

TOYO TIRES

**Consolidated Business
Performance
for the Second Quarter of FY2021**

August 10, 2021

TOYO TIRE CORPORATION

Major Topics

1. Consolidated Business Results for the Cumulative Second Quarter of FY2021
2. Consolidated Business Outlook for the Full FY2021

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.

Consolidated Business Results for 2Q of FY2021 (Jan-Jun)



(Unit: millions of yen)

	FY2021 Jan-Jun Results	FY2020 Jan-Jun Results	Year-on- Year Change	Year-on- Year Change (%)	FY2021 Previous outlook for Jan-Jun	Change from outlook	FY2021年 Apr-Jun Results	Year-on- Year Change
Net Sales	186,392	150,586	+ 35,805	+ 23.8%	175,500	+ 10,892	98,647	+30,155
Operating Income	26,958	7,928	+ 19,029	+ 240.0%	17,500	+ 9,458	14,255	+13,263
Profit Ratio	14.5%	5.3%			10.0%		14.5%	
Ordinary Income	29,219	4,379	+ 24,840	+ 567.2%	20,400	+ 8,819	13,212	+12,570
Profit Attributable to Owners of Parent	20,673	520	+ 20,153	-	12,600	+ 8,073	8,520	+10,141

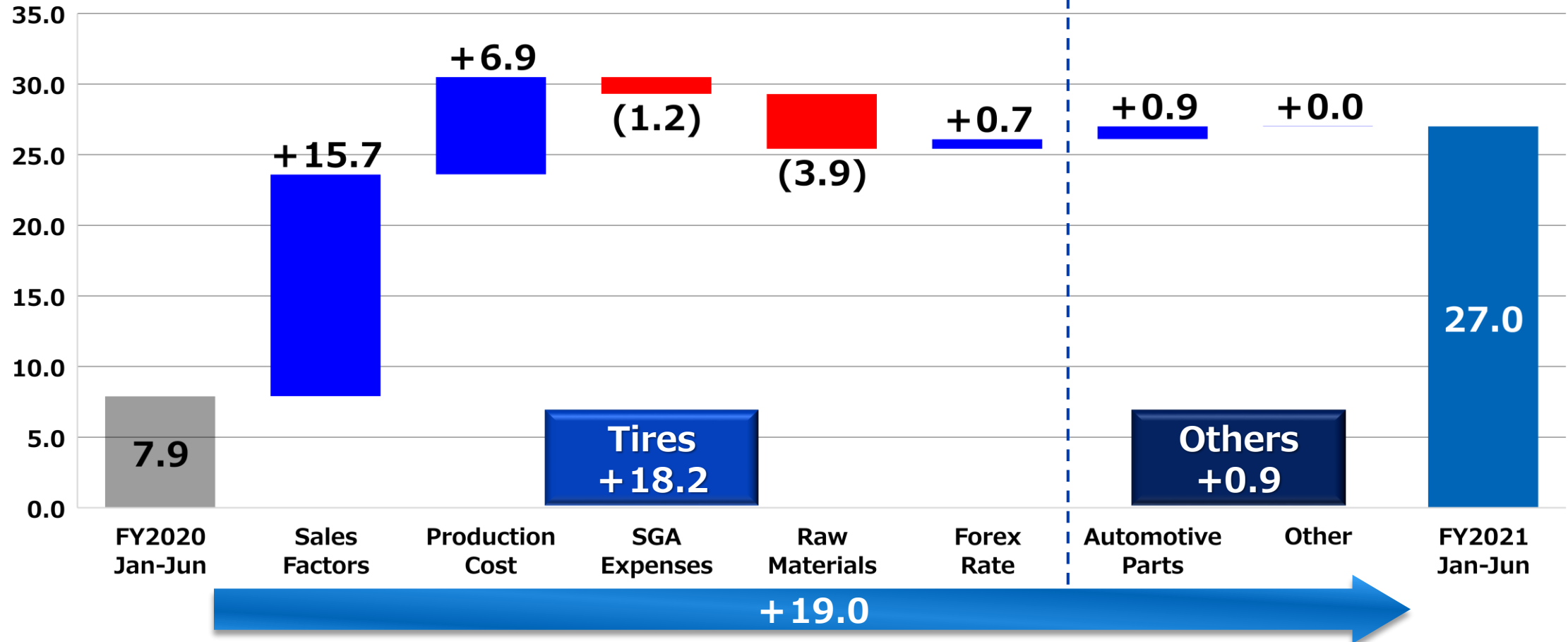
* Profit Attributable to Owners of Parent: Profit attributable to parent company shareholders

Interim dividends per share	20 Yen	20 Yen	-	-
1 USD	107 Yen	109 Yen	(2 Yen)	
1 EUR	130 Yen	120 Yen	+10 Yen	

Forex Rate Sensibility 2021	
USD	0.65 Billion Yen/Year
EUR	0.10 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

(billions of yen)



(billions of yen)

	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Tires Subtotal	Automotive Parts	Other	Total
Jan-Mar	+4.7	+1.8	+0.4	(0.2)	(0.8)	+5.8	(0.0)	(0.0)	+5.8
Apr-Jun	+11.1	+5.1	(1.6)	(3.7)	+1.5	+12.4	+0.9	+0.0	+13.3

Net Sales

	FY2021 Jan-Jun Results	FY2020 Jan-Jun Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Jun	Change from outlook
Tires	166,488	134,430	+32,057	+23.8%	156,500	+9,988
Automotive Parts	19,884	16,129	+3,755	+23.3%	19,000	+884
Other	47	65	(18)	(27.7%)	0	+47
Adjustments	(28)	(39)	+11	—	0	(28)
Total	186,392	150,586	+35,805	+23.8%	175,500	+10,892

(Unit: millions of yen)

FY2021 Apr-Jun Results	Year-on-Year Change
88,746	+26,613
9,892	+3,545
19	(10)
(11)	+7
98,647	+30,155

Operating Income

* Net sales include intersegment internal net sales or transfers

	FY2021 Jan-Jun Results	FY2020 Jan-Jun Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Jun	Change from outlook
Tires	27,888	9,733	+18,155	+186.5%	18,500	+9,388
Profit Ratio	16.8%	7.2%			11.8%	
Automotive Parts	(938)	(1,805)	+866	—	(1,000)	+62
Profit Ratio	(4.7%)	(11.2%)			(5.3%)	
Other	16	20	(4)	(20.0%)	0	+16
Adjustments	(7)	(20)	+12	—	0	(7)
Total	26,958	7,928	+19,029	+240.0%	17,500	+9,458

FY2021 Apr-Jun Results	Year-on-Year Change
14,697	+12,364
16.6%	
(459)	+871
(4.6%)	
20	+21
(2)	+7
14,255	+13,263

Net Sales

(Unit: millions of yen)

	FY2021 Jan-Jun Results	FY2020 Jan-Jun Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Jun	Change from outlook	FY2021 Apr-Jun Results	Year-on-Year Change
Japan	47,452	42,730	+4,722	+11.1%	47,000	+452	23,627	+4,805
N.America	109,035	81,493	+27,541	+33.8%	97,500	+11,535	60,198	+20,390
Other	29,903	26,362	+3,540	+13.4%	31,000	(1,097)	14,820	+4,958
Eliminations or Corporate	—	—	—	—	—	—	—	—
Total	186,392	150,586	+35,805	+23.8%	175,500	+10,892	98,647	+30,155

* Net sales include intersegment internal net sales or transfers

Operating Income

	FY2021 Jan-Jun Results	FY2020 Jan-Jun Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Jun	Change from outlook	FY2021 Apr-Jun Results	Year-on- Year Change
Japan	15,745	2,449	+13,296	+542.9%	12,700	+3,045	8,034	+11,456
N.America	8,104	4,143	+3,960	+95.6%	4,000	+4,104	4,599	+1,955
Other	2,710	803	+1,906	+237.5%	2,100	+610	1,145	+1,145
Eliminations or Corporate	397	532	(134)	(25.3%)	(1,300)	+1,697	475	(1,294)
Total	26,958	7,928	+19,029	+240.0%	17,500	+9,458	14,255	+13,263

(Unit: millions of yen)

	FY2021 Jan-Mar	FY2021 Apr-Jun	FY2021 Jan-Jun
For 55 buildings	—	—	—
For 99 buildings	—	—	—
Charges	299	242	541
Compensation costs, etc.	—	45	45
Total	299	287	586

FY2015 Full-Year Results	FY2016 Full-Year Results	FY2017 Full-Year Results	FY2018 Full-Year Results	FY2019 Full-Year Results	FY2020 Full-Year Results
23,063	17,034	608	8,794	—	568
7,386	35,068	12,281	2,360	—	1,698
12,104	10,418	3,156	4,858	3,365	3,507
4,119	4,260	2,590	1,516	645	1,406
46,674	66,781	18,637	17,529	4,010	7,178

*55 buildings : disclosed on March 13, 2015, 99 buildings : disclosed on April 21, 2015

Breakdown of Calculation

FY2021 Apr-Jun

The company did not post seismic isolation product costs or renovation/construction costs for changes to the 55 buildings and 99 buildings.

The company posted approx. 0.3 billion yen in compensation costs and charges (primarily, in payroll for the Seismic Isolation Rubber Task Force, etc.).

FY2021 From July onward

As at the present time it is difficult to reasonably estimate the amount, in the event that costs arise in the future, an additional reserve for product warranties may be posted depending upon the progress of measures.

(Unit: millions of yen)

	FY2021 Jan-Dec Outlook	FY2020 Jan-Dec Results	Year-on- Year Change	Year-on- Year Change (%)	FY2021 Previous outlook for Jan-Dec	Year-on- Year Change	FY2021 Outlook for Jul-Dec	Year-on- Year Change
Net Sales	392,000	343,764	+48,235	+14.0%	372,000	+20,000	205,607	+12,429
Operating Income	48,000	36,328	+11,671	+32.1%	44,000	+4,000	21,041	(7,358)
Profit Ratio	12.2%	10.6%			11.8%		10.2%	
Ordinary Income	49,600	30,887	+18,712	+60.6%	46,400	+3,200	20,380	(6,127)
Profit Attributable to Owners of Parent	32,800	11,682	+21,117	+180.8%	28,900	+3,900	12,126	+964

*Profit Attributable to Owners of Parent: Profit attributable to parent company shareholders

Annual dividends per share	45 Yen	45 Yen	—	—
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**Mid-Term '21 Plan
Key Performance
Indicators**
**Consolidated Operating
Profit Ratio**

 Over **14%**
Dividend policy

 Dividend payout ratio
30% or higher

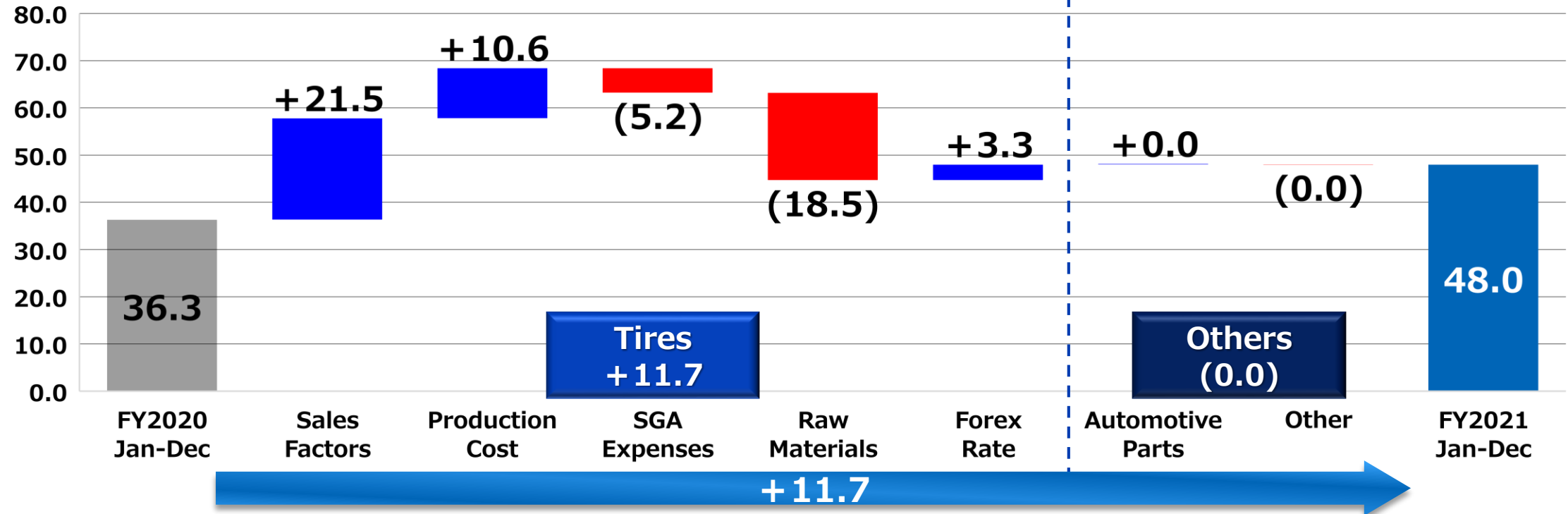
1 USD	109 Yen	107 Yen	+2 Yen
1 EUR	131 Yen	122 Yen	+9 Yen

Forex Rate Sensibility 2021	
USD	0.65 Billion Yen/Year
EUR	0.10 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

Outlook for the Full FY2021 (Jan-Dec) Factors Contributing to Changes in Operating Income

(billions of yen)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Tires Subtotal	Automotive Parts	Other	Total
Outlook for Jul-Dec	+5.7	+3.7	(4.0)	(14.6)	+2.6	(6.5)	(0.8)	(0.0)	(7.3)
Previous outlook for Jul-Dec	+6.6	+3.9	(4.8)	(5.9)	(1.0)	(1.1)	(0.7)	0.0	(1.8)
Previous outlook for Jan-Dec	+18.5	+10.9	(9.4)	(9.5)	(2.9)	+7.7	(0.0)	(0.0)	+7.7

Net Sales

	FY2021 Jan-Dec Outlook	FY2020 Jan-Dec Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Dec	Change from outlook
Tires	350,000	306,609	+43,391	+14.2%	333,000	+17,000
Automotive Parts	42,000	37,110	+4,889	+13.2%	39,000	+3,000
Other	0	122	(122)	—	0	—
Adjustments	0	(76)	+76	—	0	—
Total	392,000	343,764	+48,235	+14.0%	372,000	+20,000

(Unit: millions of yen)

FY2021 Jul-Dec Outlook	Year-on-Year Change
183,511	+11,333
22,115	+1,134
0	(57)
(19)	+19
205,607	+12,429

Operating Income

* Net sales include intersegment internal net sales or transfers

	FY2021 Jan-Dec Outlook	FY2020 Jan-Dec Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Dec	Change from outlook
Tires	50,000	38,342	+11,657	+30.4%	46,000	+4,000
Profit Ratio	14.3%	12.5%			13.8%	
Automotive Parts	(2,000)	(2,020)	+20	—	(2,000)	—
Profit Ratio	(4.8%)	(5.4%)			(5.1%)	
Other	0	44	(44)	—	0	—
Adjustments	0	(38)	+38	—	0	—
Total	48,000	36,328	+11,671	+32.1%	44,000	+4,000

FY2021 Jul-Dec Outlook	Year-on-Year Change
22,111	(6,497)
12.0%	
(1,061)	(846)
(4.8%)	
0	(24)
(8)	+10
21,041	(7,358)

Consolidated Business Outlook by Geographic Area Segment for the Full FY2021 (Jan-Dec)



Net Sales

(Unit: millions of yen)

	FY2021 Jan-Dec Outlook	FY2020 Jan-Dec Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Dec	Change from outlook	FY2021 Jul-Dec Results	Year-on-Year Change
Japan	109,400	101,325	+8,074	+8.0%	108,500	+900	61,947	+3,351
N.America	224,000	185,930	+38,069	+20.5%	203,800	+20,200	114,965	+10,527
Other	58,600	56,508	+2,091	+3.7%	59,700	(1,100)	28,696	(1,450)
Eliminations or Corporate	—	—	—	—	—	—	—	—
Total	392,000	343,764	+48,235	+14.0%	372,000	+20,000	205,607	+12,429

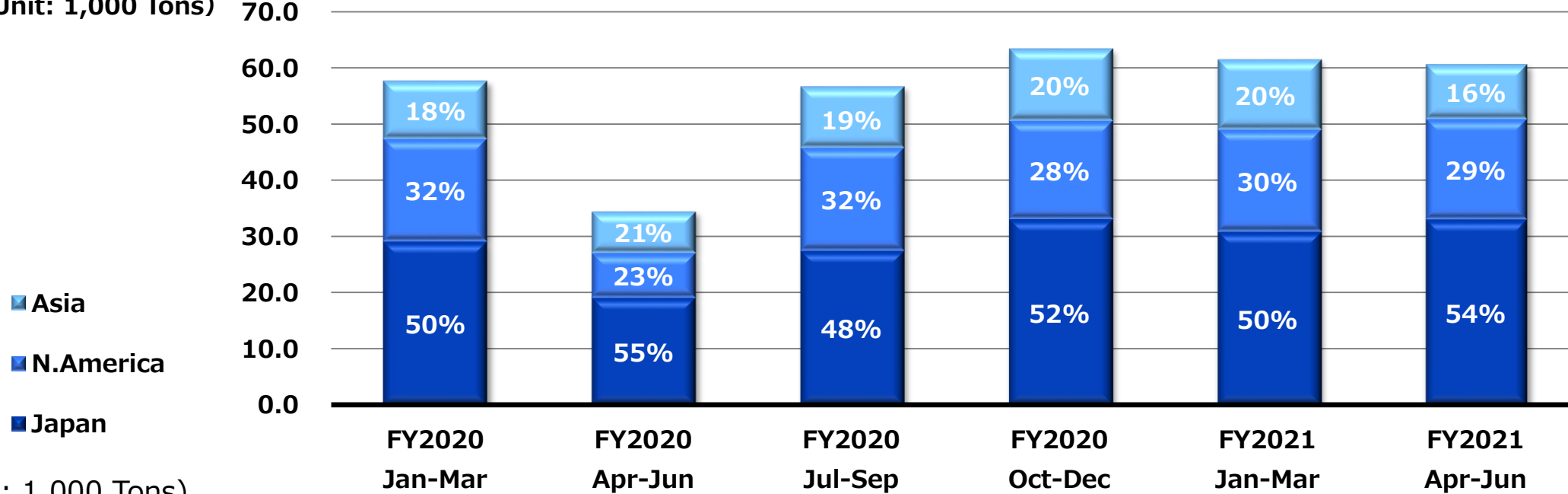
* Net sales include intersegment internal net sales or transfers

Operating Income

	FY2021 Jan-Dec Results	FY2020 Jan-Dec Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Previous outlook for Jan-Dec	Change from outlook	FY2021 Jul-Dec Results	Year-on-Year Change
Japan	35,300	21,191	+14,108	+66.6%	32,700	+2,600	19,554	+811
N.America	10,000	11,480	(1,480)	(12.9%)	9,300	+700	1,895	(5,441)
Other	2,700	4,114	(1,414)	(34.4%)	3,000	(300)	(10)	(3,321)
Eliminations or Corporate	0	(458)	+458	—	(1,000)	+1,000	(398)	+592
Total	48,000	36,328	+11,671	+32.1%	44,000	+4,000	21,041	(7,358)

* Bar graph values show tire production volume composition ratio by region (%)

(Unit: 1,000 Tons)



(Unit: 1,000 Tons)

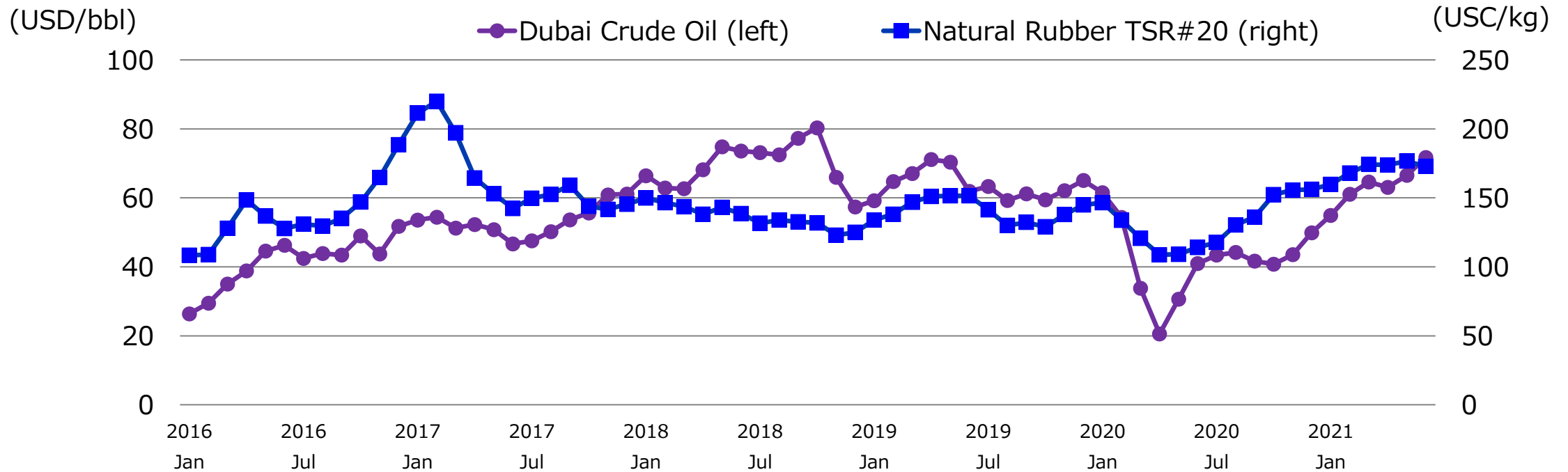
	FY2020					FY2021			FY2021 Jan-Dec Plan	FY2021 Previous Jan-Dec Plan
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jan-Jun		
Japan	29.1	19.2	27.5	33.1	108.8	30.9	33.0	63.9	127.0	126.5
N.America	18.3	8.0	18.3	17.6	62.2	18.2	17.9	36.1	76.6	79.4
Asia	10.3	7.4	10.9	12.8	41.4	12.4	9.7	22.1	44.3	47.3
Total	57.7	34.5	56.7	63.4	212.3	61.5	60.6	122.1	247.9	253.1
Year-on-Year	94%	56%	93%	103%	86%	107%	176%	132%	117%	119%

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

(%)

	FY2020					FY2021			FY2021 Jan-Dec Plan	FY2021 Previous Jan-Dec Plan
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jan-Jun		
OE Total	82	38	81	109	77	103	210	134	113	112
RE Japan	98	89	81	115	96	108	105	107	106	107
RE Overseas	95	82	98	96	93	101	133	115	104	109
Of which N. America	88	98	104	98	97	125	133	129	116	114
Of which Europe	100	70	100	95	93	74	163	100	91	104
Of which SE Asia	103	61	97	91	87	76	92	83	71	83
Total	93	75	92	102	91	102	135	116	106	109

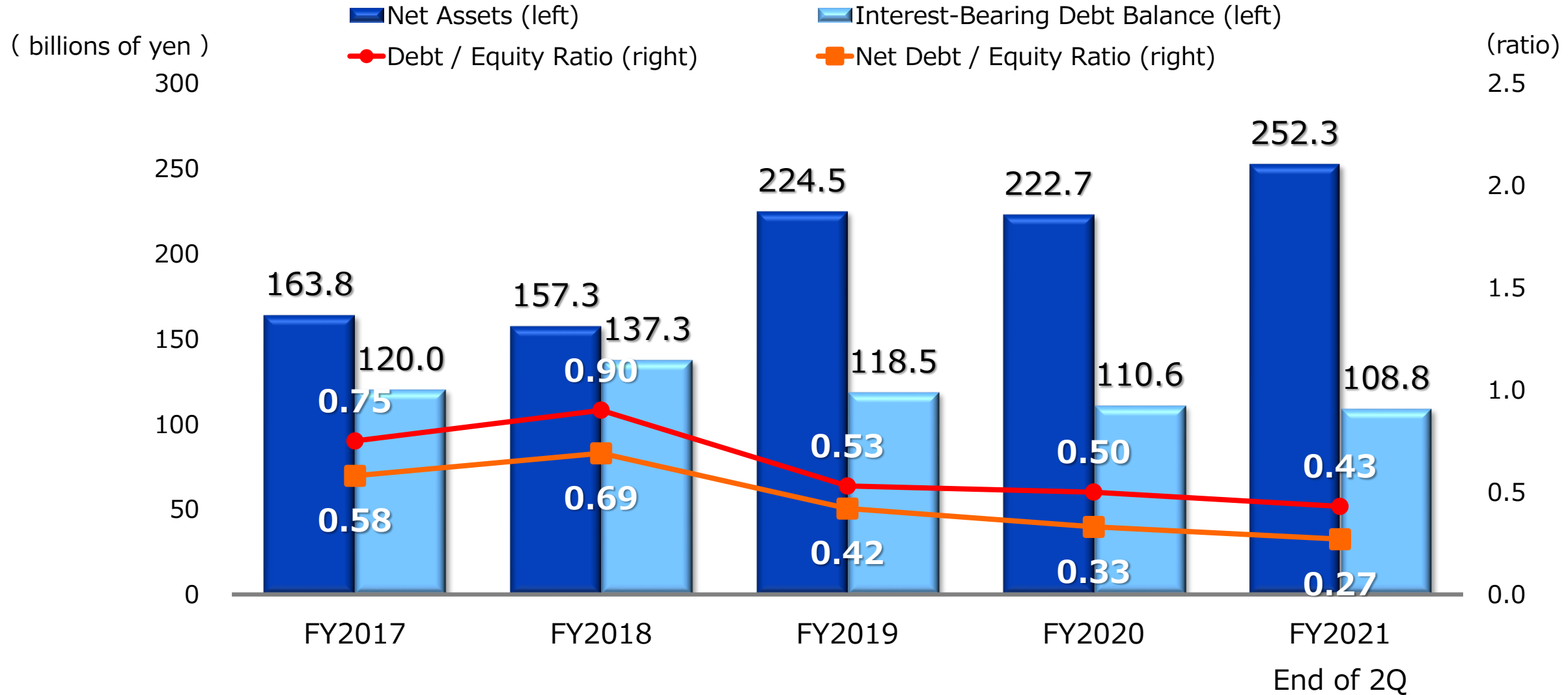
Change in Dubai Crude Oil and Natural Rubber TSR #20 Prices (SICOM)



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

(billions of yen)

	FY2020					FY2021			FY2021 Jan-Dec Plan	FY2021 Previous Jan-Dec Plan
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jan-Jun		
Natural Rubber	(0.0)	+0.0	+0.3	+0.3	+0.6	(0.6)	(1.2)	(1.8)	(4.6)	(4.0)
Petroleum Products	+1.3	+0.9	+2.1	+1.1	+5.4	+0.4	(1.9)	(1.5)	(11.0)	(5.3)
Other Raw Materials	+0.6	+0.4	+0.5	(0.1)	+1.3	+0.1	(0.7)	(0.6)	(2.9)	(0.2)
Total	+1.8	+1.4	+2.9	+1.3	+7.3	(0.2)	(3.7)	(3.9)	(18.5)	(9.5)



Capital Ratio	33.6%	32.5%	47.5%	49.5%	53.3%
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