

(Translation of report file with Tokyo Stock Exchange on February 15, 2022)

Notice of Difference between Non-Consolidated Financial Results and Actual Results for the Previous Fiscal Year and Distribution of Surplus (Dividend Increase) for the Fiscal Year Ended December 31, 2021, and Abolition of Shareholder Special Benefit Plan

Hyogo, Japan—February 15, 2022—Toyo Tire Corporation (President & CEO: Takashi Shimizu) announced today differences between its non-consolidated business results for the fiscal year ended December 31, 2021 and the actual results for the previous fiscal year. Please also be advised that its Board of Directors, at a meeting held today, resolved to propose, as follows, the year-end dividend for the fiscal year ended December 31, 2021 to the Annual General Meeting of Shareholders to be held on March 25, 2022, as well as to abolish the shareholder special benefit plan.

1. Difference between non-consolidated results for the fiscal year ended December 31, 2021 (January 1, 2021 through December 31, 2021) and actual results for the previous fiscal year

(1) Difference between non-consolidated results and actual results for the previous fiscal year

(Units: Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Results for the previous fiscal year (ended December 31, 2020) (A)	184,998	20,289	18,374	2,204	14.32
Results for the current fiscal year (ended December 31, 2021) (B)	226,324	26,002	35,603	22,813	148.20
Amount of change (B-A)	41,326	5,172	17,229	20,608	—
Percentage change	22.3%	28.2%	93.8%	934.7%	—

(2) Reason for difference

Although the current business environment remained challenging, mainly due to soaring raw material prices and rising ocean freight rates caused by a shortage of containers, net sales, operating income, and ordinary income exceeded the previous fiscal year's figures due to strong demand for tires, especially in the North American market, a weaker yen, and the effect of cost reductions.

In addition, the amount of provision for product compensation, product compensation expenses, and loss on valuation of stocks of subsidiaries and affiliates under extraordinary loss was lower than the previous fiscal year's level. As a result, net income for the fiscal year under review exceeded the previous fiscal year's level.

## 2. Distribution of surplus (year-end dividend)

### (1) Details of year-end dividend

	Amount determined	Latest dividend forecast (Announced on November 12, 2021)	Results for the previous fiscal year (Year ended December 31, 2020)
Reference date	December 31, 2021	Same as on the left	December 31, 2020
Dividend per share (Yen)	56	25	25
Total amount of dividends (Million yen)	8,620	—	3,848
Effective date	March 28, 2022	—	March 31, 2021
Source of dividends	Retained earnings	—	Retained earnings

### (2) Reason

We consider the return of profits to our shareholders as a critical management issue, and have been paying stable dividends every fiscal year. In the future, we will continue to meet the expectations of our shareholders by linking dividends to our business performance while maintaining our financial soundness and adhering to this policy of stable dividends.

While we are considering setting a consolidated dividend payout ratio of more than 30% during the period of our medium-term management plan, “Mid-term “21 Plan” (FY2021–FY2025), we will achieve a stable and performance-linked return of profits by adjusting non-recurring and special gains and losses included in net income and linking the ratio more closely to the Company's profitability.

The Company has decided to pay a year-end dividend of 56 yen per share for the fiscal year under review. As a result, the annual dividend for the current fiscal year will be 76 yen per share (dividend payout ratio 28.3%).

This matter is scheduled to be discussed at the Annual General Meeting of Shareholders to be held on March 25, 2022.

### 3. Abolition of shareholder special benefit plan

#### (1) Reason for abolition

We have been implementing the shareholder special benefit plan to show our gratitude to our shareholders for their daily support and to increase the attractiveness of our shares so that more people will hold our shares over the medium to long term.

However, as a result of careful discussions from the perspective of a fair return of profits to our shareholders, we have decided to concentrate on returning profits through dividends and abolish the shareholder special benefit plan.

We will continue to position the return of profits to our shareholders as a critical management issue and work to enhance our corporate value, and we appreciate your understanding in this matter.

#### (2) Timing of abolition

The Company will discontinue the shareholder special benefit plan after its implementation for shareholders who hold 100 shares (one unit) or more as recorded in the Company's shareholder registry as of December 31, 2021.