

***TOYO TIRES***

**Consolidated Business  
Performance  
for the FY2021**

February 15, 2022

**Toyo Tire Corporation**

## Major Topics

1. Consolidated Business Results for the Full FY2021
2. Consolidated Business Outlook for the Full FY2022
3. Progress of “Mid-Term '21 Plan (MTP)”

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 the Full FY2021 (Jan-Dec)

**TOYO TIRES**

(Unit: millions of yen)

	FY2021 Jan-Dec Results	FY2020 Jan-Dec Results	Year-on- Year Change	Year-on- Year Change (%)	FY2021 Jan-Dec Outlook	Year-on- Year Change	FY2021 Oct-Dec Results	Year-on- Year Change
Net Sales	<b>393,647</b>	343,764	+49,883	+14.5%	<b>392,000</b>	+1,647	110,839	+13,898
Operating Income	<b>53,080</b>	36,328	+16,752	+46.1%	<b>48,000</b>	+5,080	13,417	(865)
Profit Ratio	<b>13.5%</b>	10.6%			<b>12.2%</b>		12.1%	
Ordinary Income	<b>55,909</b>	30,887	+25,021	+81.0%	<b>49,600</b>	+6,309	14,127	+511
Profit Attributable to Owners of Parent	<b>41,350</b>	11,682	+29,667	+254.0%	<b>32,800</b>	+8,550	12,483	+10,793

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

Annual dividends per share	<b>76 Yen</b>	45 Yen	+31 Yen	-
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1 USD	<b>110 Yen</b>	107 Yen	+3 Yen
1 EUR	<b>130 Yen</b>	122 Yen	+8 Yen

Mid-Term '21 Plan  
Key Performance  
Indicators

Consolidated Operating  
Profit Ratio

Over **14%**

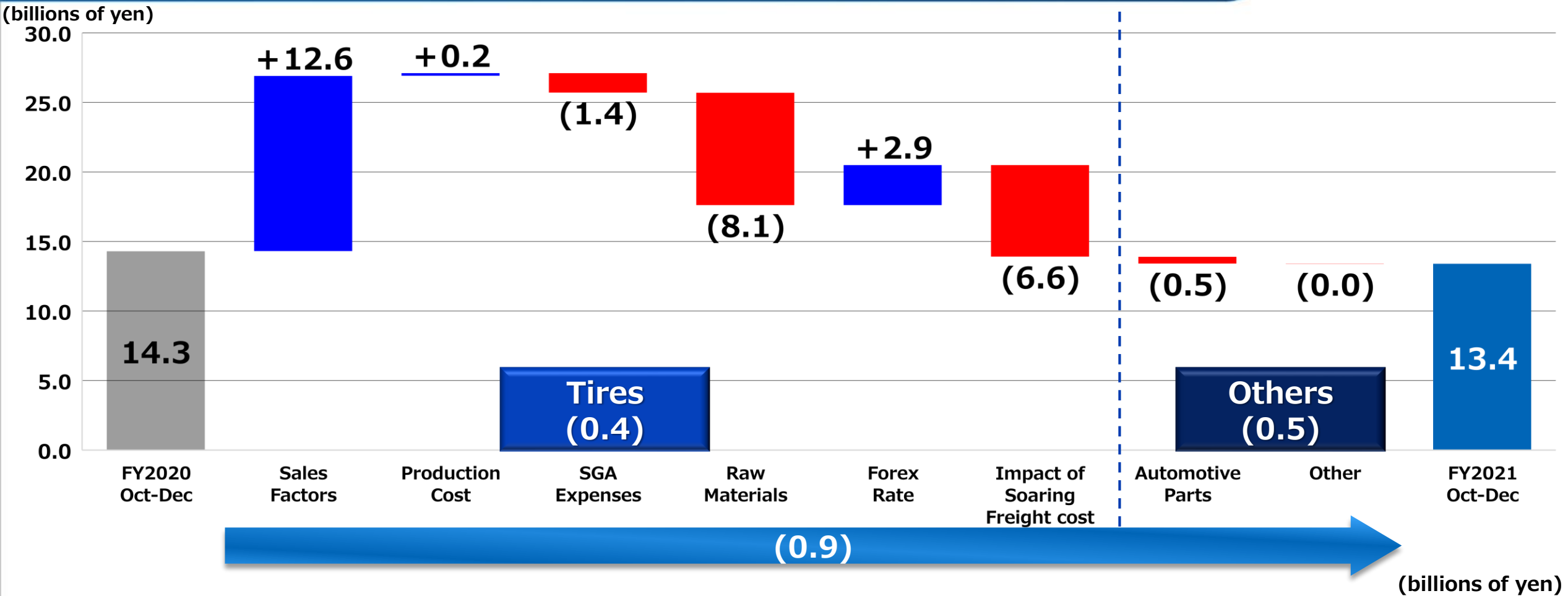
Dividend policy

Dividend payout ratio  
**30%** or higher

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

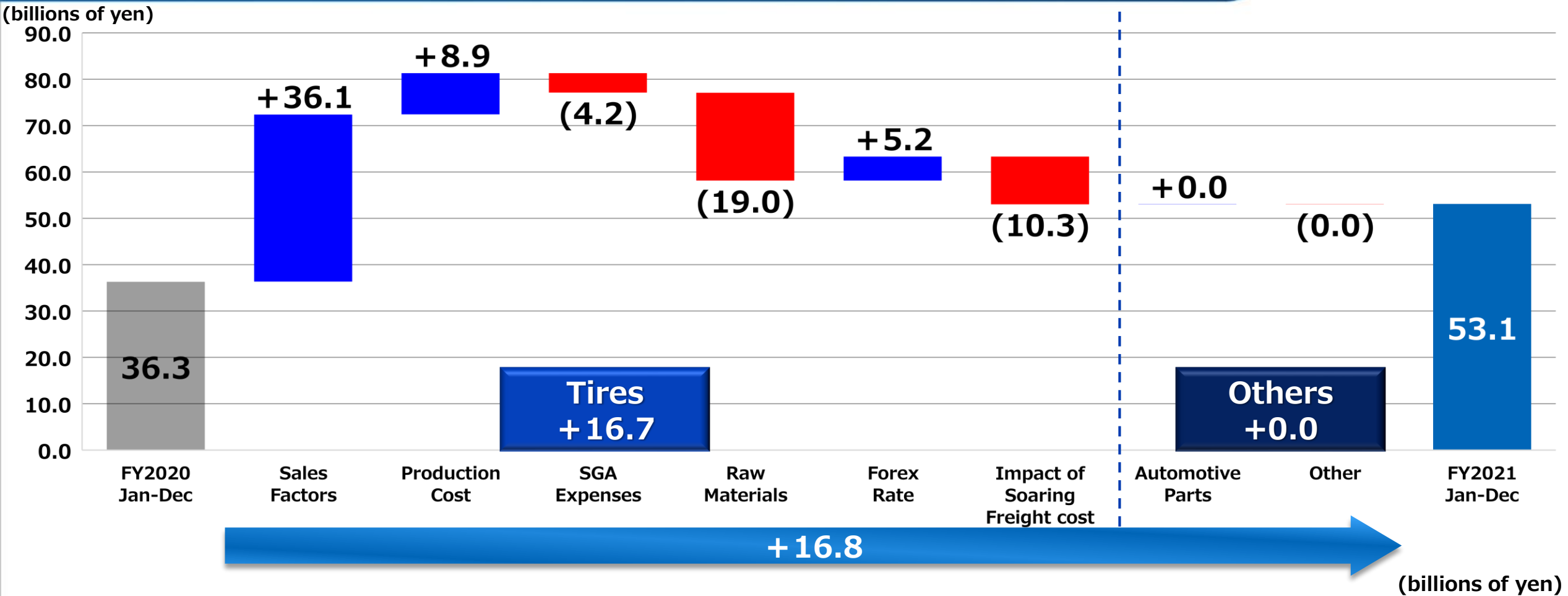
Impact of 1 yen fluctuation on operating income

# Factors Contributing to Changes in Operating Income (FY2021 Oct-Dec)



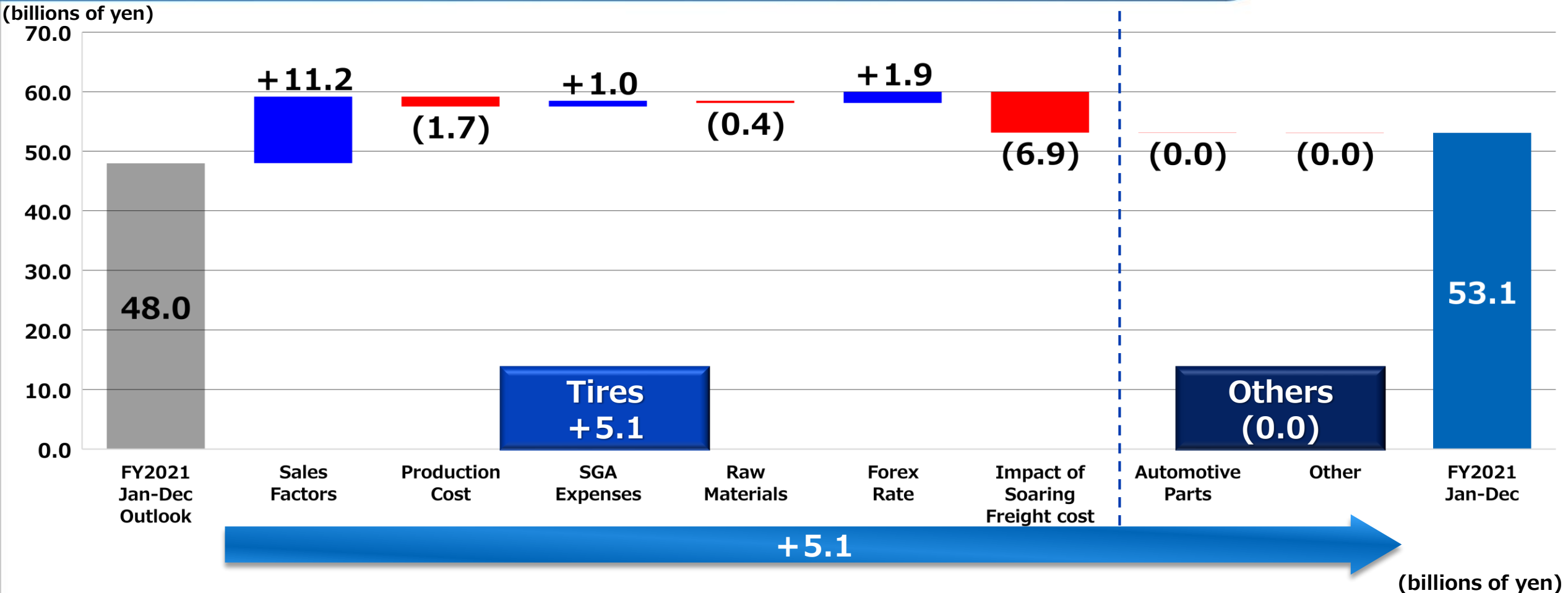
	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Impact of Soaring Freight cost	Automotive Parts	Other	Total
Jan-Mar	+5.3	+1.8	+0.4	(0.2)	(0.8)	(0.6)	(0.0)	(0.0)	+5.8
Apr-Jun	+12.0	+5.1	(1.6)	(3.7)	+1.5	(0.9)	+0.9	+0.0	+13.3
Jul-Sep	+6.2	+1.8	(1.5)	(7.0)	+1.6	(2.2)	(0.4)	(0.0)	(1.4)

# Factors Contributing to Changes in Operating Income (FY2021 Jan-Dec)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Impact of Soaring Freight cost	Automotive Parts	Other	Total
Jan-Sep	+23.5	+8.7	(2.8)	(10.9)	+2.3	(3.7)	+0.5	(0.0)	+17.6
Oct-Dec	+12.6	+0.2	(1.4)	(8.1)	+2.9	(6.6)	(0.5)	(0.0)	(0.8)

# Factors Contributing to Changes in Operating Income (FY2021 Jan-Dec) (against previous outlook)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Impact of Soaring Freight cost	Automotive Parts	Other	Total
Jan-Dec Results	+36.1	+8.9	(4.2)	(19.0)	+5.2	(10.3)	+0.0	(0.0)	+16.8
Jan-Dec Outlook	+24.9	+10.6	(5.2)	(18.5)	+3.3	(3.4)	+0.0	(0.0)	+11.7

## Net Sales

	FY2021 Jan-Dec Results	FY2020 Jan-Dec Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Jan-Dec Outlook	Year-on- Year Change
Tires	354,641	306,609	+48,032	+15.7%	350,000	+4,641
Automotive Parts	38,979	37,110	+1,868	+5.0%	42,000	(3,021)
Other	79	122	(42)	(35.2%)	0	+79
Adjustments	(51)	(76)	+25	—	0	(51)
<b>Total</b>	<b>393,647</b>	<b>343,764</b>	<b>+49,883</b>	<b>+14.5%</b>	<b>392,000</b>	<b>+1,647</b>

(Unit: millions of yen)

FY2021 Oct-Dec Results	Year-on-Year Change
100,672	+14,754
10,162	(850)
16	(13)
(11)	+8
110,839	+13,898

## Operating Income

\* Net sales include intersegment internal net sales or transfers

	FY2021 Jan-Dec Results	FY2020 Jan-Dec Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Jan-Dec Outlook	Year-on- Year Change
Tires	55,089	38,342	+16,746	+43.7%	50,000	+5,089
Profit Ratio	15.5%	12.5%			14.3%	
Automotive Parts	(2,008)	(2,020)	+12	—	(2,000)	(8)
Profit Ratio	(5.2%)	(5.4%)			(4.8%)	
Other	14	44	(29)	(68.2%)	0	+14
Adjustments	(15)	(38)	+22	—	0	(15)
<b>Total</b>	<b>53,080</b>	<b>36,328</b>	<b>+16,752</b>	<b>+46.1%</b>	<b>48,000</b>	<b>+5,080</b>

FY2021 Oct-Dec Results	Year-on-Year Change
13,928	(387)
13.8%	
(511)	(471)
(5.0%)	
3	(13)
(3)	+7
13,417	(865)

## Net Sales

(Unit: millions of yen)

	FY2021 Jan-Dec Results	FY2020 Jan-Dec Results	Year-on-Year Change	Year-on-Year Change (%)	FY2021 Jan-Dec Outlook	Year-on- Year Change	FY2021 Oct-Dec Results	Year-on-Year Change
Japan	104,168	101,325	+2,843	+2.8%	109,400	(5,232)	34,091	(1,093)
N.America	229,318	185,930	+43,387	+23.3%	224,000	+5,318	60,471	+12,381
Other	60,161	56,508	+3,652	+6.5%	58,600	+1,561	16,276	+2,611
Eliminations or Corporate	—	—	—	—	—	—	—	—
Total	393,647	343,764	+49,883	+14.5%	392,000	+1,647	110,839	+13,898

\* 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 Jan-Dec Outlook	Year-on- Year Change	FY2021 Oct-Dec Results	Year-on- Year Change
Japan	28,942	21,191	+7,751	+36.6%	35,300	(6,358)	6,436	(4,654)
N.America	17,057	11,480	+5,576	+48.6%	10,000	+7,057	4,255	+2,079
Other	4,920	4,114	+806	+19.6%	2,700	+2,220	1,677	(158)
Eliminations or Corporate	2,159	(458)	+2,618	—	0	+2,159	1,047	+1,867
Total	53,080	36,328	+16,752	+46.1%	48,000	+5,080	13,417	(865)



(Unit: millions of yen)

	FY2021 Jan-Mar	FY2021 Apr-Jun	FY2021 Jul-Sep	FY2021 Oct-Dec	FY2021 Jan-Dec
For 55 buildings	—	—	—	—	—
For 99 buildings	—	—	—	—	—
Charges	299	242	254	193	989
Compensation costs, etc.	—	45	9	38	94
Total	299	287	264	232	1,083

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 Oct-Dec

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. 0.2 billion yen in compensation costs and charges (primarily, in payroll for the Seismic Isolation Rubber Task Force, etc.).

### From FY2022 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)

	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Jan-Jun Outlook	Year-on- Year Change	FY2022 Jul-Dec Outlook	Year-on- Year Change
Net Sales	<b>455,000</b>	393,647	+61,352	+15.6%	215,700	+29,307	239,300	+32,044
Operating Income	<b>44,500</b>	53,080	(8,580)	(16.2%)	20,100	(6,858)	24,400	(1,722)
Profit Ratio	<b>9.8%</b>	13.5%			9.3%		10.2%	
Ordinary Income	<b>44,600</b>	55,909	(11,309)	(20.2%)	20,100	(9,119)	24,500	(2,189)
Profit Attributable to Owners of Parent	<b>29,600</b>	41,350	(11,750)	(28.4%)	13,300	(7,373)	16,300	(4,377)

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

Annual dividends per share	<b>58 Yen</b>	76 Yen	(18 Yen)	–
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1 USD	<b>112 Yen</b>	110 Yen	+2 Yen
1 EUR	<b>128 Yen</b>	130 Yen	(2 Yen)

**Mid-Term '21 Plan  
Key Performance  
Indicators**
**Consolidated Operating  
Profit Ratio**

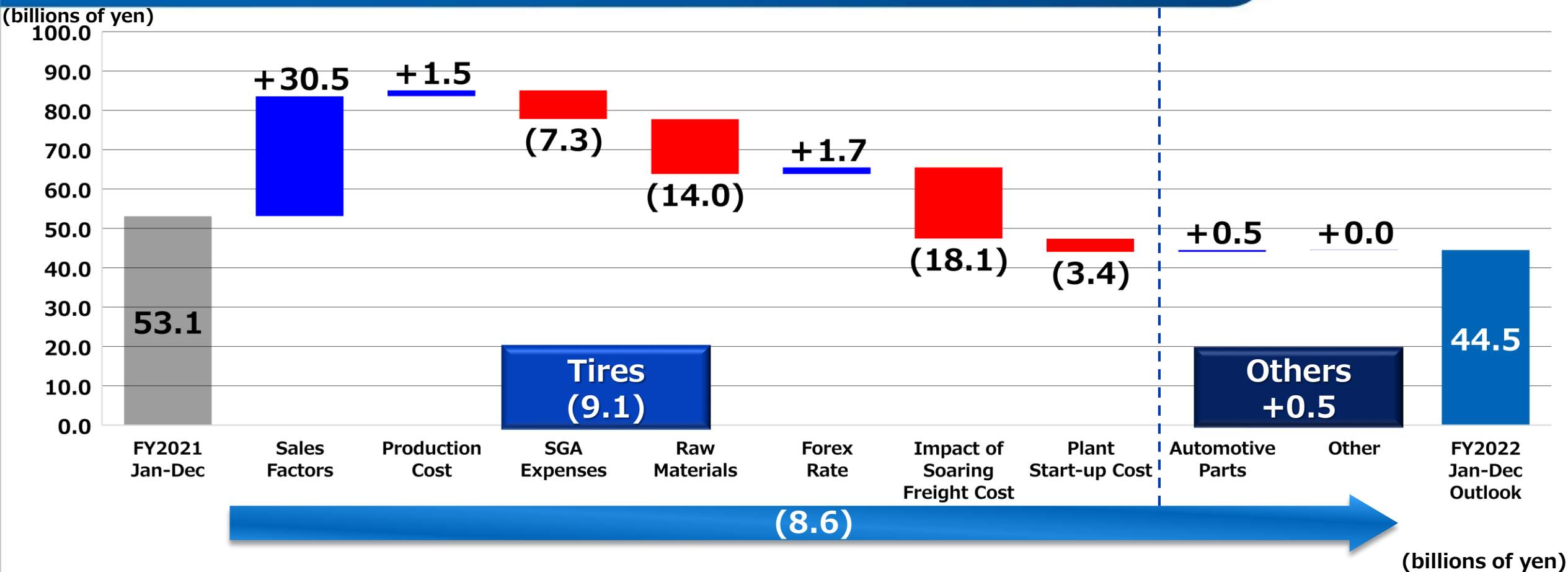
 Over **14%**
**Dividend policy**

 Dividend payout ratio  
**30%** or higher

Forex Rate Sensibility 2022	
USD	0.70 Billion Yen/Year
EUR	0.10 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

# Outlook for the Full FY2022 (Jan-Dec) Factors Contributing to Changes in Operating Income



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Impact of Soaring Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Jan-Jun Outlook	+20.1	(1.6)	(4.2)	(12.4)	+2.1	(9.5)	(1.4)	+0.0	(0.0)	(6.9)
Jul-Dec Outlook	+10.5	+3.0	(3.1)	(1.6)	(0.4)	(8.6)	(2.0)	+0.5	+0.0	(1.7)
FY2021 Jan-Dec Results	+36.1	+8.9	(4.2)	(19.0)	+5.2	(10.3)	-	+0.0	(0.0)	+16.8

## Net Sales

(Unit: millions of yen)

	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on-Year Change (%)	FY2022 Jan-Jun Outlook	Year-on-Year Change	FY2022 Jul-Dec Outlook	Year-on-Year Change
Tires	408,000	354,641	+53,358	+15.0%	192,000	+25,511	216,000	+27,847
Automotive Parts	47,000	38,979	+8,020	+20.6%	23,700	+3,815	23,300	+4,205
Other	0	79	(79)	—	0	(47)	0	(32)
Adjustments	0	(51)	+51	—	0	+28	0	+23
Total	455,000	393,647	+61,352	+15.6%	215,700	+29,307	239,300	+32,044

## Operating Income

\* Net sales include intersegment internal net sales or transfers

	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on-Year Change (%)	FY2022 Jan-Jun Outlook	Year-on-Year Change	FY2022 Jul-Dec Outlook	Year-on-Year Change
Tires	46,000	55,089	(9,089)	(16.5%)	21,000	(6,888)	25,000	(2,201)
Profit Ratio	11.3%	15.5%			10.9%		11.6%	
Automotive Parts	(1,500)	(2,008)	+508	—	(900)	+38	(600)	+469
Profit Ratio	(3.2%)	(5.2%)			(3.8%)		(2.6%)	
Other	0	14	(14)	—	0	(16)	0	+2
Adjustments	0	(15)	+15	—	0	+7	0	+8
Total	44,500	53,080	(8,580)	(16.2%)	20,100	(6,858)	24,400	(1,722)

## Net Sales

(Unit: millions of yen)

	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on-Year Change (%)
Japan	112,700	104,168	+8,531	+8.2%
N.America	276,200	229,318	+46,881	+20.4%
Other	66,100	60,161	+5,938	+9.9%
Eliminations or Corporate	—	—	—	—
<b>Total</b>	<b>455,000</b>	<b>393,647</b>	<b>+61,352</b>	<b>+15.6%</b>

FY2022 Jan-Jun Outlook	Year-on-Year Change	FY2022 Jul-Dec Results	Year-on-Year Change
48,900	+1,447	63,800	+7,084
132,600	+23,564	143,600	+23,317
34,200	+4,296	31,900	+1,642
—	—	—	—
215,700	+29,307	239,300	+32,044

\* Net sales include intersegment internal net sales or transfers

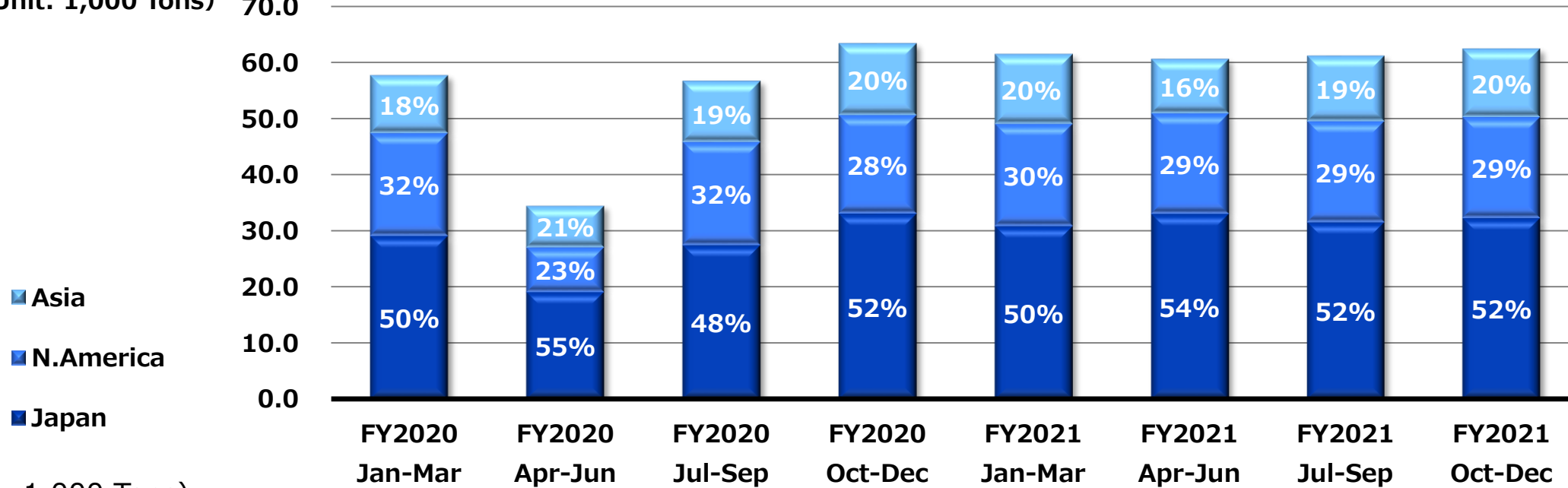
## Operating Income

	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on-Year Change (%)
Japan	30,000	28,942	+1,057	+3.7%
N.America	13,100	17,057	(3,957)	(23.2%)
Other	2,000	4,920	(2,920)	(59.3%)
Eliminations or Corporate	(600)	2,159	(2,759)	—
<b>Total</b>	<b>44,500</b>	<b>53,080</b>	<b>(8,580)</b>	<b>(16.2%)</b>

FY2022 Jan-Jun Outlook	Year-on-Year Change	FY2022 Jul-Dec Results	Year-on-Year Change
11,300	(4,445)	18,700	+5,503
6,300	(1,804)	6,800	(2,152)
1,400	(1,310)	600	(1,610)
1,100	+702	(1,700)	(3,462)
20,100	(6,858)	24,400	(1,722)

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

(Unit: 1,000 Tons)



(Unit: 1,000 Tons)

	FY2020				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
Japan	29.1	19.2	27.5	33.1	<b>108.8</b>
N.America	18.3	8.0	18.3	17.6	<b>62.2</b>
Asia	10.3	7.4	10.9	12.8	<b>41.4</b>
Total	57.7	34.5	56.7	63.4	<b>212.3</b>

FY2021				
Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
30.9	33.0	31.6	32.3	<b>127.7</b>
18.2	17.9	17.9	17.9	<b>71.9</b>
12.4	9.7	11.7	12.2	<b>46.0</b>
61.5	60.6	61.2	62.4	<b>245.7</b>

	FY2022 Jan-Dec Plan
Japan	<b>131.8</b>
N.America	<b>77.4</b>
Asia	<b>48.0</b>
Europe	<b>2.7</b>
Total	<b>259.9</b>
Year-on-Year	<b>106%</b>

Year-on-Year	94%	56%	93%	103%	<b>86%</b>
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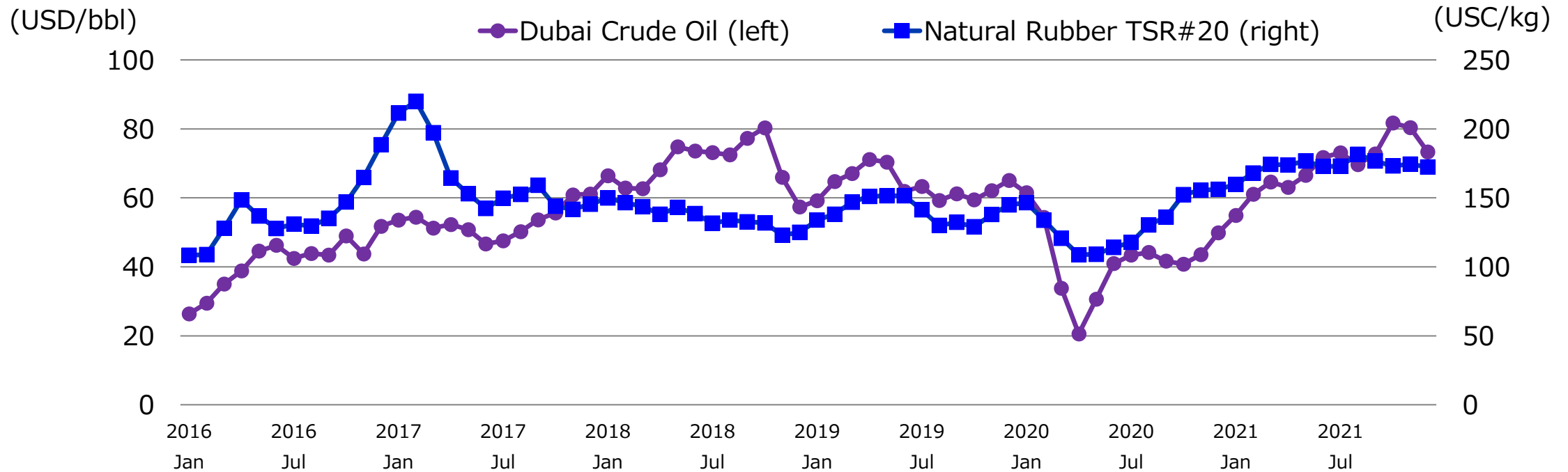
107%	176%	108%	98%	<b>116%</b>
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\* Year-on-Year when the same period of the previous year = 100

(%)

	FY2020					FY2021					FY2022 Jan-Dec Plan
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	
OE Total	82	38	81	109	<b>77</b>	103	210	76	86	<b>104</b>	<b>129</b>
RE Japan	98	89	81	115	<b>96</b>	108	105	97	103	<b>103</b>	<b>102</b>
RE Overseas	95	82	98	96	<b>93</b>	101	133	87	102	<b>103</b>	<b>102</b>
Of which N. America	88	98	104	98	<b>97</b>	125	133	93	104	<b>111</b>	<b>109</b>
Of which Europe	100	70	100	95	<b>93</b>	74	163	76	123	<b>97</b>	<b>95</b>
Of which SE Asia	103	61	97	91	<b>87</b>	76	92	46	66	<b>68</b>	<b>85</b>
Total	93	75	92	102	<b>91</b>	102	135	87	99	<b>103</b>	<b>106</b>

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

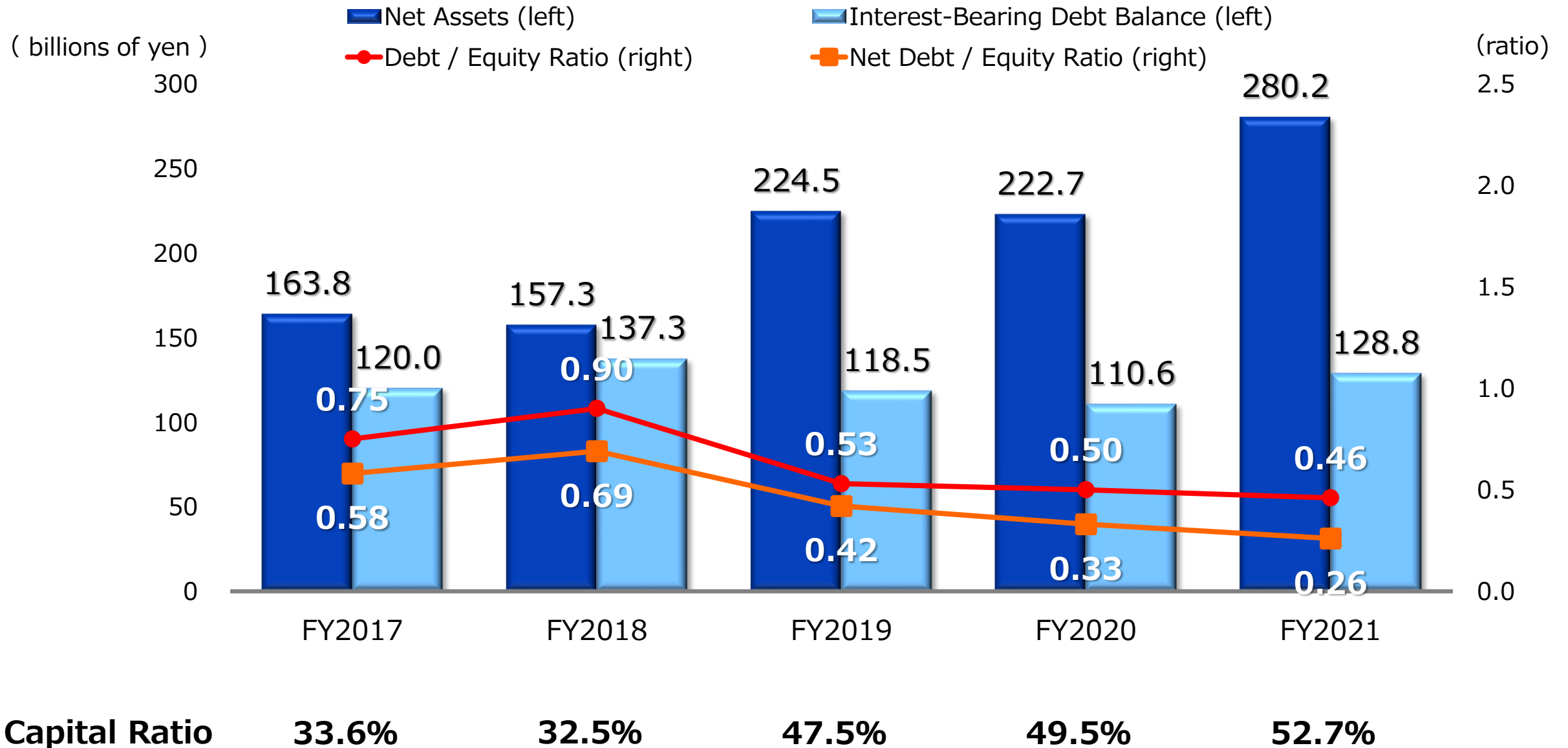


## Price Changes & Impact of Raw Materials (Operating Income Basis)

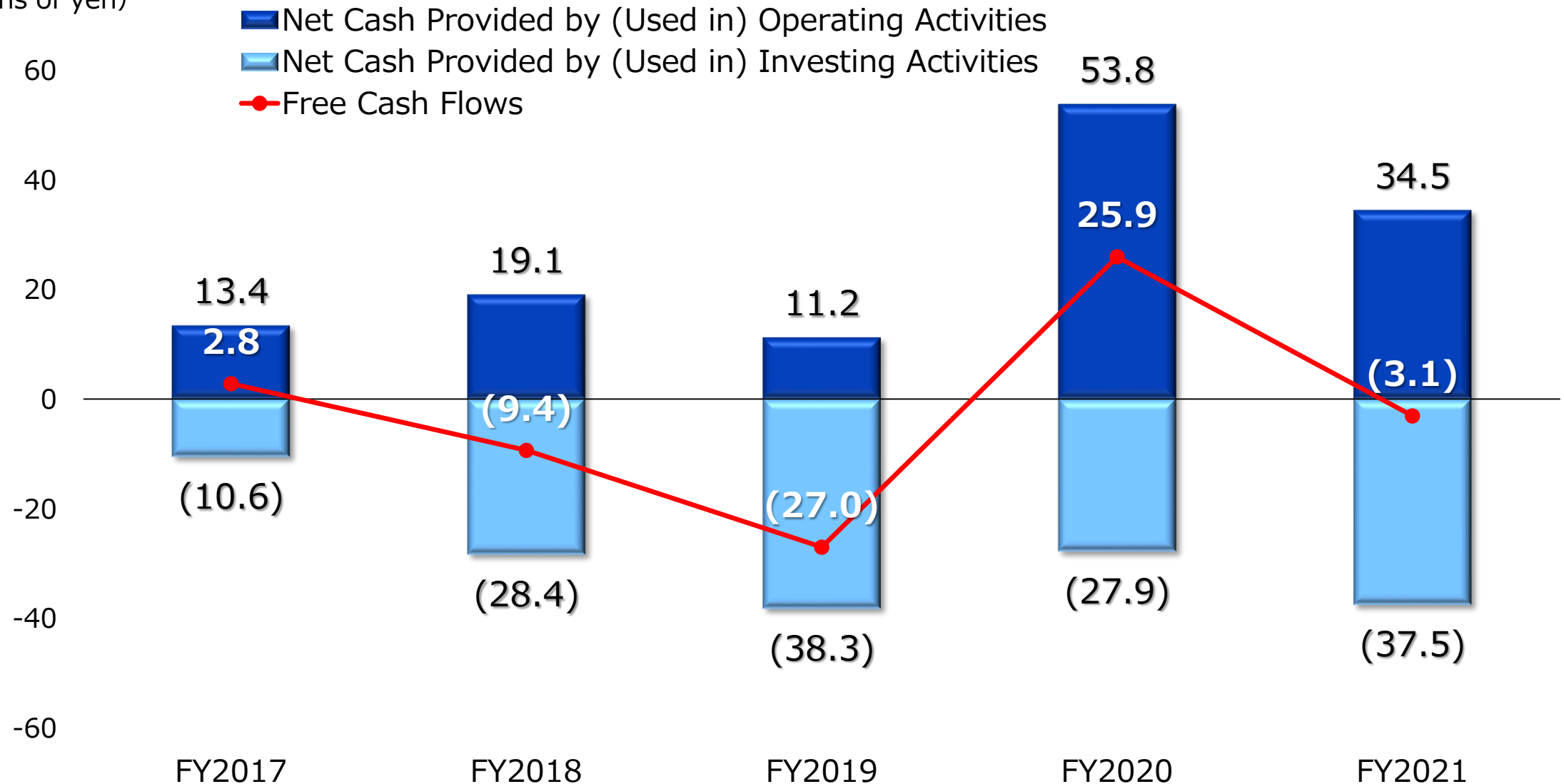
(billions of yen)

	FY2020					FY2021					FY2022 Jan-Dec Plan
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec	
Natural Rubber	(0.0)	+0.0	+0.3	+0.3	<b>+0.6</b>	(0.6)	(1.2)	(1.6)	(1.3)	<b>(4.7)</b>	<b>(1.5)</b>
Petroleum Products	+1.3	+0.9	+2.1	+1.1	<b>+5.4</b>	+0.4	(1.9)	(4.3)	(5.2)	<b>(11.0)</b>	<b>(7.4)</b>
Other Raw Materials	+0.6	+0.4	+0.5	(0.1)	<b>+1.3</b>	+0.1	(0.7)	(1.0)	(1.7)	<b>(3.3)</b>	<b>(5.1)</b>
<b>Total</b>	<b>+1.8</b>	<b>+1.4</b>	<b>+2.9</b>	<b>+1.3</b>	<b>+7.3</b>	<b>(0.2)</b>	<b>(3.7)</b>	<b>(7.0)</b>	<b>(8.1)</b>	<b>(19.0)</b>	<b>(14.0)</b>





(billions of yen)



### Change in Capital Investment

**FY2022 Plan**

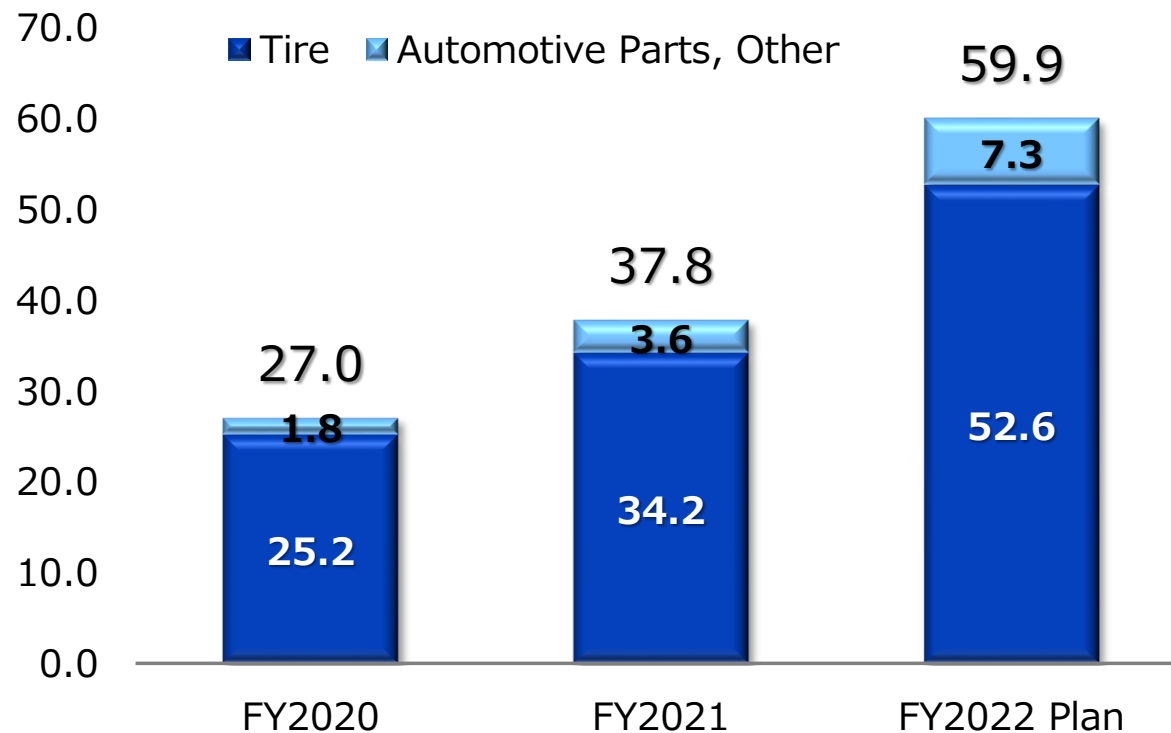
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**Capital Investment : 59.9 Billion Yen**

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Tire: 52.6B yen Automotive Parts, Other: 7.3B yen

(billions of yen)



### Change in Depreciation

**FY2022 Plan**

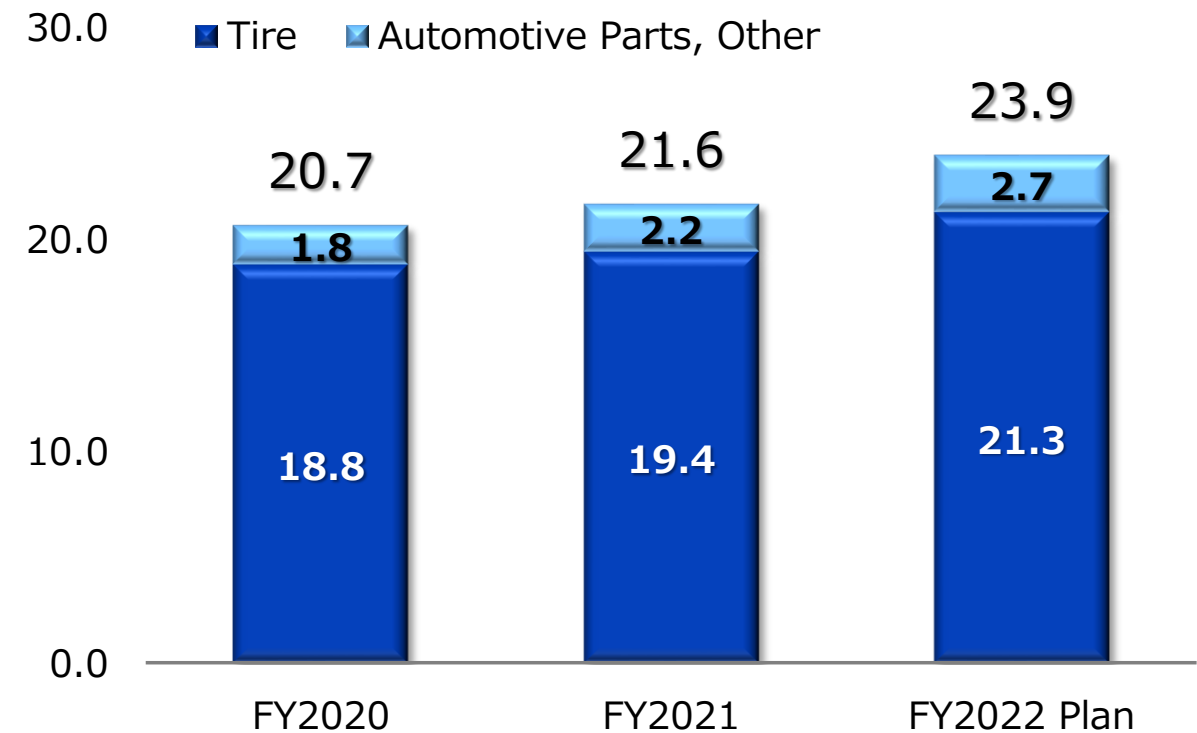
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**Depreciation : 23.9 Billion Yen**

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Tire: 21.3B yen Automotive Parts, Other: 2.7B yen

(billions of yen)



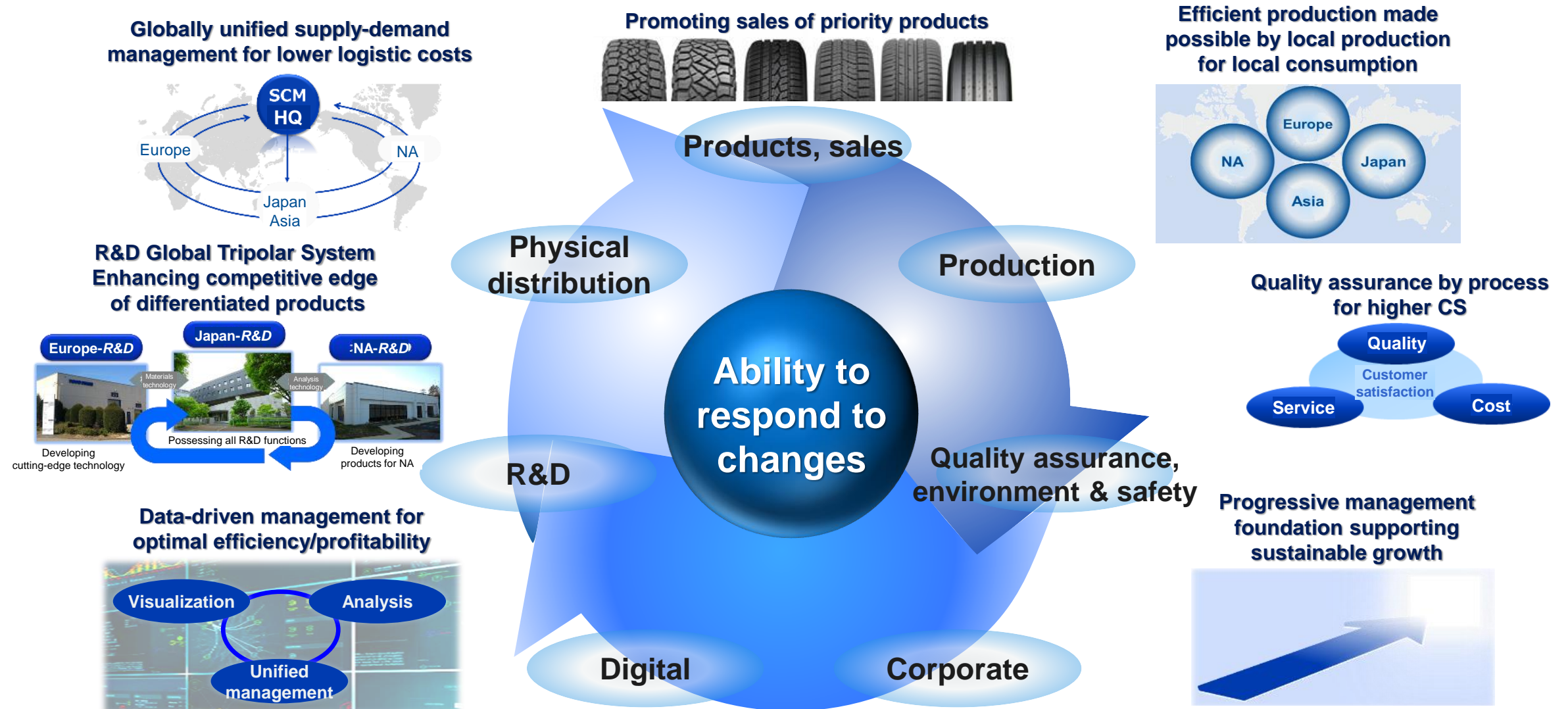
\* Inclusive of intangible assets since FY2020

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## Progress of the “Mid-Term ’21 Plan (MTP)”

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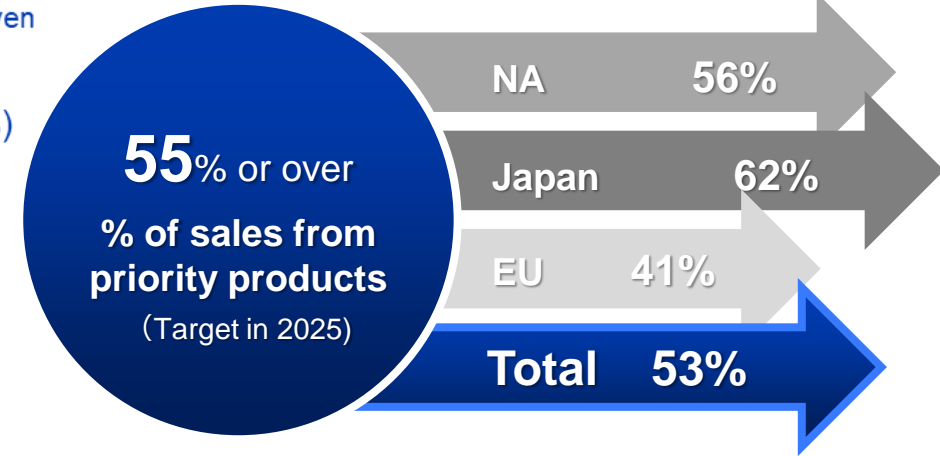
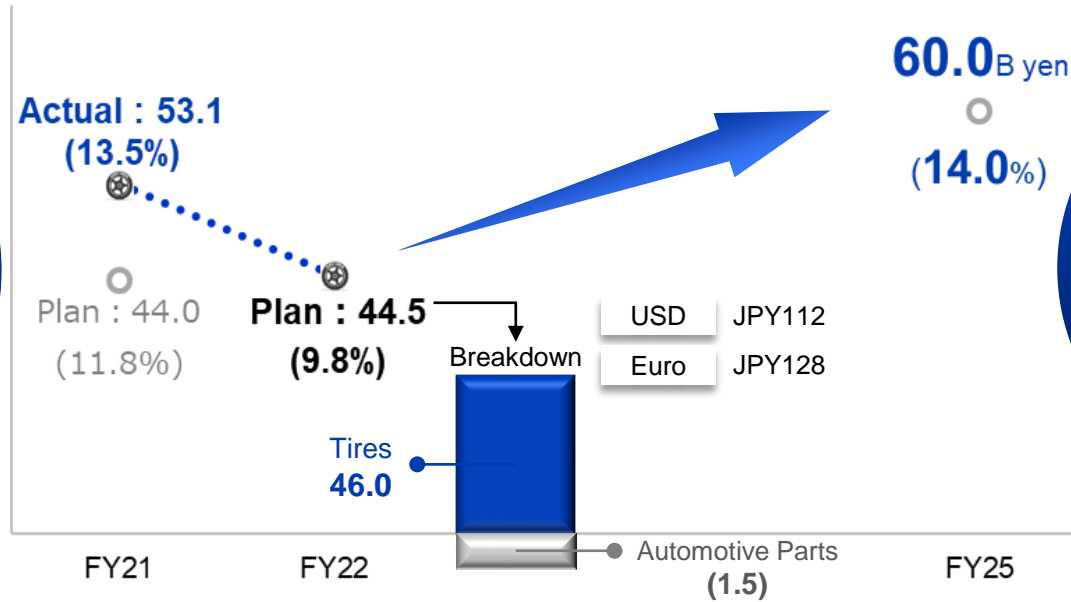
## Bolstering Ability To Promptly And Flexibly Respond Through Global Collaboration



## Flexibly responding to changes contributed to a good start in the first year

**60.0B yen**  
Consolidated Operating Income

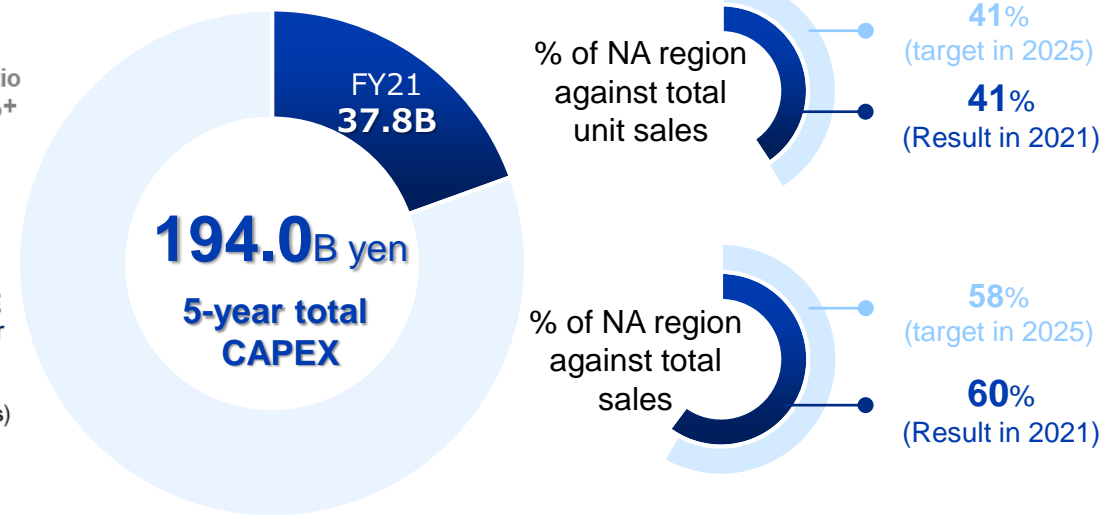
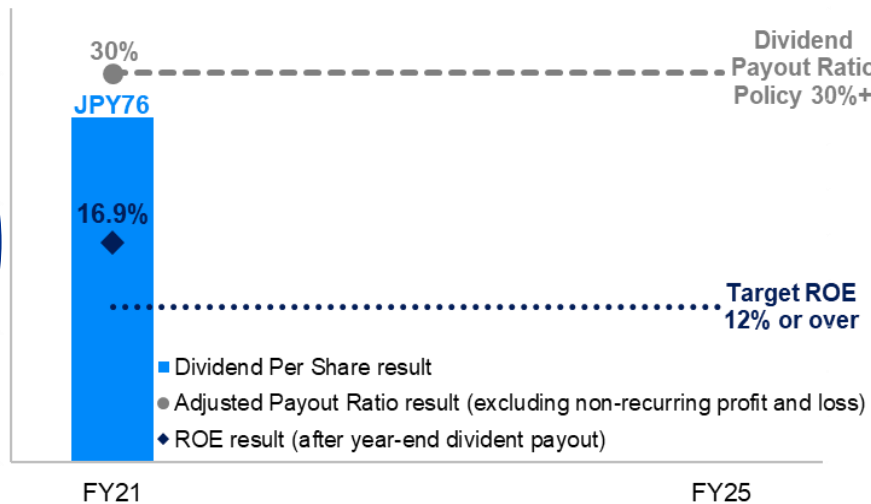
**14% or over**  
Consolidated OP Margin  
(Target in 2025)



During MTP,  
ROE

**12% or over**

**Dividend Payout Ratio**  
**30%+**



Development and continuous releases of new products to accurately stay a step ahead

Growing demand for WLTR\*  
Maintaining our dominant position



Marketing activities with a thorough focus on users  
Enhancing performance and brand power through support in off-road races

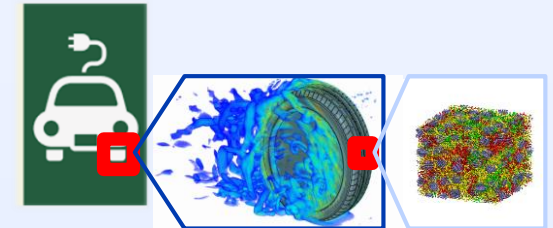
Challenging to develop the technology for electric SUVs and pick-up trucks  
Commercializing distinctive products for SUVs and CUVs



54th SCORE BAJA 1000



SEMA SHOW2021



## Europe

Launching high-performance tires through collaboration between R&D base in Japan and Europe



**PROXES Comfort**

Launched in Mar '21



**CELSIUS AS2**

Launched in Oct '21

Improving brand position through support in several races



A vehicle equipped with our tires won the Dakar Rally 2022 (Production Car Category)

## Japan

Launching highly-desirable, high performance tires



**PROXES CL1 SUV**

Launched in Jan '21



**OPEN COUNTRY A/T EX**

Launched in Mar '21

Accelerating tire sales expansion by leveraging Mitsubishi Corp's network



Optimizing sales organization and logistics network



Reorganization of sales and logistics



## Asia

Expanding "TOYO" brand sales network



TOYO family channel

Increasing sales of TOYO-branded tires leveraging the Malaysian Plant



Brand Ambassador Tengku Djan Ley

Reinforcing digital marketing



Won the Superbrands Malaysia's Choice Award

Promoting switches from SILVERSTONE to TOYO brand



## Original Equipment

### Tires

Focusing on our stronghold in SUV, EV, premium tires

Developing cutting-edge technology setting a target of EVs



### Automotive Parts

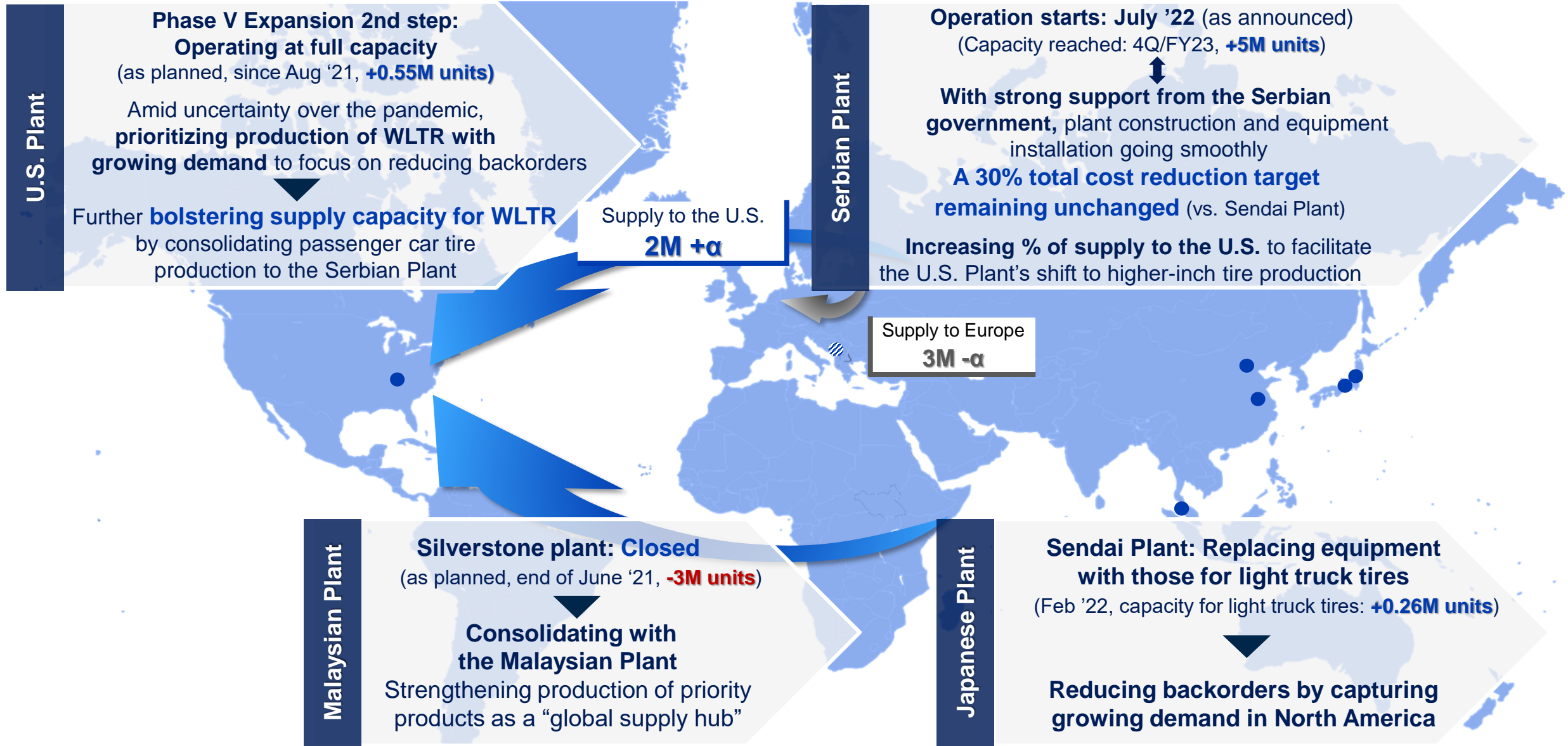
Focusing on high-value-added products

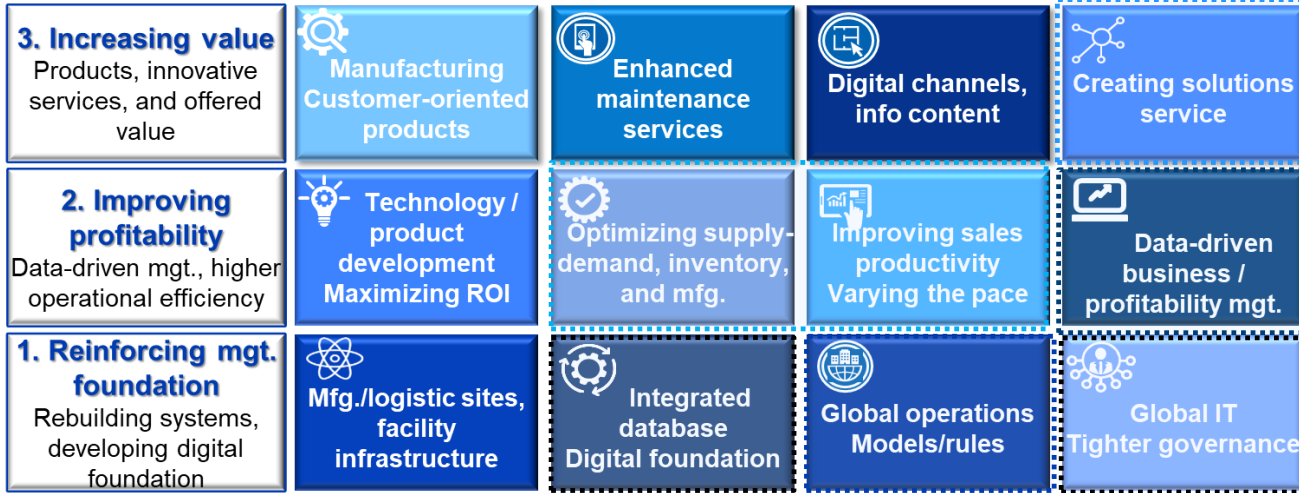


Pursuing advantages as a tire and automotive parts supplier to maximize corporate value



# Progress of MTP - Production and Supply





**Working on BPR\***  
 Rebuilding logistics system /sales organization in Japan and designing operations anew via DX  
\* Business Process Re-engineering

**New ERP\* coming online**  
 Advanced introduction to the Serbian Plant and a sales company in Canada  
 Rolling out to HQ in Japan and global sites  
\* Enterprise Resource Planning

**Developing a database**  
 Commencing the development of a database, which serves as a foundation for data-driven management

Creating solutions service

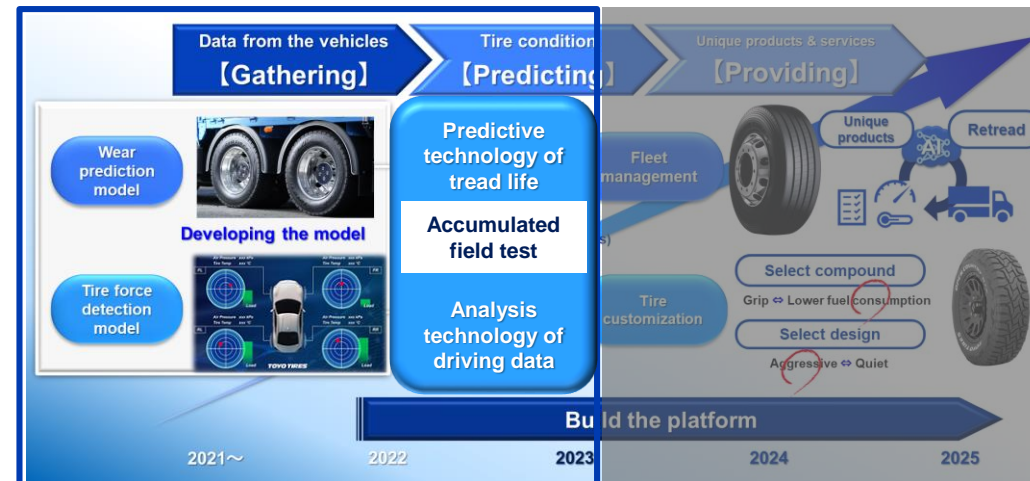
## Wear prediction model

Developed app visualizing wear prediction technology (tires for trucks/buses)

Commencing feasibility study with customers

## Tire force detection model

Conducting field tests to verify a “tire force detection model” and a “system adequate for the usage environment”



**TOYO TIRES**

# DAKAR RALLY 2022

Victory in the Production Car Category



**OPEN COUNTRY M/T-R**

***TOYO TIRES***