upward.**
  - Operating income: **81.0 billion yen** (previous forecast: 78.0 billion yen)

# Financial Results for 2nd Quarter of FY2024 (Jan-Jun)



| (Unit: Millions of Yen)                           | 2024<br>1H Results | 2023<br>1H Results | Change  | Change (%) | 2024<br>1H Forecast | Change  | 2024<br>Apr-Jun<br>Results | Change<br>(YoY) |
|---|--------------------|--------------------|---------|------------|---------------------|---------|----------------------------|-----------------|
| Net Sales   | <b>273,501</b>     | 265,457            | +8,044  | +3.0%      | 270,000             | +3,501  | 145,944                    | +9,647          |
| Operating<br>Income                               | <b>47,569</b>      | 26,673             | +20,895 | +78.3%     | 40,000              | +7,569  | 21,594                     | +9,494          |
| Margin  | <b>17.4%</b>       | 10.0%              | —       | —          | 14.8%               | —       | 14.8%                      | —               |
| Ordinary<br>Income                                | <b>59,770</b>      | 38,761             | +21,009 | +54.2%     | 32,000              | +27,770 | 27,889                     | +4,931          |
| Profit<br>Attributable<br>to Owners of<br>Parent* | <b>42,005</b>      | 29,122             | +12,882 | +44.2%     | 21,000              | +21,005 | 18,946                     | +708            |

\*Profit attributable to parent company shareholders

|                                   |               |        |         |   |
|-----------------------------------|---------------|--------|---------|---|
| Interim<br>Dividends<br>per Share | <b>50 Yen</b> | 20 Yen | +30 Yen | — |
|-----------------------------------|---------------|--------|---------|---|

|       |                |         |         |
|-------|----------------|---------|---------|
| 1 USD | <b>150 Yen</b> | 135 Yen | +15 Yen |
|-------|----------------|---------|---------|

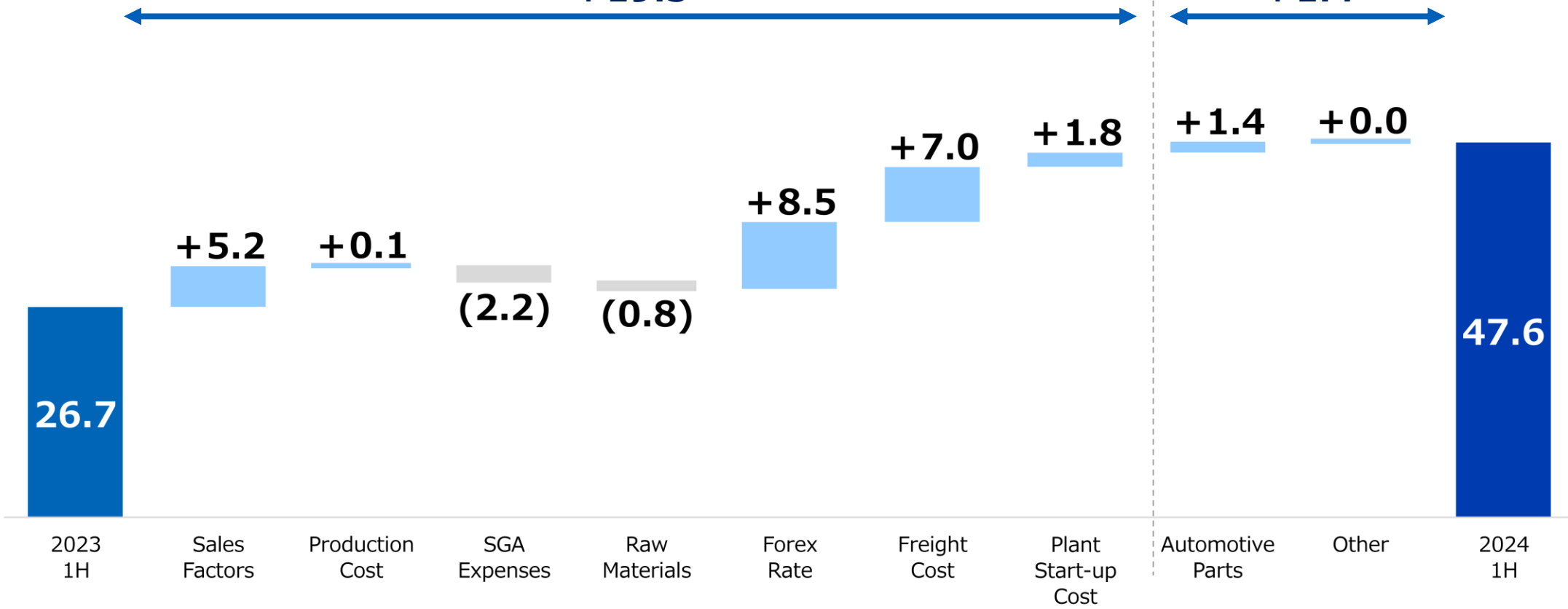
|       |                |         |         |
|-------|----------------|---------|---------|
| 1 EUR | <b>163 Yen</b> | 144 Yen | +19 Yen |
|-------|----------------|---------|---------|

# Analysis of Operating Income for 2nd Quarter of FY2024 (Jan-Jun) (vs 2023)

(Unit: Billions of Yen)

**Tires  
+19.5**

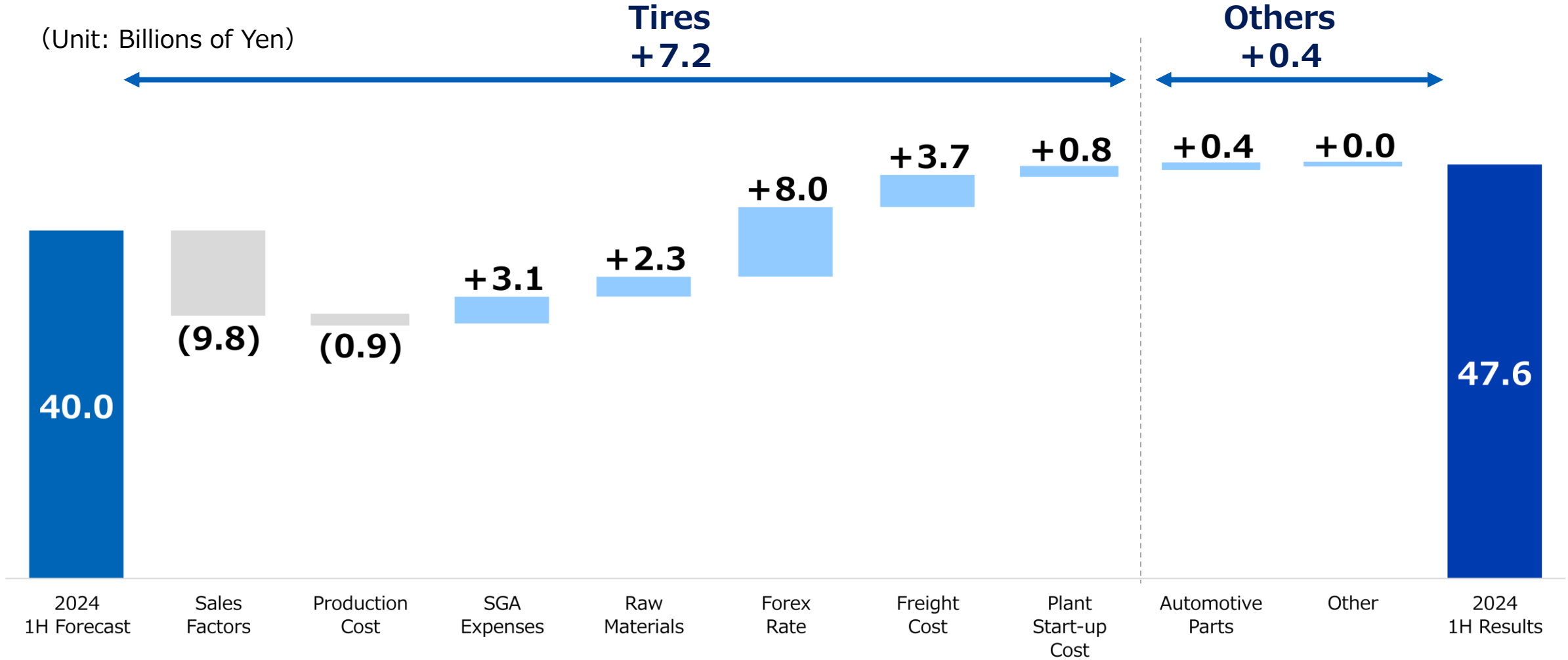
**Others  
+1.4**



|         | Sales Factors | Production Cost | SGA Expenses | Raw Materials | Forex Rate | Freight Cost | Plant Start-up Cost | Automotive Parts | Other | 合計    |
|---------|---------------|-----------------|--------------|---------------|------------|--------------|---------------------|------------------|-------|-------|
| Jan-Mar | +0.2          | +0.8            | (1.1)        | +0.1          | +3.9       | +5.9         | +1.2                | +0.4             | +0.0  | +11.4 |
| Apr-Jun | +5.1          | (0.7)           | (1.2)        | (0.9)         | +4.6       | +1.1         | +0.6                | +1.0             | +0.0  | +9.5  |

# Analysis of Operating Income for 2nd Quarter of FY2024 (Jan-Jun) (vs Previous Forecast)

(Unit: Billions of Yen)



# Business Segments for 2nd Quarter of FY2024 (Jan-Jun)

(Unit: Millions of Yen)

| Net Sales           | 2024<br>1H Results | 2023<br>1H Results | Change        | Change<br>(%) | 2024<br>1H Forecast | Change        | 2024<br>Apr-Jun<br>Results | Change<br>(YoY) |
|---------------------|--------------------|--------------------|---------------|---------------|---------------------|---------------|----------------------------|-----------------|
| Tires               | 251,291            | 242,523            | +8,768        | +3.6%         | 249,000             | +2,291        | 134,725                    | +10,158         |
| Automotive<br>Parts | 22,209             | 22,925             | (715)         | (3.1%)        | 21,000              | +1,209        | 11,218                     | (506)           |
| Other               | 0                  | 18                 | (17)          | (100.0%)      | 0                   | —             | 0                          | (9)             |
| Adjustments         | (0)                | (9)                | +8            | —             | —                   | —             | 0                          | +4              |
| <b>Total</b>        | <b>273,501</b>     | <b>265,457</b>     | <b>+8,044</b> | <b>+3.0%</b>  | <b>270,000</b>      | <b>+3,501</b> | <b>145,944</b>             | <b>+9,647</b>   |

\*Net sales include intersegment internal net sales or transfers

| Operating<br>Income | 2024<br>1H Results | 2023<br>1H Results | Change         | Change<br>(%) | 2024<br>1H Forecast | Change        | 2024<br>Apr-Jun<br>Results | Change<br>(YoY) |
|---------------------|--------------------|--------------------|----------------|---------------|---------------------|---------------|----------------------------|-----------------|
| Tires               | 46,898             | 27,400             | +19,498        | +71.2%        | 39,700              | +7,198        | 21,244                     | +8,457          |
| Margin              | 18.7%              | 11.3%              | —              | —             | 15.9%               | —             | 15.8%                      | —               |
| Automotive<br>Parts | 660                | (728)              | +1,388         | —             | 300                 | +360          | 346                        | +1,034          |
| Margin              | 3.0%               | (3.2%)             | —              | —             | 1.4%                | —             | 3.1%                       | —               |
| Other               | 10                 | 1                  | +8             | +900.0%       | 0                   | +10           | 4                          | +2              |
| Adjustments         | 0                  | 0                  | —              | —             | —                   | —             | 0                          | —               |
| <b>Total</b>        | <b>47,569</b>      | <b>26,673</b>      | <b>+20,895</b> | <b>+78.3%</b> | <b>40,000</b>       | <b>+7,569</b> | <b>21,594</b>              | <b>+9,494</b>   |

\*Segment profit adjustment amounts include intersegment eliminations

# Geographic Area Segments for 2nd Quarter of FY2024 (Jan-Jun)



(Unit: Millions of Yen)

| <b>Net Sales</b>                  | <b>2024<br/>1H Results</b> | 2023<br>1H Results | Change  | Change<br>(%) | 2024<br>1H Forecast | Change  | 2024<br>Apr-Jun<br>Results | Change<br>(YoY) |
|-----------------------------------|----------------------------|--------------------|---------|---------------|---------------------|---------|----------------------------|-----------------|
| Japan                             | <b>51,745</b>              | 55,744             | (3,998) | (7.2%)        | 55,300              | (3,555) | 26,892                     | (482)           |
| N.America                         | <b>185,775</b>             | 174,316            | +11,458 | +6.6%         | 178,700             | +7,075  | 100,744                    | +8,358          |
| Other                             | <b>35,980</b>              | 35,396             | +584    | +1.6%         | 36,000              | (20)    | 18,307                     | +1,771          |
| Eliminations<br>or<br>Adjustments | <b>—</b>                   | —                  | —       | —             | —                   | —       | —                          | —               |
| <b>Total</b>                      | <b>273,501</b>             | 265,457            | +8,044  | +3.0%         | 270,000             | +3,501  | 145,944                    | +9,647          |

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

| <b>Operating<br/>Income</b>       | <b>2024<br/>1H Results</b> | 2023<br>1H Results | Change  | Change<br>(%) | 2024<br>1H Forecast | Change  | 2024<br>Apr-Jun<br>Results | Change<br>(YoY) |
|-----------------------------------|----------------------------|--------------------|---------|---------------|---------------------|---------|----------------------------|-----------------|
| Japan                             | <b>35,607</b>              | 22,909             | +12,698 | +55.4%        | 26,300              | +9,307  | 13,933                     | (325)           |
| N.America                         | <b>8,521</b>               | 9,968              | (1,447) | (14.5%)       | 7,900               | +621    | 4,215                      | (885)           |
| Other                             | <b>3,457</b>               | 2,033              | +1,424  | +70.0%        | 5,600               | (2,143) | 1,321                      | +617            |
| Eliminations<br>or<br>Adjustments | <b>(17)</b>                | (8,237)            | +8,220  | —             | 200                 | (217)   | 2,124                      | +10,088         |
| <b>Total</b>                      | <b>47,569</b>              | 26,673             | +20,895 | +78.3%        | 40,000              | +7,569  | 21,594                     | +9,494          |



1. Financial Results for 2nd Quarter (1st Half) of FY2024
- 2. Financial Forecast for FY2024**
3. Topics

# Financial Forecast for FY2024 (Jan-Dec)

**TOYO TIRES**

| (Unit: Millions of Yen)                  | 2024 Forecast  | 2023 Results | Change   | Change (%) | 2024 Previous Forecast | Change | 2024 2H Forecast | Change (YoY) |
|--|----------------|--------------|----------|------------|------------------------|--------|------------------|--------------|
| Net Sales                                | <b>560,000</b> | 552,825      | +7,175   | +1.3%      | 560,000                | ±0     | 286,498          | (870)        |
| Operating Income                         | <b>81,000</b>  | 76,899       | +4,101   | +5.3%      | 78,000                 | +3,000 | 33,430           | (16,795)     |
| Margin                                   | <b>14.5%</b>   | 13.9%        | —        | —          | 13.9%                  | —      | 11.7%            | —            |
| Ordinary Income                          | <b>76,000</b>  | 86,047       | (10,047) | (11.7%)    | 68,000                 | +8,000 | 16,229           | (31,058)     |
| Profit Attributable to Owners of Parent* | <b>50,000</b>  | 72,273       | (22,273) | (30.8%)    | 45,000                 | +5,000 | 7,994            | (35,157)     |

\*Profit attributable to parent company shareholders

|                            |                |         |        |   |         |    |
|----------------------------|----------------|---------|--------|---|---------|----|
| Annual Dividends per Share | <b>105 Yen</b> | 100 Yen | +5 Yen | — | 105 Yen | ±0 |
|----------------------------|----------------|---------|--------|---|---------|----|

|       |                |         |        |
|-------|----------------|---------|--------|
| 1 USD | <b>147 Yen</b> | 141 Yen | +6 Yen |
| 1 EUR | <b>159 Yen</b> | 152 Yen | +7 Yen |

## Mid-Term '21 Plan Key Performance Indicators

Consolidated OP margin

Over **14%**

Dividend policy (Dividend payout ratio)

**30%** or higher

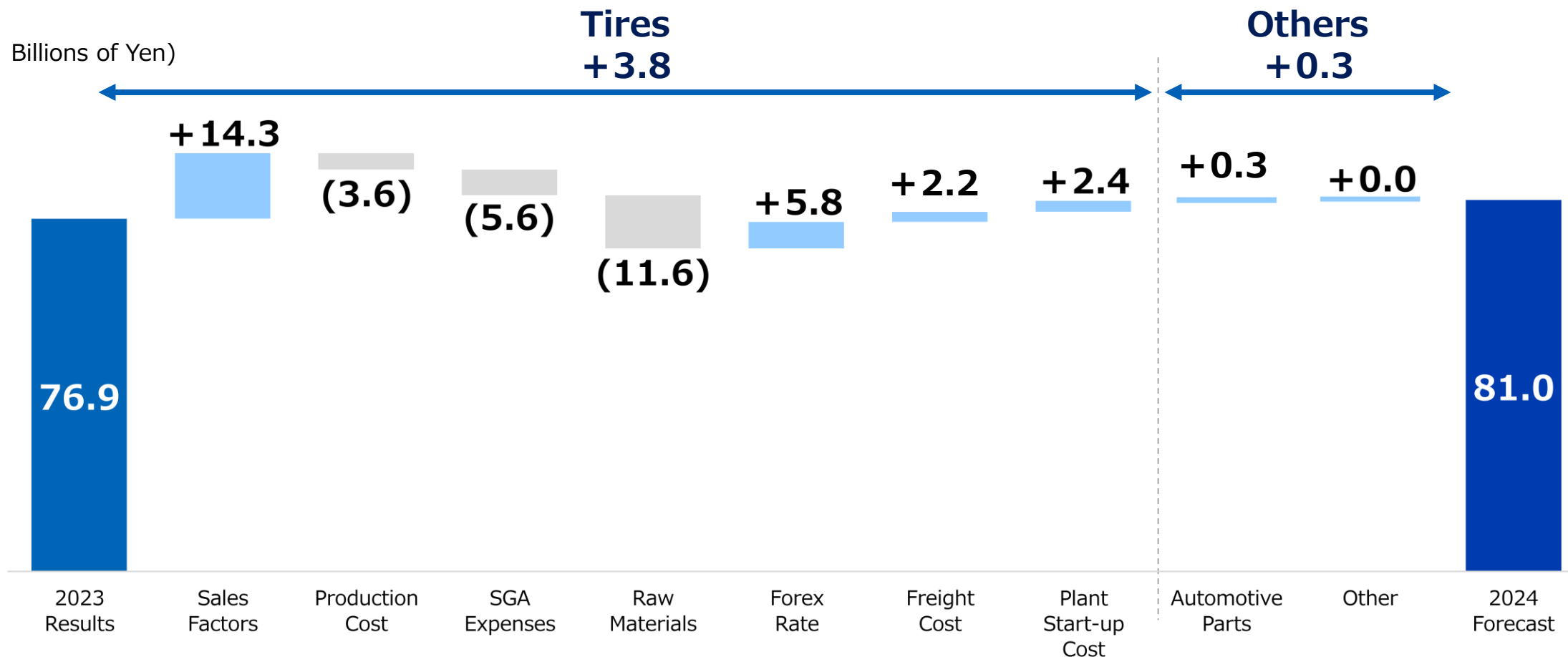
## Forex Rate Sensitivity 2024

|     |                             |
|-----|-----------------------------|
| USD | <b>0.8 Billion Yen/Year</b> |
| EUR | <b>0.1 Billion Yen/Year</b> |

Impact of 1 yen fluctuation on operating income

# Analysis of Operating Income for FY2024 (Jan-Dec) (vs 2023)

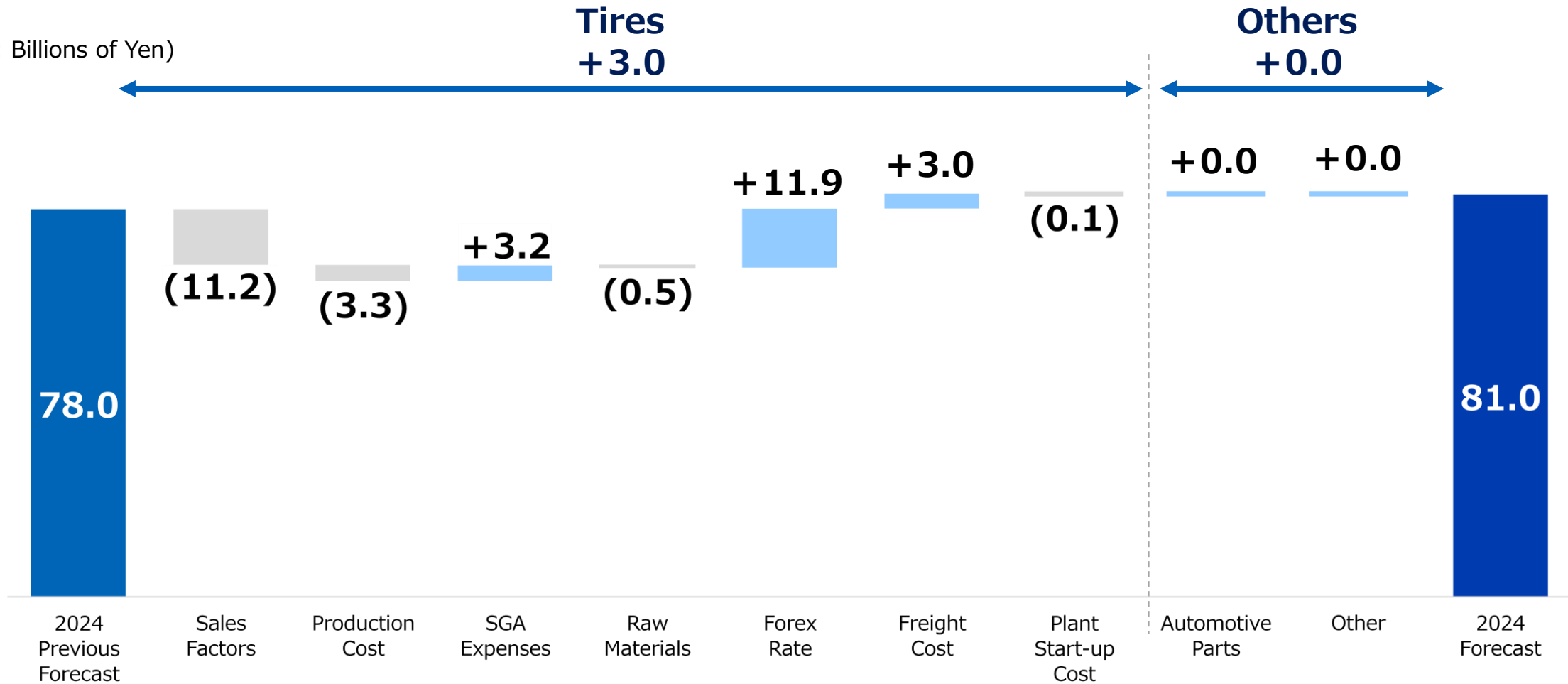
(Unit: Billions of Yen)



|                  | Sales Factors | Production Cost | SGA Expenses | Raw Materials | Forex Rate | Freight Cost | Plant Start-up Cost | Automotive Parts | Other | Total  |
|------------------|---------------|-----------------|--------------|---------------|------------|--------------|---------------------|------------------|-------|--------|
| Jan-Jun Results  | +5.2          | +1.0            | (2.2)        | (0.8)         | +8.5       | +7.0         | +1.8                | +1.4             | +0.0  | +20.9  |
| Jul-Dec Forecast | +9.0          | (3.7)           | (3.4)        | (10.9)        | (2.7)      | (4.7)        | +0.6                | (1.1)            | (0.0) | (16.8) |

# Analysis of Operating Income for FY2024 (Jan-Dec) (vs Previous Forecast)

(Unit: Billions of Yen)



| 2024 2H Previous Forecast | Sales Factors | Production Cost | SGA Expenses | Raw Materials | Forex Rate | Freight Cost | Plant Start-up Cost | Automotive Parts | Other | 2024 2H Forecast |
|---------------------------|---------------|-----------------|--------------|---------------|------------|--------------|---------------------|------------------|-------|------------------|
| 38.0                      | (1.4)         | (2.4)           | +0.1         | (2.9)         | +3.9       | (0.8)        | (0.9)               | (0.4)            | +0.0  | 33.4             |

# Business Segments for FY2024 (Jan-Dec)

(Unit: Millions of Yen)

| Net Sales        | 2024 Forecast  | 2023 Results   | Change        | Change (%)   | 2024 Previous Forecast | Change    | 2024 2H Forecast | Change (YoY) |
|------------------|----------------|----------------|---------------|--------------|------------------------|-----------|------------------|--------------|
| Tires            | 515,000        | 505,438        | +9,561        | +1.9%        | 517,000                | (2,000)   | 263,708          | +792         |
| Automotive Parts | 45,000         | 47,374         | (2,374)       | (5.0%)       | 43,000                 | +2,000    | 22,790           | (1,659)      |
| Other            | 0              | 25             | (25)          | –            | 0                      | ±0        | 0                | (6)          |
| Adjustments      | 0              | (13)           | +13           | –            | 0                      | ±0        | 0                | +3           |
| <b>Total</b>     | <b>560,000</b> | <b>552,825</b> | <b>+7,175</b> | <b>+1.3%</b> | <b>560,000</b>         | <b>±0</b> | <b>286,498</b>   | <b>(870)</b> |

\*Net sales include intersegment internal net sales or transfers

| Operating Income | 2024 Forecast | 2023 Results  | Change        | Change (%)   | 2024 Previous Forecast | Change        | 2024 2H Forecast | Change (YoY)    |
|------------------|---------------|---------------|---------------|--------------|------------------------|---------------|------------------|-----------------|
| Tires            | 80,500        | 76,725        | +3,774        | +4.9%        | 77,500                 | +3,000        | 33,601           | (15,724)        |
| Margin           | 15.6%         | 15.2%         | –             | –            | 15.0%                  | –             | 12.7%            | –               |
| Automotive Parts | 500           | 178           | +321          | –            | 500                    | ±0            | (160)            | (1,066)         |
| Margin           | 1.1%          | 0.4%          | –             | –            | 1.2%                   | –             | (0.7%)           | –               |
| Other            | 0             | (4)           | +4            | –            | 0                      | ±0            | (10)             | (4)             |
| Adjustments      | 0             | 0             | +0            | –            | 0                      | ±0            | 0                | ±0              |
| <b>Total</b>     | <b>81,000</b> | <b>76,899</b> | <b>+4,101</b> | <b>+5.3%</b> | <b>78,000</b>          | <b>+3,000</b> | <b>33,430</b>    | <b>(16,795)</b> |

\*Segment profit adjustment amounts include intersegment eliminations

# Geographic Area Segments for FY2024 (Jan-Dec)

(Unit: Millions of Yen)

| <b>Net Sales</b>            | <b>2024 Forecast</b> | 2023 Results | Change  | Change (%) | 2024 Previous Forecast | Change  | 2024 2H Forecast | Change (YoY) |
|-----------------------------|----------------------|--------------|---------|------------|------------------------|---------|------------------|--------------|
| Japan                       | <b>118,900</b>       | 122,206      | (3,306) | (2.7%)     | 123,300                | (4,400) | 67,154           | +692         |
| N.America                   | <b>368,400</b>       | 357,801      | +10,599 | +3.0%      | 363,300                | +5,100  | 182,625          | (859)        |
| Other                       | <b>72,700</b>        | 72,817       | (117)   | (0.2%)     | 73,400                 | (700)   | 36,719           | (701)        |
| Eliminations or Adjustments | —                    | —            | —       | —          | —                      | —       | —                | —            |
| <b>Total</b>                | <b>560,000</b>       | 552,825      | +7,175  | +1.3%      | 560,000                | ±0      | 286,498          | (870)        |

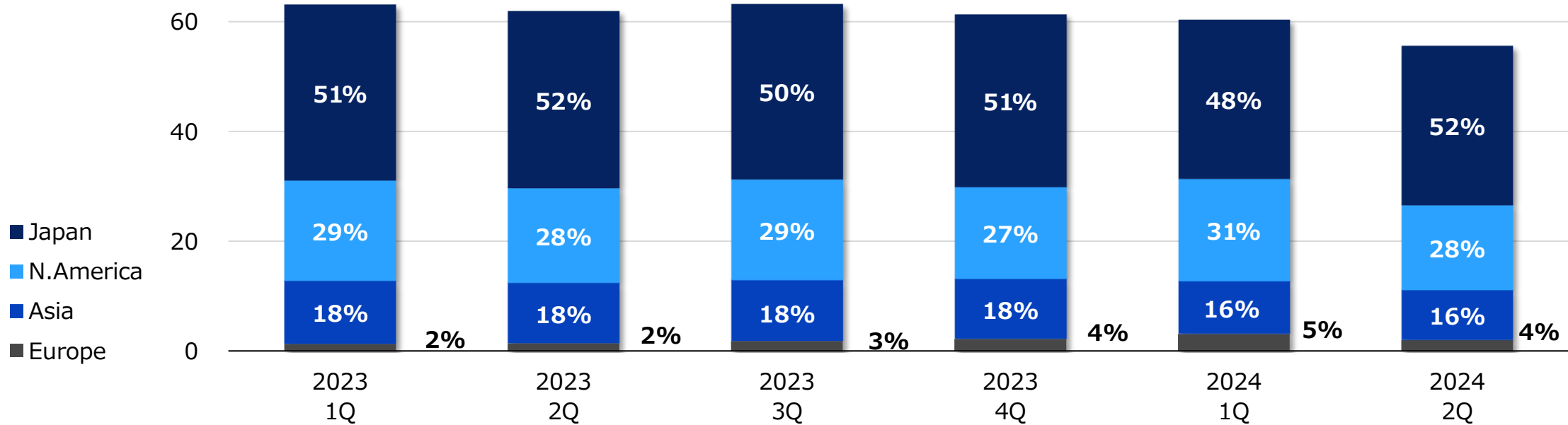
\*Net sales do not include intersegment internal net sales or transfers

| <b>Operating Income</b>     | <b>2024 Forecast</b> | 2023 Results | Change   | Change (%) | 2024 Previous Forecast | Change  | 2024 2H Forecast | Change (YoY) |
|-----------------------------|----------------------|--------------|----------|------------|------------------------|---------|------------------|--------------|
| Japan                       | <b>47,400</b>        | 67,047       | (19,647) | (29.3%)    | 48,900                 | (1,500) | 11,792           | (32,346)     |
| N.America                   | <b>20,600</b>        | 17,589       | +3,011   | +17.1%     | 16,800                 | +3,800  | 12,079           | +4,458       |
| Other                       | <b>6,400</b>         | 3,323        | +3,077   | +92.6%     | 10,800                 | (4,400) | 2,942            | +1,653       |
| Eliminations or Adjustments | <b>6,600</b>         | (11,061)     | +17,661  | —          | 1,500                  | +5,100  | 6,617            | +9,440       |
| <b>Total</b>                | <b>81,000</b>        | 76,899       | +4,101   | +5.3%      | 78,000                 | +3,000  | 33,430           | (16,795)     |

# Changes in Tire Production (New Rubber Volume)

Bar graph values show tire production volume composition ratio by region

(Unit: 1,000 Tons)



|              | 2023 |      |      |      |       | 2024 |      |       | 2024 Forecast | 2024 Previous Forecast |
|--------------|------|------|------|------|-------|------|------|-------|---------------|------------------------|
|              | 1Q   | 2Q   | 3Q   | 4Q   | Total | 1Q   | 2Q   | 1H    |               |                        |
| Japan        | 32.0 | 32.2 | 31.9 | 31.4 | 127.5 | 28.9 | 29.0 | 58.0  | 118.9         | 123.6                  |
| N.America    | 18.3 | 17.3 | 18.4 | 16.8 | 70.8  | 18.7 | 15.5 | 34.2  | 70.8          | 75.8                   |
| Asia         | 11.5 | 11.0 | 11.1 | 10.9 | 44.5  | 9.6  | 9.1  | 18.7  | 37.0          | 41.0                   |
| Europe       | 1.3  | 1.4  | 1.8  | 2.2  | 6.8   | 3.1  | 2.0  | 5.1   | 12.0          | 15.2                   |
| <b>Total</b> | 63.1 | 62.0 | 63.2 | 61.3 | 249.6 | 60.4 | 55.6 | 116.0 | 238.8         | 255.6                  |
| YoY          | 102% | 100% | 101% | 100% | 101%  | 96%  | 90%  | 93%   | 96%           | 102%                   |

# Change in Tire Sales Quantity by Region (YoY)

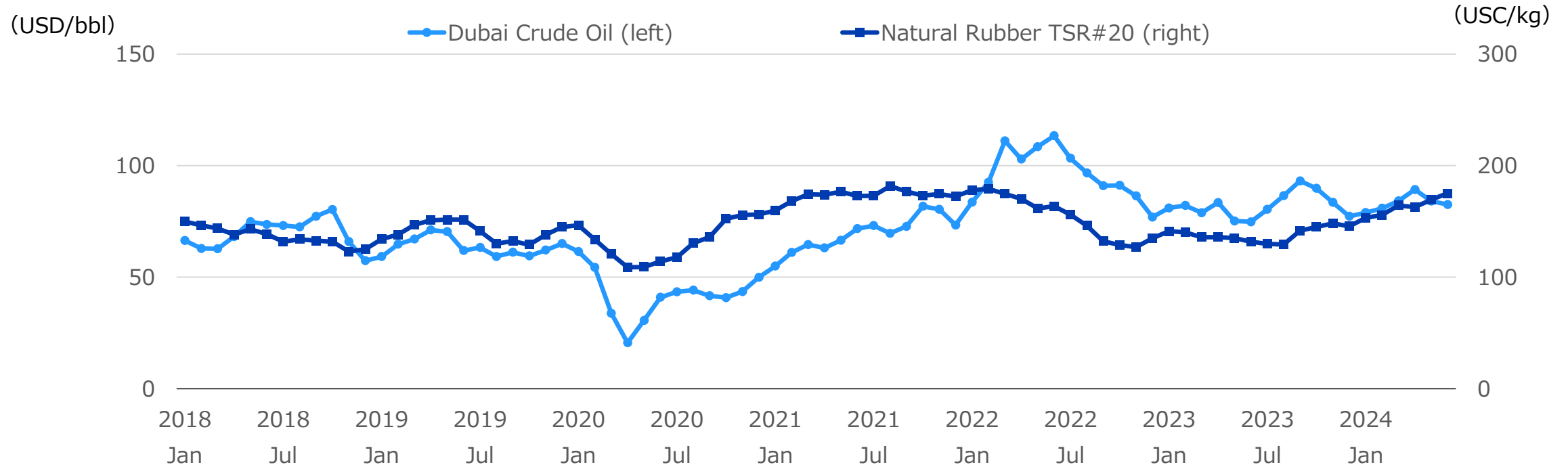


Year-on-Year when the same period of the previous year = 100

|             | (%)       | 2023 |     |     |     | Total | 2024 |     |           | 2024 Forecast | 2024 Previous Forecast |
|-------------|-----------|------|-----|-----|-----|-------|------|-----|-----------|---------------|------------------------|
|             |           | 1Q   | 2Q  | 3Q  | 4Q  |       | 1Q   | 2Q  | 1H        |               |                        |
| OE Total    |           | 120  | 122 | 108 | 108 | 114   | 87   | 97  | <b>92</b> | <b>95</b>     | 104                    |
| RE Japan    |           | 104  | 102 | 79  | 81  | 90    | 77   | 85  | <b>81</b> | <b>94</b>     | 102                    |
| RE Overseas |           | 107  | 100 | 103 | 93  | 101   | 88   | 99  | <b>94</b> | <b>98</b>     | 102                    |
|             | N.America | 110  | 104 | 112 | 96  | 105   | 93   | 100 | <b>97</b> | <b>101</b>    | 104                    |
|             | Europe    | 103  | 96  | 94  | 80  | 94    | 71   | 85  | <b>77</b> | <b>82</b>     | 94                     |
|             | SE Asia   | 106  | 86  | 92  | 99  | 95    | 92   | 101 | <b>96</b> | <b>98</b>     | 101                    |
| Total       |           | 108  | 103 | 99  | 93  | 101   | 86   | 97  | <b>91</b> | <b>97</b>     | 102                    |



## 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)

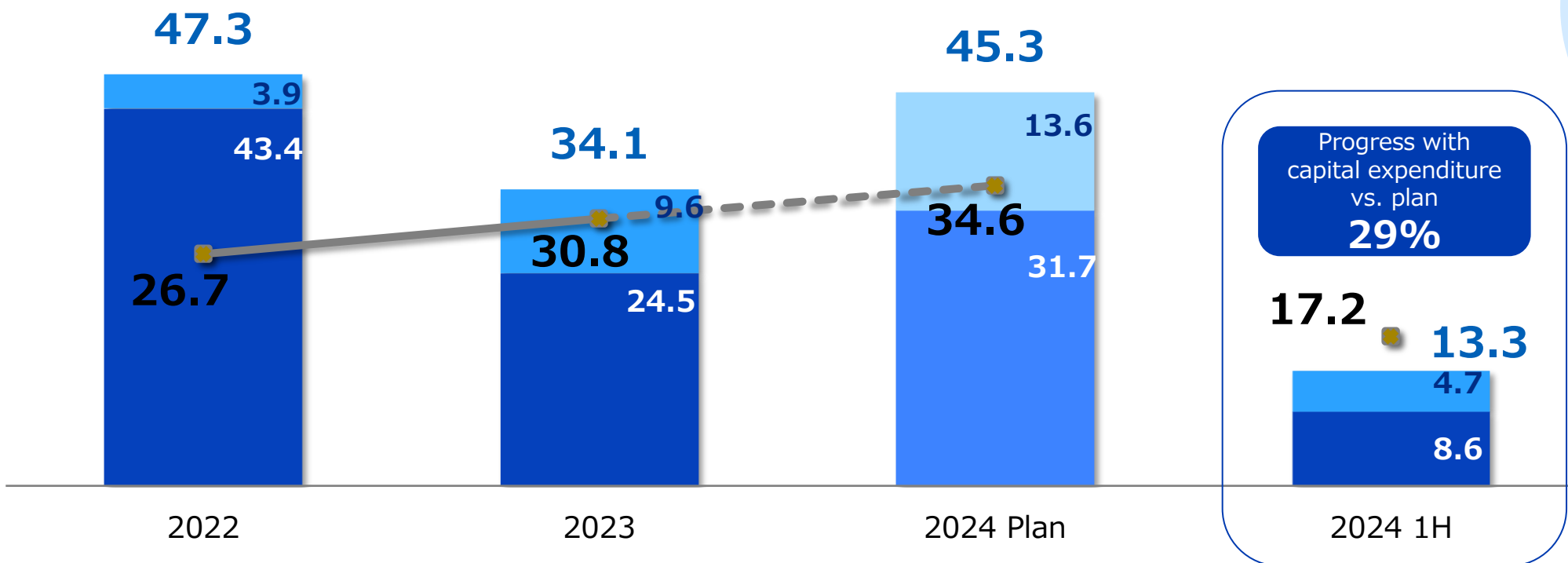
|                     | 2023         |              |             |             |             | 2024        |              |              | 2024 Forecast |
|---------------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|---------------|
|                     | 1Q           | 2Q           | 3Q          | 4Q          | Total       | 1Q          | 2Q           | 1H           |               |
| Natural Rubber      | +0.9         | +2.0         | +1.0        | +0.5        | +4.4        | (0.6)       | (0.7)        | <b>(1.2)</b> | <b>(5.1)</b>  |
| Petroleum Products  | (3.0)        | (2.2)        | +2.2        | +0.8        | (2.2)       | +0.8        | (0.3)        | <b>+0.6</b>  | <b>(5.8)</b>  |
| Other Raw Materials | (0.7)        | 0.0          | +0.4        | +0.7        | +0.5        | (0.2)       | +0.1         | <b>(0.1)</b> | <b>(0.8)</b>  |
| <b>Total</b>        | <b>(2.8)</b> | <b>(0.2)</b> | <b>+3.6</b> | <b>+2.0</b> | <b>+2.6</b> | <b>+0.1</b> | <b>(0.9)</b> | <b>(0.8)</b> | <b>(11.6)</b> |

## Capital Investment and in Depreciation

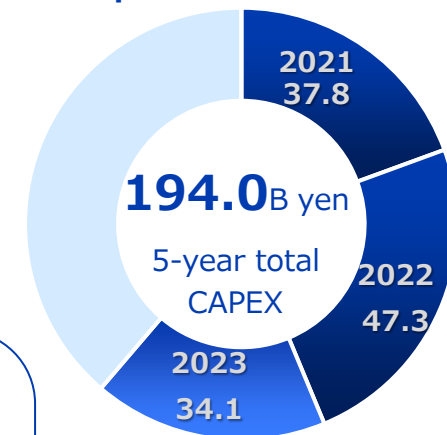
Note) Figures for capital expenditure do not include right-of-use assets, whereas figures for depreciation do.

(Unit: Billions of Yen)

■ Capital Investment Tire     ■ Capital Investment Other  
—●— Depreciation



### Capital Investment

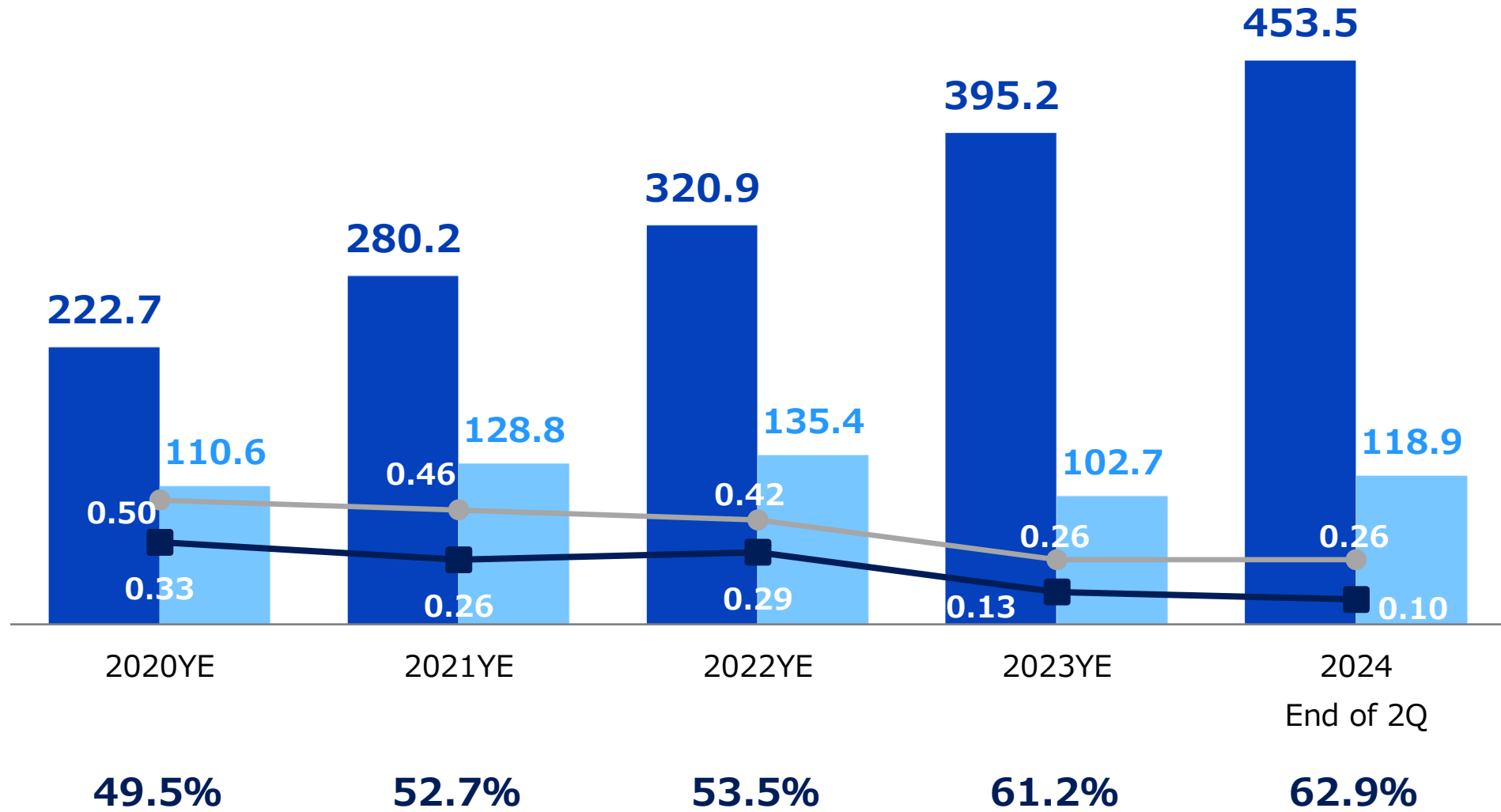


[Ref.] Capital expenditures including right-of-use assets

| 2022 | 2023 |
|------|------|
| 48.0 | 50.6 |

# Changes in Interest-Bearing Debt Balance and Capital Ratio

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



1. Financial Results for 2nd Quarter (1st Half) of FY2024
2. Financial Forecast for FY2024

### **3. Topics**

# Sustainability Management Progress Report (FY2024)



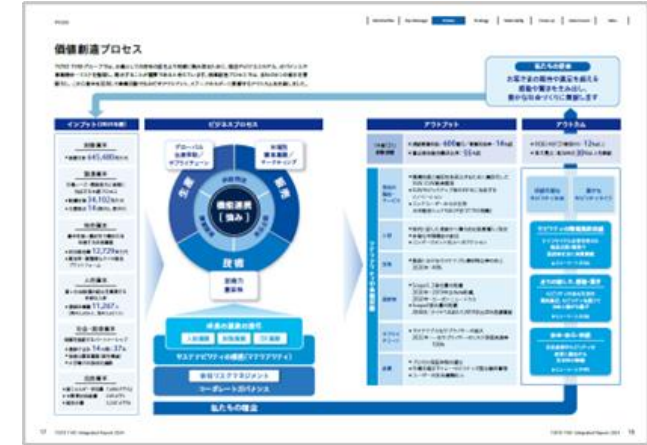
|   |  |   |   |
|---|--|---|---|
| Value Creation                                      | Sustainable mobility in society                      | ▶ <b>Reducing environmental impact of mobility</b>      | Developed products for commercial EVs whose demand is expected to increase in line with the revised Energy Conservation Act.<br>*NANOENERGY M151 EV ribbed tire for light EV trucks   |
|   |  | ▶ <b>Safe and secure mobility</b>                       | Supported working style reforms in the distribution industry, developed products with strong wear & service life and excellent safety performance.<br>*DELVEX M135 ribbed tire for light trucks   |
| Foundation for value creation                       | Challenging and satisfying jobs for diverse talent   | ▶ <b>Talent development</b>                             | Formed a comprehensive partnership agreement with Doshisha University that seeks to promote the use of mutual high value-added resources to foster human resources who can contribute to society and realize beneficial technologies.   |
|   |  | ▶ <b>Industry-academia partnerships</b>                 |   |
|   | Innovating next-generation mobility technology       | ▶ <b>Expanding the use of sustainable raw materials</b> | Applied data and expertise acquired through motorsports activities to product development.<br>*A vehicle equipped with PROXES tires made from sustainable materials participated in and won the NLS3 endurance series.  |
|   |  | ▶ <b>Enhancing tire design platform technologies</b>    | Adopted the latest high-performance computing (HPC) system as a way of addressing the development of next-generation technologies more firmly.<br>*Increased the number of large-scale simulations and improved the predictive accuracy of “inverse problem” of deriving design specifications from performance values. |
| Managing risk to protect the value creation process | Pursuing decarbonization in all corporate activities | ▶ <b>SBT certification</b>                              | Submitted the commitment letter as part of the process for acquiring SBT certification.   |
|   | Promoting supply chain sustainability                | ▶ <b>Responsible raw materials procurement</b>          | Ongoing assessment of supply chain environmental and social risks.<br>*Completed assessment of suppliers accounting for 70% of total transaction amount of tire raw materials, including natural rubber.  |
|   | Quality and safety                                   | ▶ <b>Raising awareness of tire safety</b>               | Continued to raise awareness of tire safety using our proprietary driving simulator.<br>*Surveyed 4,300 people over the past five years to confirm change (improvement) in tire safety awareness.   |



## Updated report content based on stakeholder dialogue and subsequent evaluation

|                     |  |
|---------------------|--|
| <b>Introduction</b> | The origin of our philosophy / Relevance to the sustainability debate / Instilling the philosophy  |
| <b>Top Message</b>  | Business management and value creation / Evaluation of the progress of Medium-Term '21 Plan / Evaluation of our sustainability management  |
| <b>Vision</b>       | <p><b>Value creation process</b></p> <p>Toyo Tire's strengths / Risk and opportunities / Materiality</p>   |
| <b>Strategy</b>     | Financial policy and targets & KPI management / Approach to investment and shareholder returns / Medium-Term '21 Plan progress   |
| <b>Materiality</b>  | <p>Initiatives in each domain of value creation, foundation for value creation, and risk management</p> <ul style="list-style-type: none"> <li><b>Value creation story linking outcomes</b> (Mobility with reduced impact on the environment / The ultimate enjoyment, excitement, and surprise of driving / Safety, peace of mind, and comfort)</li> <li>Human resource base (developing talent, promoting diversity, reforming working styles)</li> <li>Technological base (sustainable raw materials, reducing tire wear)</li> <li>Progress made on medium- to long-term CO<sub>2</sub> reduction targets / Supply chain sustainability / Product safety in each value chain</li> </ul> |
| <b>Close-up</b>     | Response to Taskforce on Nature-related Financial Disclosures (TNFD) / Human right-related measures  |
| <b>Governance</b>   | Governance structure / Evaluation of the effectiveness of the Board of Directors / Company-wide risk management / Promoting compliance / Message from the Chairman / Messages from Outside Directors   |

## Value Creation Story



\*Set up jump functions linking the Integrated Report 2024 to the Toyo Tire sustainability website (html) for more convenient access to detailed information

## Mid-Term '21 Plan Key Performance Indicator

**Operating Income**  
60.0 billion yen

**Operating Margin**  
14% or over

**% of sales from priority products**  
55% or over

**ROE** 12% or over

**Dividend Payout Ratio**  
Policy 30% or over

**5-year total CAPEX**  
194.0 billion yen

## FY2023 Results

↗ **76.9<sub>B</sub> yen**

→ **13.9%**

↗ **62.9%**

↗ **20.2%**

→ **30.0%**  
3-year average

→ **61.4%**  
Progress over the past 3 years

## Actions in progress

- Greater focus on sales promotion of priority products
- Make Serbia Plant fully operational → Establish an optimized supply system

Prioritized launch of products where our strengths lie

Build a cost-competitive production/supply system

**Maintain high earning power**  
**Further enhance profitability**

**Continue allocating cash in a way that balances shareholder returns and growth investment**



**Next Phase**  
(Next medium-term business plan)

# OBSERVE GIZ3

(Launched in August)

Made from sustainable materials, a brand new studless tire with advanced braking performance on icy surfaces



- Significantly upgrades braking performance in icy conditions and traction during acceleration
- Improves braking performance on icy surfaces by 22% (compared with the Company's existing model [OBSERVE GIZ2])
- Eco-friendly with its reduced performance degradation due to aging and use of nature-based sustainable materials

## "OPEN COUNTRY" selected for new SUVs

### OPEN COUNTRY A/T III



LEXUS GX (in NA etc.)



- Designs patterns by T-MODE, our proprietary tire design base technologies

Toyota LAND CRUISER "250" (in Middle East etc.)



- Reduces air resistance while tires rotate, achieving improved fuel efficiency
- Delivers superior off-road driving performance over rough terrain. Reduces noise and ensures handling stability on-road



**TOYO TIRES**

**OPEN COUNTRY**



**2024 FIA World Bajas Cup Baja Greece  
Victory in the ULTIMATE Class**

***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.