

Summary Report of Consolidated Business Performance  
for the Third Quarter of Fiscal Year 2021  
(January 1, 2021 – December 31, 2021)

HYOGO, JAPAN – November 12, 2021 - Toyo Tire Corporation (“the Company”; President & CEO: Takashi Shimizu) announces its consolidated business performance for the third quarter of fiscal year 2021 (January 1, 2021 through December 31, 2021) as follows:

Quantitative information concerning the quarterly financial results

(1) Business Results

●Net Sales:	282,808 million yen (an increase of 35,984 million yen, or 14.6% from the same period in FY2020)
●Operating Income:	39,663 million yen (an increase of 17,617 million yen, or 79.9% from the same period in FY2020)
●Ordinary Income:	41,781 million yen (an increase of 24,509 million yen, or 141.9% from the same period in FY2020)
●Profit Attributable to Owners of Parent:	28,866 million yen (an increase of 18,874 million yen, or 188.9% from the same period in FY2020)

(2) Results by Business Unit

The Tire Business Unit posted net sales of 253,968 million yen (an increase of 33,278 million yen, or 15.1% from the same period in FY2020) and an operating income of 41,161 million yen (an increase of 17,134 million yen, or 71.3% from the same period in FY2020).

The Automotive Parts Business Unit posted net sales of 28,816 million yen (an increase of 2,718 million yen, or 10.4% from the same period in FY2020) and an operating loss of 1,497 million yen (an increase of 483 million yen from the same period in FY2020).

(3) Status of provision of reserves for product warranties and allowance for product repairs pertaining to the Company's seismic isolation rubber issue

In the fiscal year ended December 2015, some products shipped by the Company did not conform to performance evaluation criteria certified by Japan's Ministry of Land, Infrastructure, Transport and Tourism. When applying for Ministry certification for seismic isolation rubber for construction, the certification was in some cases based on applications lacking technical grounds.

For the third quarter of FY2021, the Company posted an extraordinary loss of 851 million yen as product compensation response—measure expenses (primarily in payroll for the Seismic Isolation Rubber Task Force, etc.).

Depending on how this is handled in the following quarter and beyond, if future costs arise (mainly business compensation and repairs for damages such as delayed damages, expenses, etc. when repair work expenses are found to additionally exceed the reserve provisions), additional provision of reserves for product warranties may be posted. At the present time, however, it is difficult to make a reasonable estimation of the corresponding amount.

#### (4) Explanation of financial situation

Total assets at the end of the third quarter of the consolidated accounting period were 495,077 million yen, an increase of 49,498 million yen compared to the end of the previous consolidated accounting period.

Liabilities were 235,638 million yen, an increase of 12,753 million yen compared to the end of the previous consolidated accounting period.

Interest-bearing liabilities were 125,492 million yen, an increase of 14,913 million yen compared to the end of the previous consolidated accounting period.

Net assets as of the end of the third quarter of the consolidated accounting period were 259,438 million yen, an increase of 36,744 million yen compared to the end of the previous consolidated accounting period.

As a result, the capital ratio increased by 2.8 points compared to the end of the previous consolidated accounting period to 52.4 %.

## Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year December 31, 2020	End of current fiscal year September 30, 2021
Assets		
Current Assets		
Cash and deposits	37,650	45,599
Notes and accounts receivable – trade	72,598	75,470
Merchandise and finished goods	40,061	50,731
Work in process	3,030	3,618
Raw materials and supplies	12,690	18,421
Other	15,050	16,265
Allowance for doubtful accounts	(343)	(356)
Total current assets	180,739	209,750
Fixed Assets		
Property, plant and equipment		
Buildings and structures, net	62,309	64,776
Machinery, equipment and vehicles, net	92,574	100,578
Other, net	45,823	52,913
Total property, plant and equipment	200,707	218,268
Intangible Assets		
Other	4,851	5,686
Total intangible assets	4,851	5,686
Investments and other assets		
Investment securities	39,986	49,978
Other	19,398	11,497
Allowance for doubtful accounts	(104)	(103)
Total investments and other assets	59,280	61,372
Total fixed assets	264,839	285,327
Total assets	445,579	495,077

## Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year December 31, 2020	End of current fiscal year September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable – trade	29,666	27,791
Commercial papers	6,000	26,500
Short-term loans payable	16,200	13,673
Accounts payable – other	21,580	12,623
Income taxes payable	1,766	9,346
Provision for product compensation	9,192	5,172
Other	24,236	31,433
<b>Total current liabilities</b>	<b>108,643</b>	<b>126,540</b>
<b>Non-current liabilities</b>		
Bonds payable	—	10,000
Long-term loans payable	86,010	73,060
Net defined benefit liability	5,437	5,935
Provision for product compensation	9,126	5,138
Other provision	100	101
Other	13,567	14,864
<b>Total non-current liabilities</b>	<b>114,242</b>	<b>109,098</b>
<b>Total liabilities</b>	<b>222,885</b>	<b>235,638</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	55,935	55,935
Capital surplus	54,504	54,330
Retained earnings	90,866	112,635
Treasury stock	(146)	(143)
<b>Total shareholders' equity</b>	<b>201,159</b>	<b>222,758</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	19,086	26,535
Deferred gains or losses on hedges	3	(31)
Foreign currency translation adjustments	(2,609)	6,919
Remeasurements of defined benefit plans	3,136	3,040
<b>Total accumulated other comprehensive income</b>	<b>19,616</b>	<b>36,463</b>
<b>Non-controlling interests</b>	<b>1,918</b>	<b>216</b>
<b>Total net assets</b>	<b>222,694</b>	<b>259,438</b>
<b>Total liabilities and net assets</b>	<b>445,579</b>	<b>495,077</b>

## Consolidated Statements of Income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2020 (From January 1, 2020 to September 30, 2020)	FY2021 (From January 1, 2021 to September 30, 2021)
Net sales	246,823	282,808
Cost of sales	161,139	168,185
Gross profit	85,683	114,622
Selling, general and administrative expenses	63,637	74,958
Operating income	22,046	39,663
Non-operating income		
Interest income	245	221
Dividends income	853	863
Foreign exchange gains	—	3,383
Equity in earnings of affiliates	56	145
Other	1,348	1,083
Total non-operating income	2,503	5,697
Non-operating expenses		
Interest expenses	1,411	1,064
Foreign exchange losses	3,490	—
Other	2,376	2,514
Total non-operating expenses	7,278	3,579
Ordinary income	17,271	41,781
Extraordinary income		
Gain on sales of investment securities	1,265	357
Total extraordinary income	1,265	357
Extraordinary loss		
Loss on retirement of non-current assets	295	428
Loss on sales of investment securities	—	92
Impairment loss	270	639
Loss on product compensation	1,983	851
Loss on provision for product compensation	261	—
Loss on COVID-19	1,589	381
Total extraordinary loss	4,399	2,392
Profit before income taxes	14,137	39,746
Income taxes	4,099	10,745
Profit	10,038	29,001
Profit attributable to non-controlling interests	46	134
Profit attributable to owners of parent	9,991	28,866

Consolidated Statements of comprehensive income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2020 (From January 1, 2020 to September 30, 2020)	FY2021 (From January 1, 2021 to September 30, 2021)
Profit	10,038	29,001
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,081)	7,449
Deferred gains or losses on hedges	16	(35)
Foreign currency translation adjustment	(4,659)	9,460
Remeasurements of defined benefit plans, net of tax	(120)	(95)
Share of other comprehensive income of associates accounted for using equity method	(11)	156
Total other comprehensive income	(8,855)	16,934
Comprehensive income	1,182	45,935
(Comprehensive income attributable to)		
Owners of the parent	1,142	45,714
Comprehensive income attributable to non-controlling interests	40	221