

TOYO TIRES

**Consolidated Business
Performance
for the First Quarter of FY2022**

May 12, 2022

Toyo Tire Corporation

- 1 . Consolidated Business Results for the First Quarter of FY2022**
- 2 . Consolidated Business Outlook for the Cumulative Second Quarter of FY2022
- 3 . Consolidated Business Outlook for the Full FY2022

- **Sales grew smoothly in the North American market,**
supported by a return to normal operations at the U.S. Plant and buoyant demand.

- **The yen's depreciation** produced positive effects on earnings.

- **Operating income hit 16.2 billion yen, a first-quarter record.***

Net income amounted to 17.8 billion yen, a quarterly record.**

* Previous record first quarter operating income : 12.7 billion yen (FY2021)

* Previous record quarterly operating income : 18.5 billion yen (third quarter of FY2015)

**Previous record quarterly net income : 12.5 billion yen (fourth quarter of FY2021)

- **Upward revision of FY2022 operating income outlook**

from 44.5 billion yen to 50 billion yen

Upward revision of FY2022 net income outlook

from 29.6 billion yen to 38.5 billion yen based on the first quarter results and the latest outlook

- Per-share dividend forecasts **were revised up**

from 26 yen to 30 yen for interim payments, from 32 yen to 40 yen for year-end payments,
and from 58 yen to 70 yen for annual payments.

Consolidated Business Results for the First Quarter of FY2022 (Jan-Mar)



(Unit: Millions of Yen)

	FY2022 Jan-Mar Results	FY2021 Jan-Mar Results	Year-on- Year Change	Year-on- Year Change (%)
Net Sales	101,773	87,744	+ 14,028	+ 16.0%
Operating Income	16,172	12,702	+ 3,470	+ 27.3%
Profit Ratio	15.9%	14.5%	—	—
Ordinary Income	20,529	16,007	+ 4,522	+ 28.3%
Profit Attributable to Owners of Parent	17,797	12,153	+ 5,644	+ 46.4%

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

1 USD	115 Yen	105 Yen	+ 10 Yen
1 EUR	129 Yen	128 Yen	+ 1 Yen

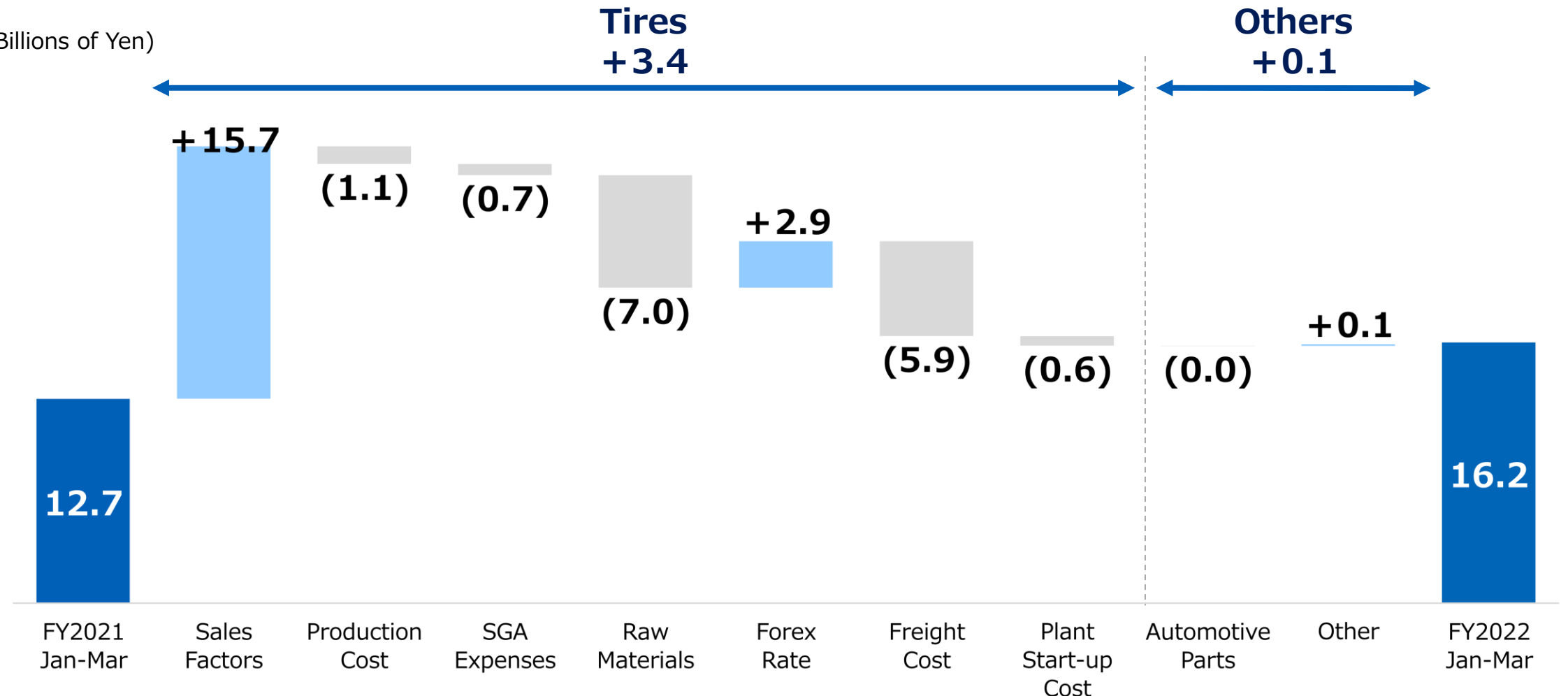
Forex Rate Sensitivity 2022

USD	0.7 Billion Yen/Year
EUR	0.1 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

Factors Contributing to Changes in Operating Income for the First Quarter of FY2022 (Jan-Mar)

(Unit: Billions of Yen)



FY2020 Oct-Dec	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	FY2021 Oct-Dec
14.3	+12.6	+0.2	(1.4)	(8.1)	+2.9	(6.6)	-	(0.5)	(0.0)	13.4

Consolidated Business Results by Business Segment for the First Quarter of FY2022 (Jan-Mar)

TOYO TIRES

(Unit: Millions of Yen)

Net Sales

	FY2022 Jan-Mar Results	FY2021 Jan-Mar Results	Year-on- Year Change	Year-on- Year Change (%)
Tires	91,600	77,741	+13,858	+17.8%
Automotive Parts	10,168	9,992	+176	+1.8%
Other	15	27	(11)	(44.4%)
Adjustments	(11)	(16)	+5	–
Total	101,773	87,744	+14,028	+16.0%

*Net sales include intersegment internal net sales or transfers

Operating Income

	FY2022 Jan-Mar Results	FY2021 Jan-Mar Results	Year-on- Year Change	Year-on- Year Change (%)
Tires	16,671	13,191	+3,480	+26.4%
Profit Ratio	18.2%	17.0%	–	–
Automotive Parts	(494)	(479)	(14)	–
Profit Ratio	(4.9%)	(4.8%)	–	–
Other	(2)	(3)	+1	–
Adjustments	(1)	(5)	+3	–
Total	16,172	12,702	+3,470	+27.3%

*Segment profit adjustment amounts include intersegment eliminations

Consolidated Business Results by Geographic Area Segment for the First Quarter of FY2022 (Jan-Mar)

TOYO TIRES

(Unit: Millions of Yen)

Net Sales	FY2022 Jan-Mar Results	FY2021 Jan-Mar Results	Year-on- Year Change	Year-on- Year Change (%)
Japan	23,156	23,825	(668)	(2.8%)
N.America	63,045	48,836	+14,208	+29.1%
Other	15,572	15,082	+489	+3.2%
Eliminations or Adjustments	—	—	—	—
Total	101,773	87,744	+14,028	+16.0%

*Net sales include intersegment internal net sales or transfers

Operating Income	FY2022 Jan-Mar Results	FY2021 Jan-Mar Results	Year-on- Year Change	Year-on- Year Change (%)
Japan	6,945	7,710	(765)	(9.9%)
N.America	5,339	3,505	+1,833	+52.3%
Other	1,700	1,564	+135	+8.7%
Eliminations or Adjustments	2,187	(78)	+2,265	—
Total	16,172	12,702	+3,470	+27.3%

- 1 . Consolidated Business Results for the First Quarter of FY2022
- 2 . Consolidated Business Outlook for the Cumulative Second Quarter of FY2022**
- 3 . Consolidated Business Outlook for the Full FY2022

Consolidated Business Outlook for the Cumulative Second Quarter of FY2022 (Jan-Jun)



(Unit: Millions of Yen)

	FY2022 Jan-Jun Outlook	FY2021 Jan-Jun Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Jun	Change from Previous Outlook	FY2022 Apr-Jun Outlook	Year-on- Year Change
Net Sales	219,000	186,392	+32,607	+17.5%	215,700	+3,300	117,226	+18,578
Operating Income	26,500	26,958	(458)	(1.7%)	20,100	+6,400	10,327	(3,928)
Profit Ratio	12.1%	14.5%	–	–	9.3%	–	8.8%	–
Ordinary Income	30,000	29,219	+780	+2.7%	20,100	+9,900	9,470	(3,742)
Profit Attributable to Owners of Parent	24,000	20,673	+3,326	+16.1%	13,300	+10,700	6,202	(2,318)

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

Interim Dividends per Share	30 Yen	20 Yen	+10 Yen	–
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1 USD	120 Yen	107 Yen	+13 Yen
1 EUR	133 Yen	130 Yen	+3 Yen

Forex Rate Sensitivity 2022

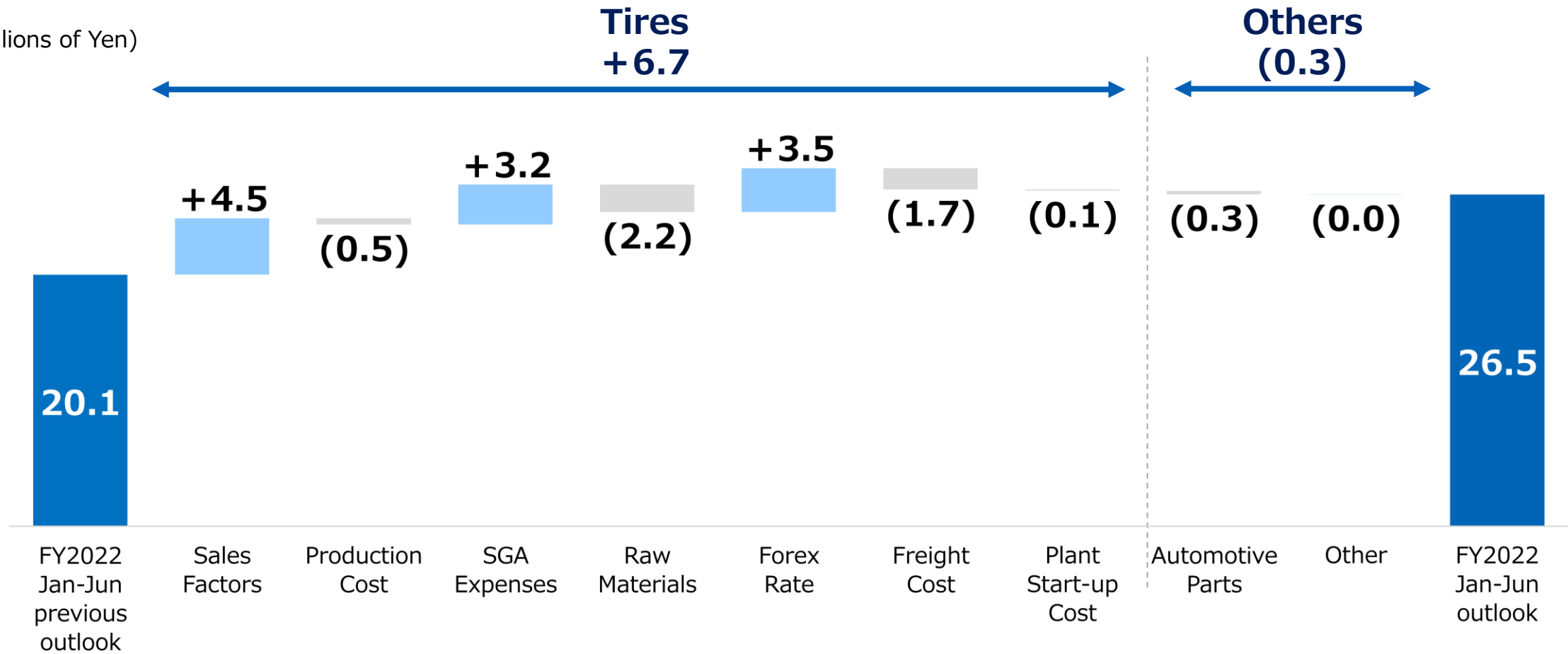
USD	0.7 Billion Yen/Year
EUR	0.1 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

Outlook for the Cumulative Second Quarter of FY2022 (Jan-Jun) Factors Contributing to Changes in Operating Income



(Unit: Billions of Yen)



	FY2021 Jan-Jun	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	FY2022 Jan-Jun Outlook
Outlook	27.0	+24.5	(2.0)	(1.0)	(14.6)	+5.6	(11.2)	(1.5)	(0.3)	(0.0)	26.5
Previous outlook		+20.1	(1.6)	(4.2)	(12.4)	+2.1	(9.5)	(1.4)	+0.0	(0.0)	20.1

Consolidated Business Outlook by Business Segment for the Cumulative Second Quarter of FY2022 (Jan-Jun)

(Unit: Millions of Yen)

Net Sales	FY2022 Jan-Jun Outlook	FY2021 Jan-Jun Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Jun	Change from Previous Outlook	FY2022 Apr-Jun Outlook	Year-on- Year Change
Tires	198,000	166,488	+31,511	+18.9%	192,000	+6,000	106,399	+17,652
Automotive Parts	21,000	19,884	+1,115	+5.6%	23,700	(2,700)	10,831	+938
Other	0	47	(47)	-	0	0	(4)	(23)
Adjustments	0	(28)	+28	-	0	0	0	+11
Total	219,000	186,392	+32,607	+17.5%	215,700	+3,300	117,226	+18,578

*Net sales include intersegment internal net sales or transfers

Operating Income	FY2022 Jan-Jun Outlook	FY2021 Jan-Jun Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Jun	Change from Previous Outlook	FY2022 Apr-Jun Outlook	Year-on- Year Change
Tires	27,700	27,888	(188)	(0.7%)	21,000	+6,700	11,027	(3,669)
Profit Ratio	14.0%	16.8%	-	-	10.9%	-	10.4%	-
Automotive Parts	(1,200)	(938)	(261)	-	(900)	(300)	(705)	(246)
Profit Ratio	(5.7%)	(4.7%)	-	-	(3.8%)	-	(6.5%)	-
Other	0	16	(16)	-	0	0	5	(15)
Adjustments	0	(7)	+7	-	0	0	0	+2
Total	26,500	26,958	(458)	(1.7%)	20,100	+6,400	10,327	(3,928)

*Segment profit adjustment amounts include intersegment eliminations

Consolidated Business Outlook by Geographic Area Segment for the Cumulative Second Quarter of FY2022 (Jan-Jun)

(Unit: Millions of Yen)

Net Sales	FY2022 Jan-Jun Outlook	FY2021 Jan-Jun Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Jun	Change from Previous Outlook	FY2022 Apr-Jun Outlook	Year-on- Year Change
Japan	48,500	47,452	+1,047	+2.2%	48,900	(400)	25,343	+1,715
N.America	139,800	109,035	+30,764	+28.2%	132,600	+7,200	76,754	+16,555
Other	30,700	29,903	+796	+2.7%	34,200	(3,500)	15,127	+307
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	219,000	186,392	+32,607	+17.5%	215,700	+3,300	117,226	+18,578

*Net sales include intersegment internal net sales or transfers

Operating Income	FY2022 Jan-Jun Outlook	FY2021 Jan-Jun Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Jun	Change from Previous Outlook	FY2022 Apr-Jun Outlook	Year-on- Year Change
Japan	15,200	15,745	(545)	(3.5%)	11,300	+3,900	8,255	+220
N.America	9,100	8,104	+995	+12.3%	6,300	+2,800	3,761	(838)
Other	1,500	2,710	(1,210)	(44.6%)	1,400	+100	(200)	(1,345)
Eliminations or Adjustments	700	397	+302	+76.3%	1,100	(400)	(1,487)	(1,963)
Total	26,500	26,958	(458)	(1.7%)	20,100	+6,400	10,327	(3,928)

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Consolidated Business Outlook for the Full FY2022 (Jan-Dec)



(Unit: Millions of Yen)

	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Dec	Change from Previous Outlook	FY2022 Jul-Dec Outlook	Year-on- Year Change
Net Sales	485,000	393,647	+91,352	+23.2%	455,000	+30,000	266,000	+58,744
Operating Income	50,000	53,080	(3,080)	(5.8%)	44,500	+5,500	23,500	(2,622)
Profit Ratio	10.3%	13.5%	—	—	9.8%	—	8.8%	—
Ordinary Income	53,000	55,909	(2,909)	(5.2%)	44,600	+8,400	23,000	(3,689)
Profit Attributable to Owners of Parent	38,500	41,350	(2,850)	(6.9%)	29,600	+8,900	14,500	(6,177)

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

Annual Dividends per Share	70 Yen	76 Yen	(6 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

Forex Rate Sensitivity 2022

1 USD	122 Yen	110 Yen	+12 Yen
1 EUR	134 Yen	130 Yen	+4 Yen

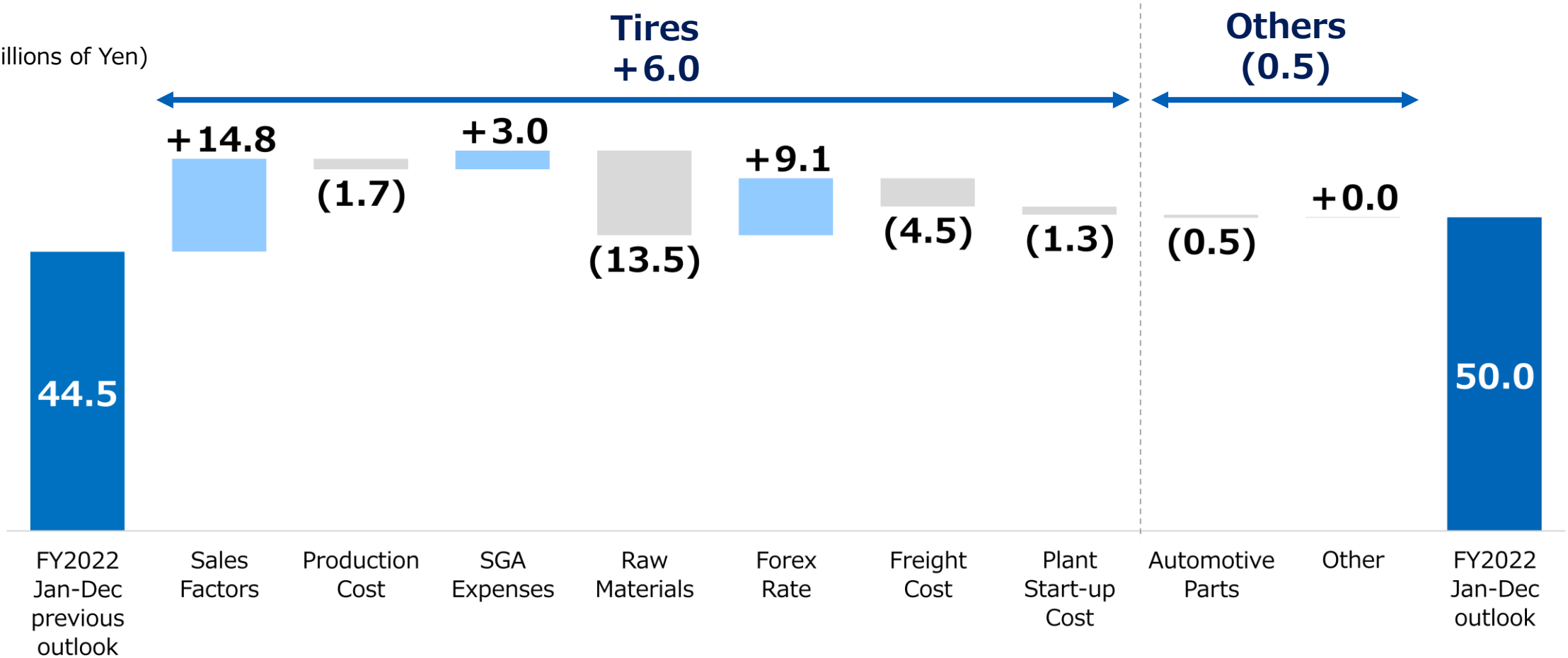
USD	0.7 Billion Yen/Year
EUR	0.1 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

13/24

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

(Unit: Billions of Yen)



	FY2021 Jan-Dec	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	FY2022 Jan-Dec Outlook
Outlook	53.1	+45.4	(0.2)	(4.3)	(27.5)	+10.8	(22.6)	(4.6)	+0.0	+0.0	50.0
Previous outlook		+30.5	+1.5	(7.3)	(14.0)	+1.7	(18.1)	(3.4)	+0.5	+0.0	44.5

Consolidated Business Outlook by Business Segment for the Full FY2022 (Jan-Dec)

(Unit: Millions of Yen)

Net Sales	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Dec	Change from Previous Outlook	FY2022 Jul-Dec Outlook	Year-on- Year Change
Tires	440,000	354,641	+85,358	+24.1%	408,000	+32,000	242,000	+53,847
Automotive Parts	45,000	38,979	+6,020	+15.4%	47,000	(2,000)	24,000	+4,905
Other	0	79	(79)	—	0	0	0	(32)
Adjustments	0	(51)	+51	—	0	0	0	+23
Total	485,000	393,647	+91,352	+23.2%	455,000	+30,000	266,000	+58,744

*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 (%)	FY2022 Previous outlook for Jan-Dec	Change from Previous Outlook	FY2022 Jul-Dec Outlook	Year-on- Year Change
Tires	52,000	55,089	(3,089)	(5.6%)	46,000	+6,000	24,300	(2,901)
Profit Ratio	11.8%	15.5%	—	—	11.3%	—	10.0%	—
Automotive Parts	(2,000)	(2,008)	+8	—	(1,500)	(500)	(800)	+269
Profit Ratio	(4.4%)	(5.2%)	—	—	(3.2%)	—	(3.3%)	—
Other	0	14	(14)	—	0	0	0	+2
Adjustments	0	(15)	+15	—	0	0	0	+8
Total	50,000	53,080	(3,080)	(5.8%)	44,500	+5,500	23,500	(2,622)

*Segment profit adjustment amounts include intersegment eliminations

Consolidated Business Outlook by Geographic Area Segment for the Full FY2022 (Jan-Dec)

(Unit: Millions of Yen)

Net Sales	FY2022 Jan-Dec Outlook	FY2021 Jan-Dec Results	Year-on- Year Change	Year-on- Year Change (%)	FY2022 Previous outlook for Jan-Dec	Change from Previous Outlook	FY2022 Jul-Dec Outlook	Year-on- Year Change
Japan	116,500	104,168	+12,331	+11.8%	112,700	+3,800	68,000	+11,284
N.America	305,800	229,318	+76,481	+33.4%	276,200	+29,600	166,000	+45,717
Other	62,700	60,161	+2,538	+4.2%	66,100	(3,400)	32,000	+1,742
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	485,000	393,647	+91,352	+23.2%	455,000	+30,000	266,000	+58,744

*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 (%)	FY2022 Previous outlook for Jan-Dec	Change from Previous Outlook	FY2022 Jul-Dec Outlook	Year-on- Year Change
Japan	32,200	28,942	+3,257	+11.3%	30,000	+2,200	17,000	+3,803
N.America	19,500	17,057	+2,442	+14.3%	13,100	+6,400	10,400	+1,447
Other	(900)	4,920	(5,820)	—	2,000	(2,900)	(2,400)	(4,610)
Eliminations or Adjustments	(800)	2,159	(2,959)	—	(600)	(200)	(1,500)	(3,262)
Total	50,000	53,080	(3,080)	(5.8%)	44,500	+5,500	23,500	(2,622)

Production and Sales Trends in the U.S. Market



Production using A.T.O.M method

Aggressive design and Durability = High quality

Product lineup reflecting customer needs



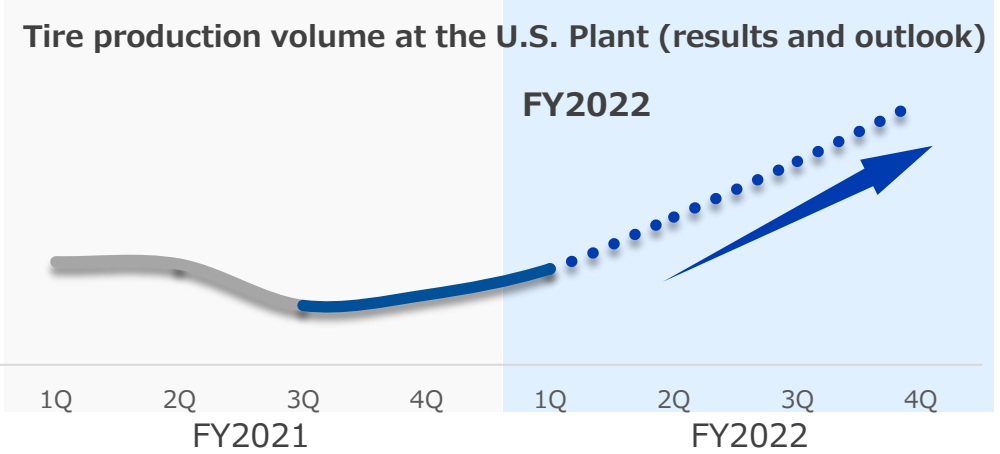
NOMAD GRAPPLER CELSIUS Sport



High operation rates maintained at the North American plant thanks to employment of an adequate number of workers

Back orders to be eliminated at an early time through continued full-capacity operations at WLTR* production facilities, including facilities added under the Phase V Step 2 expansion plan

※...Wide Light Truck Tires



2018

Following the review of business terms with local dealers exclusively selling TOYO brand tires in limited areas,

we approached several national dealers to expand TOYO brand sales, resulting in increased stores selling TOYO brand products across the United States.

About 5,500 stores

TOYO TIRES

From 2019

After promoting TOYO brand products to dealers wanting to "sell" them and users wanting to "buy" them, the number of retail stores selling TOYO brand products in the United States jumped 7 times across the United States.

5th place in 2021 sales ranking in the North American market

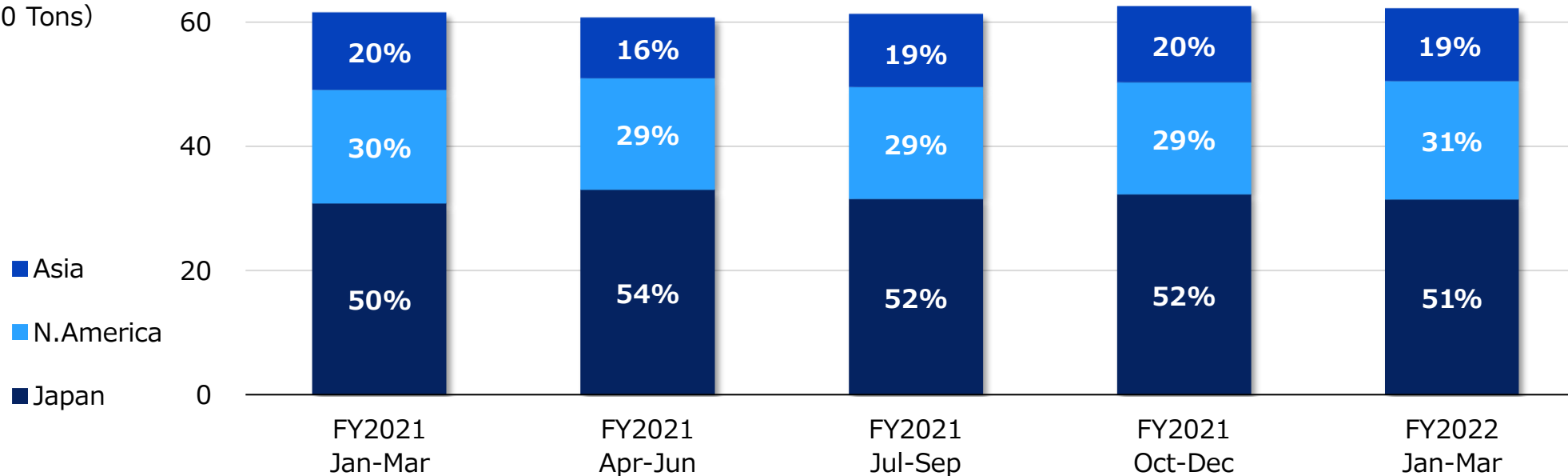
About 40,000 stores

NITTO

Resilient customer base with downward resistance established on the leverage of product power, brand power and marketing power, all of them not entailing capital expenditure

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

(Unit: 1,000 Tons)



	FY2021					FY2022 Jan-Mar Results	FY2022 Jan-Jun Outlook	FY2022 Jan-Dec Outlook	FY2022 Previous outlook for Jan-Dec
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec				
Japan	30.9	33.0	31.6	32.3	127.7	31.5	63.9	129.7	131.8
N.America	18.2	17.9	17.9	17.9	71.9	19.0	38.8	79.9	77.4
Asia	12.4	9.7	11.7	12.2	46.0	11.7	23.5	48.3	48.0
Europe	—	—	—	—	—	—	—	2.7	2.7
Total	61.5	60.6	61.2	62.4	245.7	62.1	126.1	260.6	259.9
Year-on-Year	107%	176%	108%	98%	116%	101%	103%	106%	106%

(%)

	FY2021					FY2022 Jan-Mar Results	FY2022 Jan-Dec Outlook	FY2022 Previous outlook for Jan-Dec
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec			
OE Total	103	210	76	86	104	87	120	129
RE Japan	108	105	97	103	103	102	104	102
RE Overseas	101	133	87	102	103	95	98	102
Of which N.America	125	133	93	104	111	107	111	109
Of which Europe	74	163	76	123	97	81	74	95
Of which SE Asia	76	92	46	66	68	78	81	85
Total	102	135	87	99	103	95	102	106



TRANPATH MP7

(Launched in January 2022)

- **Minivan tires** that ensure stable driving even on rainy days
- Long-lasting tire equipped with an anti-wobbling system—which are the basic functions of minivan tires completed after years of development—and with a **wear-resistant function and an increased* grip on rain-wet surfaces**
* compared with previous Toyo models

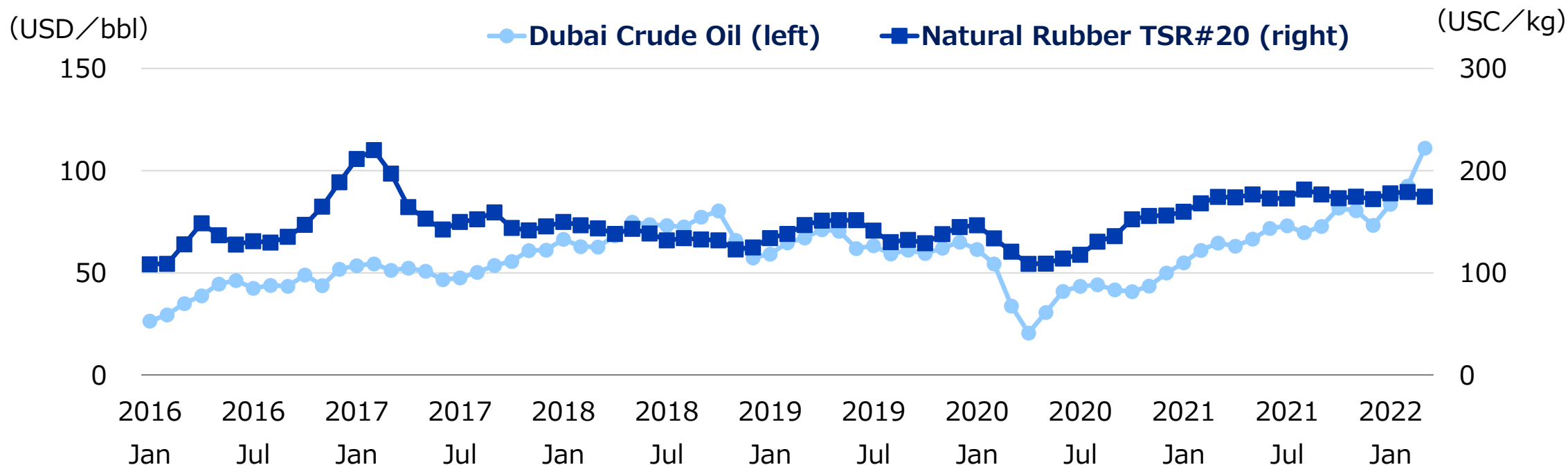


PROXES TR1

(Launched in May 2022)

- **Sports tire characterized by aggressive design and strong traction**
- Good for city driving as well as sports driving on winding roads, and fitted to dressed-up and customized cars as well
- Stylish and aggressive, asymmetrically-designed tread patterns adopted to also emphasize its design excellence

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)

	FY2021					FY2022 Jan-Mar Results	FY2022 Jan-Dec Outlook	FY2022 Previous outlook for Jan-Dec
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec			
Natural Rubber	(0.6)	(1.2)	(1.6)	(1.3)	(4.7)	(0.1)	(0.7)	(1.5)
Petroleum Products	+0.4	(1.9)	(4.3)	(5.2)	(11.0)	(3.9)	(16.9)	(7.4)
Other Raw Materials	+0.1	(0.7)	(1.0)	(1.7)	(3.3)	(3.0)	(9.9)	(5.1)
Total	(0.2)	(3.7)	(7.0)	(8.1)	(19.0)	(7.0)	(27.5)	(14.0)

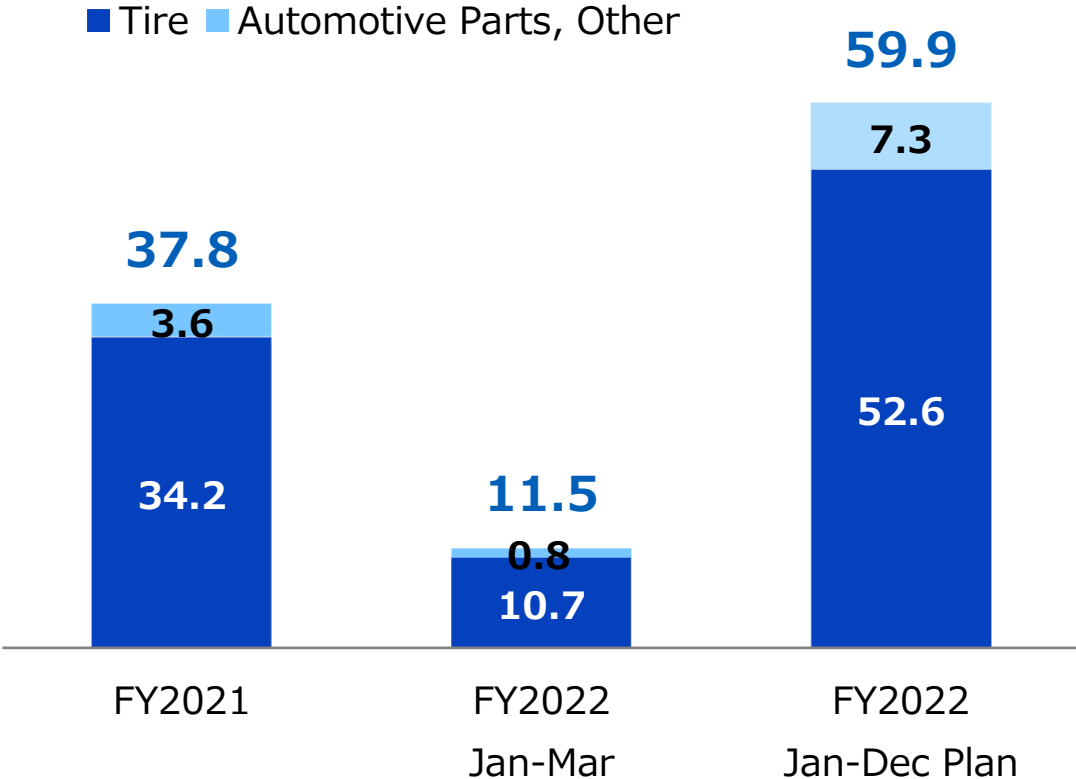
Change in Capital Investment

FY2022 Plan

Capital Investment : 59.9 Billion Yen

Execution rate as of the first quarter = **19.2%**
 (Tire : 20.3% Automotive Parts, Other : 11.6%)

(Unit: Billions of Yen)



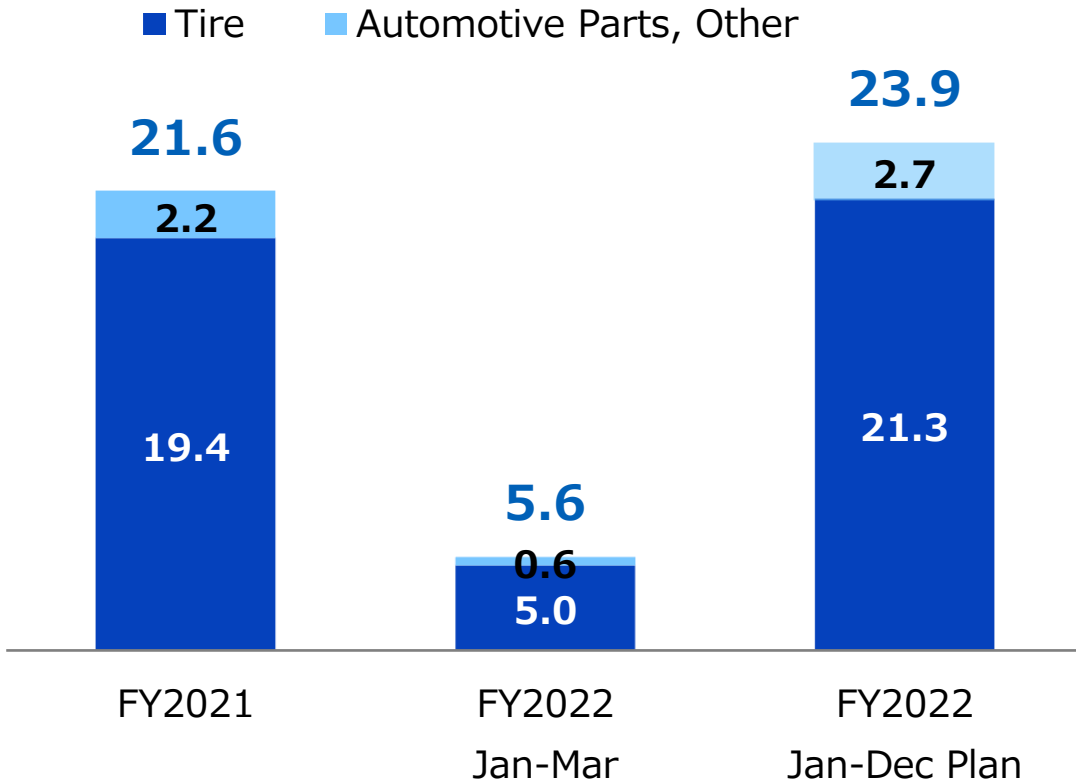
Change in Depreciation

FY2022 Plan

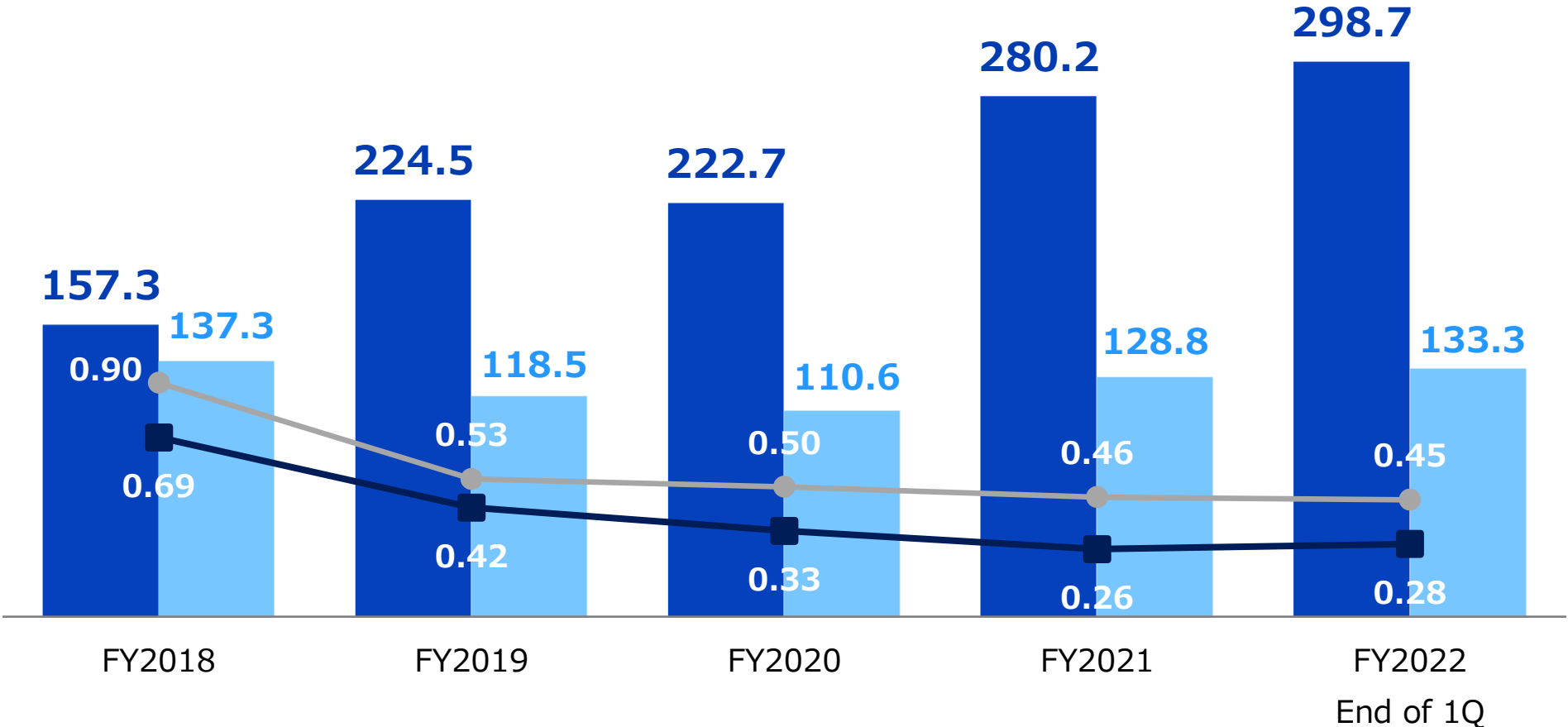
Depreciation : 23.9 Billion Yen

Execution rate as of the first quarter = **23.3%**
 (Tire : 23.4% Automotive Parts, Other : 22.0%)

(Unit: Billions of Yen)



■ Net Assets (billions of yen)
 ■ Interest-Bearing Debt Balance (billions of yen)
 ● Debt / Equity Ratio (ratio)
 ■ Net Debt / Equity Ratio (ratio)



Capital Ratio **32.5%** **47.5%** **49.5%** **52.7%** **54.3%**

(Unit: Millions of Yen)

	FY2022 Jan-Mar	FY2015 Full-Year Results	FY2016 Full-Year Results	FY2017 Full-Year Results	FY2018 Full-Year Results	FY2019 Full-Year Results	FY2020 Full-Year Results	FY2021 Full-Year Results
For 55 buildings	—	23,063	17,034	608	8,794	—	568	—
For 99 buildings	—	7,386	35,068	12,281	2,360	—	1,698	—
Charges	136	12,104	10,418	3,156	4,858	3,365	3,507	989
Compensation costs, etc.	—	4,119	4,260	2,590	1,516	645	1,406	94
Total	136	46,674	66,781	18,637	17,529	4,010	7,178	1,083

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

Breakdown of Calculation

FY2022 Jan-Mar

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

FY2022 From April 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.

TOYO TIRES

2022 SCORE SAN FELIPE 250

Victory in the Trophy Truck Spec Class



OPEN COUNTRY M/T-R

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.