

TOYO TIRES

**Consolidated Business
Performance
for the FY2022**

February 14, 2023

Toyo Tire Corporation

1. Financial Results for FY2022

2. Financial Forecast for FY2023

- Full-year operating income **outperformed the forecast** to reach **44.0 billion yen** (announced in November 2022) as raw materials costs were below expectations.
- Full-year ordinary income was **below the forecast at 51.0 billion yen** due to the recording of non-operating foreign exchange loss in the 4th quarter following the rapid appreciation of the yen.
- Profit attributable to owners of parent was **below the forecast at 48.0 billion yen**, but the dividend per share **remains unchanged at 80 yen for annual payments**.
- Net sales and operating income for FY2023 are **forecasted to increase**, with net sales of **540.0 billion yen** and operating income of **50.0 billion yen**.

Financial Results for FY2022 (Jan-Dec)



(Unit: Millions of Yen)

	2022 Results	2021 Results	Change	Change (%)	2022 Forecast	Change	2022 Oct-Dec Results	Change (YoY)
Net Sales	497,213	393,647	+103,565	+26.3%	500,000	(2,786)	146,783	+35,943
Operating Income	44,046	53,080	(9,034)	(17.0%)	40,000	+4,046	12,654	(762)
Margin	8.9%	13.5%	–	–	8.0%	–	8.6%	–
Ordinary Income	51,035	55,909	(4,874)	(8.7%)	53,000	(1,964)	5,747	(8,380)
Profit Attributable to Owners of Parent (※)	47,956	41,350	+6,606	+16.0%	50,000	(2,043)	3,188	(9,295)

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

Annual Dividends per Share	80 Yen	76 Yen	+4 yen
USD	131 Yen	110 Yen	+21 Yen
EUR	137 Yen	130 Yen	+7 Yen

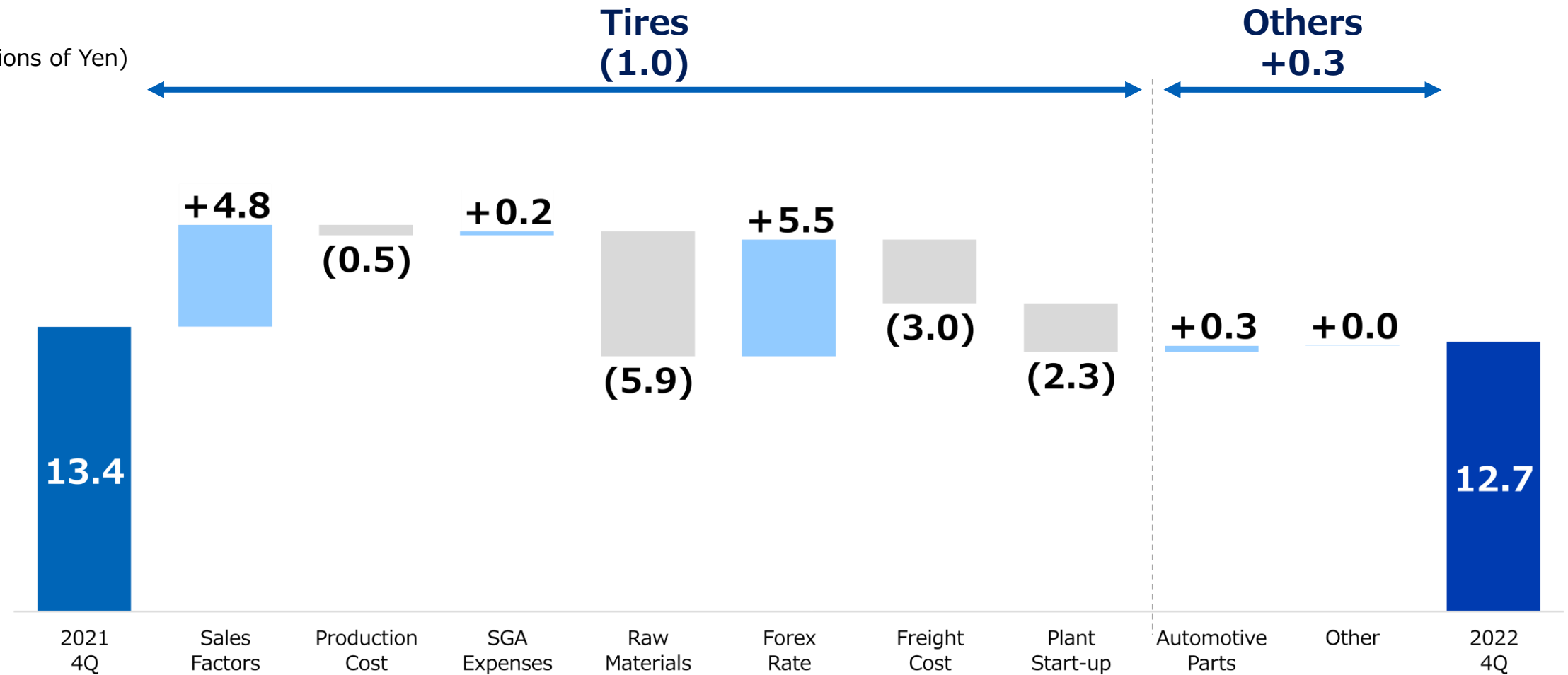
Forex Rate Sensitivity 2022	
USD	0.7 Billion Yen/Year
EUR	0.1 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

Analysis of Operating Income for the 4th Quarter of FY2022 (Oct-Dec) (vs 2021)



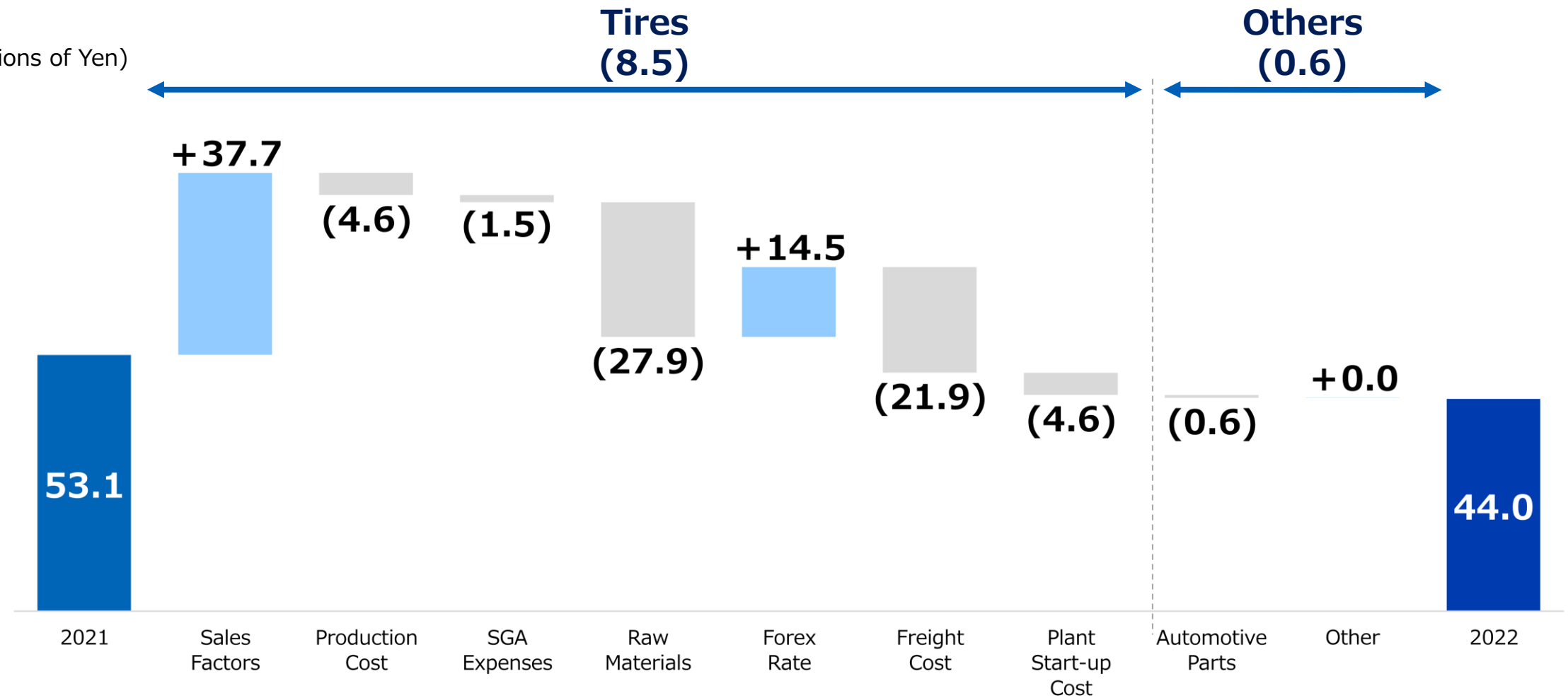
(Unit: Billions of Yen)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Jan-Mar	+15.7	(1.1)	(0.7)	(7.0)	+2.9	(5.9)	(0.6)	(0.0)	+0.0	+3.4
Apr-Jun	+10.9	(1.8)	(0.6)	(7.2)	+2.5	(7.4)	(0.5)	(0.4)	(0.0)	(4.4)
Jul-Sep	+6.3	(1.3)	(0.5)	(7.8)	+3.5	(5.7)	(1.2)	(0.4)	+0.0	(7.3)

Analysis of Operating Income for FY2022 (Jan-Dec) (vs 2021)

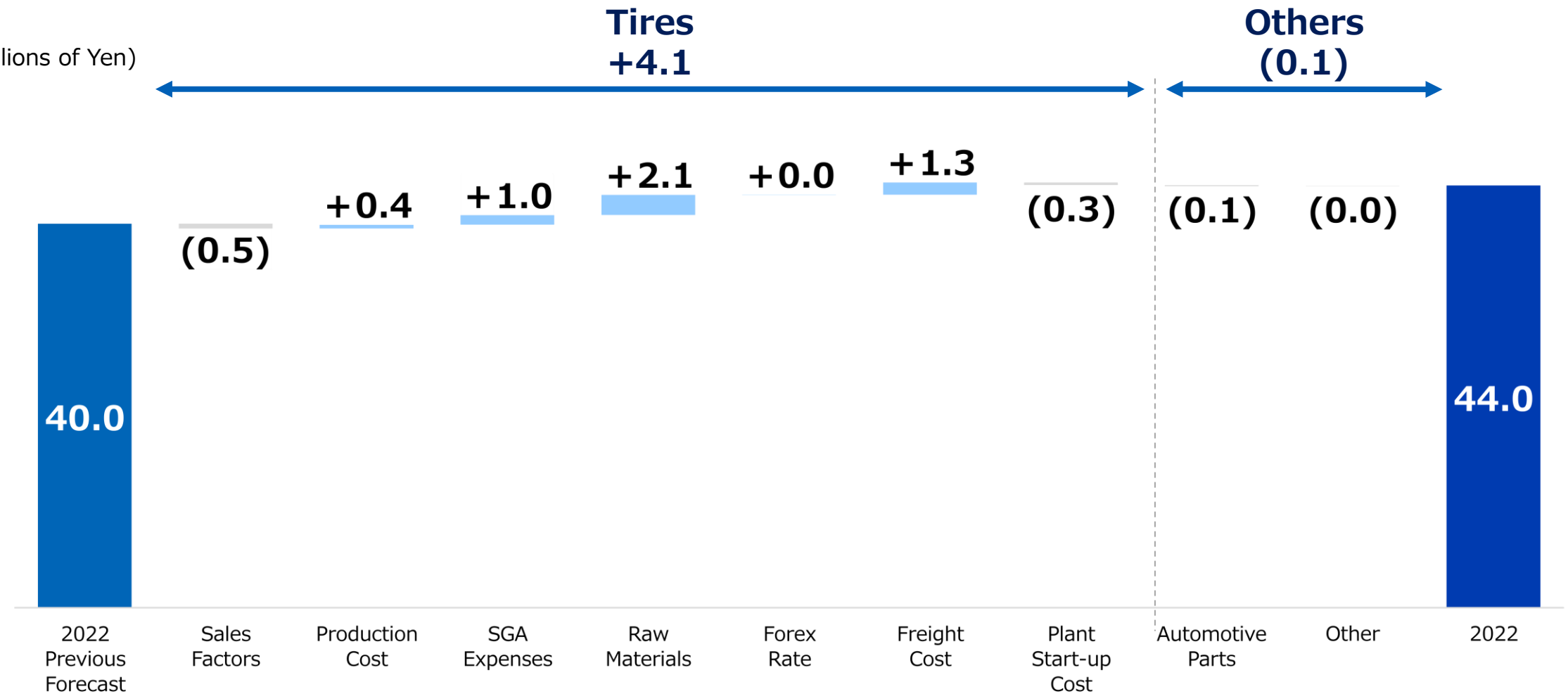
(Unit: Billions of Yen)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Jan-Sep	+32.9	(4.1)	(1.8)	(22.0)	+8.9	(19.0)	(2.3)	(0.8)	+0.0	(8.2)
Oct-Dec	+4.8	(0.5)	+0.2	(5.9)	+5.5	(3.0)	(2.3)	+0.3	+0.0	(0.8)

Analysis of Operating Income for FY2022 (Jan-Dec) (vs Previous forecast announced in November 2022)

(Unit: Billions of Yen)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Oct-Dec Forecast	+5.3	(0.9)	(0.8)	(8.0)	+5.5	(4.3)	(2.0)	+0.4	+0.0	(4.8)
Oct-Dec	+4.8	(0.5)	+0.2	(5.9)	+5.5	(3.0)	(2.3)	+0.3	+0.0	(0.8)

Business Segments for FY2022 (Jan-Dec)

TOYO TIRES

(Unit: Millions of Yen)

Net Sales

	2022 Results	2021 Results	Change	Change (%)	2022 Forecast	Change	2022 Oct-Dec Results	Change (YoY)
Tires	455,796	354,641	+101,155	+28.5%	457,000	(1,203)	135,682	+35,009
Automotive Parts	41,346	38,979	+2,367	+6.1%	43,000	(1,653)	11,096	+933
Other	116	79	+36	+46.8%	0	+116	11	(5)
Adjustments	(45)	(51)	+6	—	0	(45)	(6)	+5
Total	497,213	393,647	+103,565	+26.3%	500,000	(2,786)	146,783	+35,943

*Net sales include intersegment internal net sales or transfers

Operating Income

	2022 Results	2021 Results	Change	Change (%)	2022 Forecast	Change	2022 Oct-Dec Results	Change (YoY)
Tires	46,636	55,089	(8,453)	(15.3%)	42,500	+4,136	12,897	(1,030)
Margin	10.2%	15.5%	—	—	9.3%	—	9.5%	—
Automotive Parts	(2,591)	(2,008)	(582)	—	(2,500)	(91)	(244)	+266
Margin	(6.3%)	(5.2%)	—	—	(5.8%)	—	(2.2%)	—
Other	7	14	(7)	(50.0%)	0	+7	1	(1)
Adjustments	(6)	(15)	+9	—	0	(6)	0	+3
Total	44,046	53,080	(9,034)	(17.0%)	40,000	+4,046	12,654	(762)

*Segment profit adjustment amounts include intersegment eliminations

Geographic Area Segments for FY2022 (Jan-Dec)

(Unit: Millions of Yen)

Net Sales	2022 Results	2021 Results	Change	Change (%)	2022 Forecast	Change	2022 Oct-Dec Results	Change (YoY)
Japan	109,892	104,168	+5,724	+5.5%	116,072	(6,180)	37,240	+3,148
N.America	320,230	229,318	+90,912	+39.6%	316,003	+4,227	92,556	+32,085
Other	67,090	60,161	+6,929	+11.5%	67,923	(833)	16,985	+709
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	497,213	393,647	+103,565	+26.3%	500,000	(2,786)	146,783	+35,943

*Net sales do not include intersegment internal net sales or transfers

Operating Income	2022 Results	2021 Results	Change	Change (%)	2022 Forecast	Change	2022 Oct-Dec Results	Change (YoY)
Japan	23,273	28,942	(5,669)	(19.6%)	22,149	+1,123	8,687	+2,250
N.America	19,760	17,057	+2,702	+15.8%	17,852	+1,907	6,632	+2,376
Other	2,729	4,920	(2,191)	(44.5%)	3,211	(481)	(907)	(2,584)
Eliminations or Adjustments	(1,717)	2,159	(3,877)	—	(3,213)	+1,495	(1,757)	(2,805)
Total	44,046	53,080	(9,034)	(17.0%)	40,000	+4,046	12,654	(762)

1 . Financial Results for FY2022

2 . Financial Forecast for FY2023

Financial Forecast for FY2023 (Jan-Dec)

TOYO TIRES

(Unit: Millions of Yen)

	2023 Forecast	2022 Results	Change	Change (%)	2023 1H Forecast	Change (YoY)	2023 2H Forecast	Change (YoY)
Net Sales	540,000	497,213	+42,786	+8.6%	259,000	+35,332	281,000	+7,453
Operating Income	50,000	44,046	+5,953	+13.5%	18,000	(7,972)	32,000	+13,926
Margin	9.3%	8.9%	—	—	6.9%	—	11.4%	—
Ordinary Income	43,000	51,035	(8,035)	(15.7%)	13,000	(25,509)	30,000	+17,474
Profit Attributable to Owners of Parent (※)	29,000	47,956	(18,956)	(39.5%)	8,600	(22,430)	20,400	+3,473

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

Annual Dividends per Share	55 Yen	80 Yen	(25 Yen)
USD	125 Yen	131 Yen	(6 Yen)
EUR	135 Yen	137 Yen	(2 Yen)

Mid-Term '21 Plan Key Performance Indicators

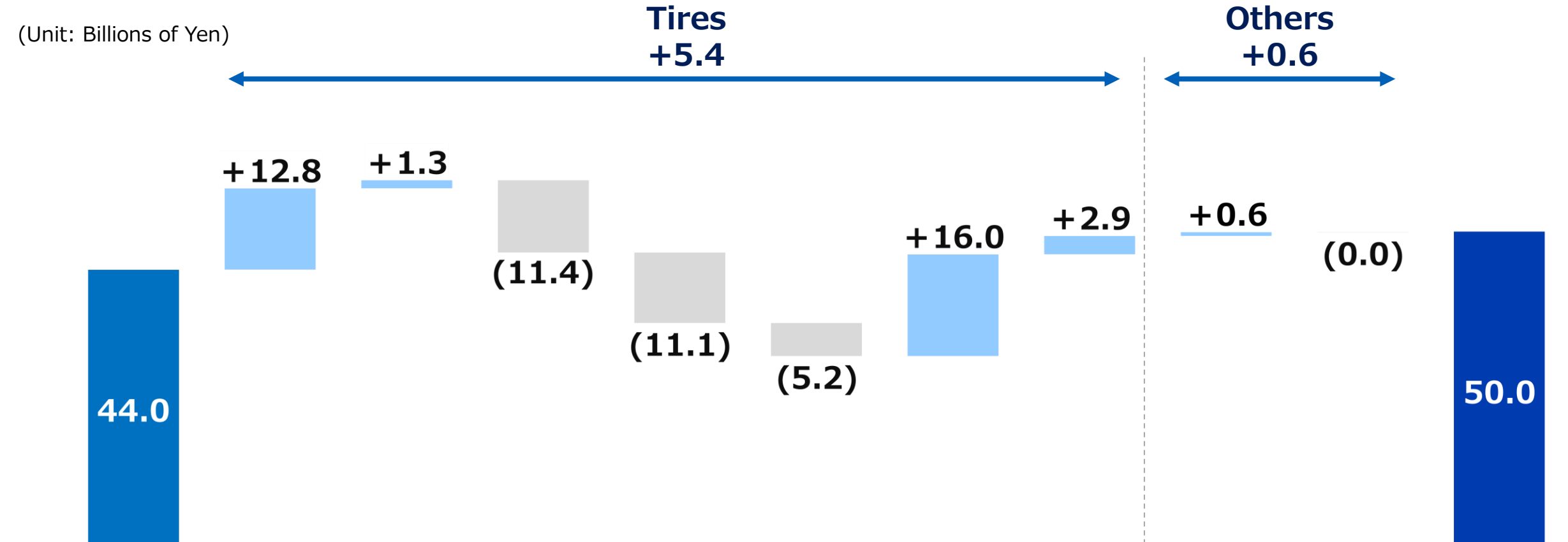
Consolidated OP margin Over **14%**
 Dividend policy **30%** or higher
 (Dividend payout ratio)

Forex Rate Sensitivity 2023

(Impact of 1 yen depreciation on operating income)

USD **0.7B Yen/Year**
 EUR **0.1B Yen/Year**

Analysis of Operating Income for FY2023 (Jan-Dec) (vs 2022)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Jan-Jun Forecast	+0.2	(1.9)	(4.2)	(8.2)	+1.7	+5.1	(0.7)	+0.2	0.0	(8.0)
Jul-Dec Forecast	+12.7	+3.2	(7.2)	(2.8)	(6.9)	+10.9	+3.6	+0.4	(0.0)	+13.9

Business Segments for FY2023 (Jan-Dec)

(Unit: Millions of Yen)

Net Sales

	2023 Forecast	2022 Results	Change	Change (%)	2023 1H Forecast	Change (YoY)	2023 2H Forecast	Change (YoY)
Tires	497,000	455,796	+41,203	+9.0%	237,000	+33,063	260,000	+8,140
Automotive Parts	43,000	41,346	+1,653	+4.0%	22,000	+2,278	21,000	(625)
Other	0	116	(116)	—	0	(31)	0	(85)
Adjustments	0	(45)	+45	—	0	+22	0	+23
Total	540,000	497,213	+42,786	+8.6%	259,000	+35,332	281,000	+7,453

*Net sales include intersegment internal net sales or transfers

Operating Income

	2023 Forecast	2022 Results	Change	Change (%)	2023 1H Forecast	Change (YoY)	2023 2H Forecast	Change (YoY)
Tires	52,000	46,636	+5,363	+11.5%	19,200	(8,132)	32,800	+13,496
Margin	10.5%	10.2%	—	—	8.1%	—	12.6%	—
Automotive Parts	(2,000)	(2,591)	+591	—	(1,200)	+154	(800)	+437
Margin	(4.7%)	(6.3%)	—	—	(5.5%)	—	(3.8%)	—
Other	0	7	(7)	—	0	+2	0	(10)
Adjustments	0	(6)	+6	—	0	+3	0	+2
Total	50,000	44,046	+5,953	+13.5%	18,000	(7,972)	32,000	+13,926

*Segment profit adjustment amounts include intersegment eliminations

Geographic Area Segments for FY2023 (Jan-Dec)

(Unit: Millions of Yen)

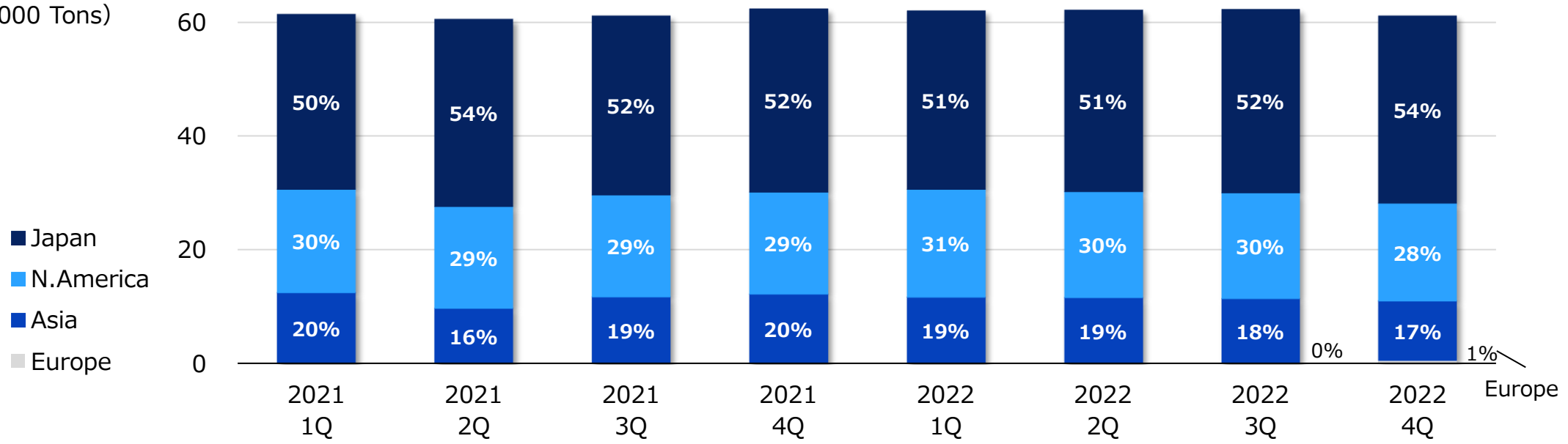
Net Sales	2023 Forecast	2022 Results	Change	Change (%)	2023 1H Forecast	Change (YoY)	2023 2H Forecast	Change (YoY)
Japan	118,800	109,892	+8,907	+8.1%	53,200	+7,582	65,600	+1,324
N.America	349,100	320,230	+28,869	+9.0%	171,300	+24,182	177,800	+4,686
Other	72,100	67,090	+5,009	+7.5%	34,500	+3,567	37,600	+1,441
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	540,000	497,213	+42,786	+8.6%	259,000	+35,332	281,000	+7,453

*Net sales do not include intersegment internal net sales or transfers

Operating Income	2023 Forecast	2022 Results	Change	Change (%)	2023 1H Forecast	Change (YoY)	2023 2H Forecast	Change (YoY)
Japan	32,900	23,273	+9,626	+41.4%	12,800	(375)	20,100	+10,001
N.America	16,500	19,760	(3,260)	(16.5%)	7,500	(2,926)	9,000	(333)
Other	5,600	2,729	+2,870	+105.2%	2,400	(167)	3,200	+3,038
Eliminations or Adjustments	(5,000)	(1,717)	(3,282)	—	(4,700)	(4,503)	(300)	+1,220
Total	50,000	44,046	+5,953	+13.5%	18,000	(7,972)	32,000	+13,926

Bar graph values show tire production volume composition ratio by region

(Unit: 1,000 Tons)



	2021				
	1Q	2Q	3Q	4Q	Total
Japan	30.9	33.0	31.6	32.3	127.7
N.America	18.2	17.9	17.9	17.9	71.9
Asia	12.4	9.7	11.7	12.2	46.0
Europe	—	—	—	—	—
Total	61.5	60.6	61.2	62.4	245.7
YoY	107%	176%	108%	98%	116%

	2022					2023 Forecast
	1Q	2Q	3Q	4Q	Total	
Japan	31.5	32.0	32.3	33.0	128.8	132.5
N.America	19.0	18.6	18.6	17.2	73.4	76.6
Asia	11.7	11.6	11.3	10.5	45.0	45.9
Europe	—	—	0.1	0.5	0.6	14.5
Total	62.1	62.2	62.4	61.2	247.8	269.4
YoY	101%	103%	102%	98%	101%	109%

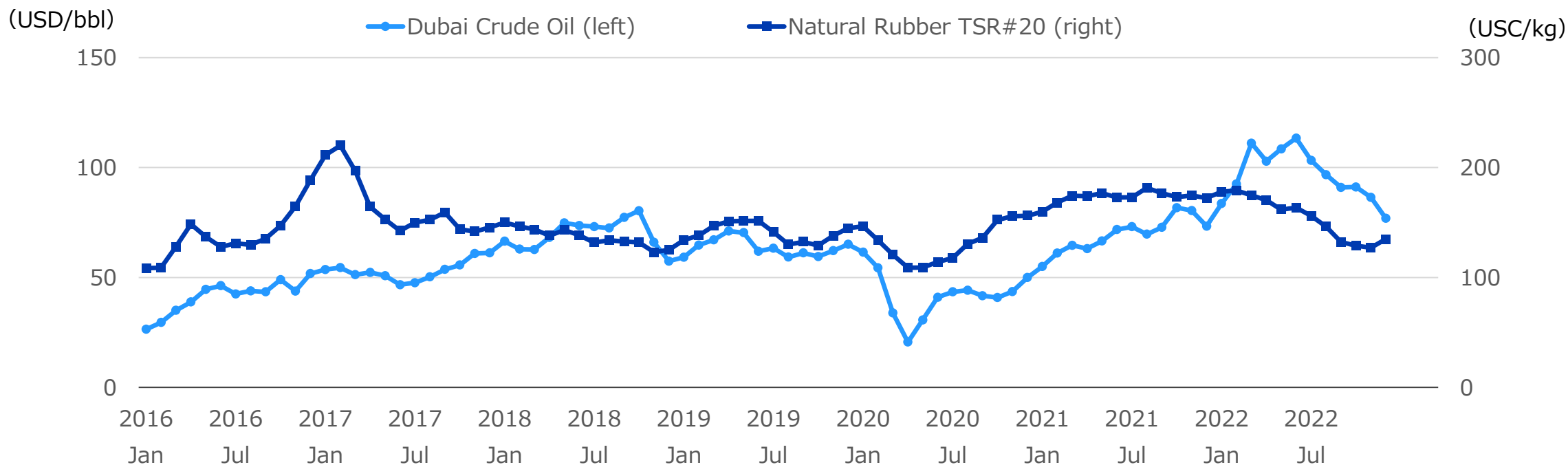
Year-on-Year when the same period of the previous year = 100

(%)

	2021					2022					2023 Forecast
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
OE Total	103	210	76	86	104	87	95	144	108	106	128
RE Japan	108	105	97	103	103	102	96	111	106	104	96
RE Overseas	101	133	87	102	103	95	97	105	100	99	108
N.America	125	133	93	104	111	107	108	104	114	108	114
Europe	74	163	76	123	97	81	70	94	76	80	90
SE Asia	76	92	46	66	68	78	108	139	79	98	102
Total	102	135	87	99	103	95	97	111	103	101	108

Price Changes in Major Raw Materials

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)

	2021					2022					2023 Forecast
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Natural Rubber	(0.6)	(1.2)	(1.6)	(1.3)	(4.7)	(0.1)	(0.2)	+0.4	+0.7	+0.9	+4.2
Petroleum Products	+0.4	(1.9)	(4.3)	(5.2)	(11.0)	(3.9)	(4.4)	(5.0)	(5.2)	(18.5)	(12.2)
Other Raw Materials	+0.1	(0.7)	(1.0)	(1.7)	(3.3)	(3.0)	(2.6)	(3.2)	(1.5)	(10.3)	(3.0)
Total	(0.2)	(3.7)	(7.0)	(8.1)	(19.0)	(7.0)	(7.2)	(7.8)	(5.9)	(27.9)	(11.1)

Change in Capital Expenditure

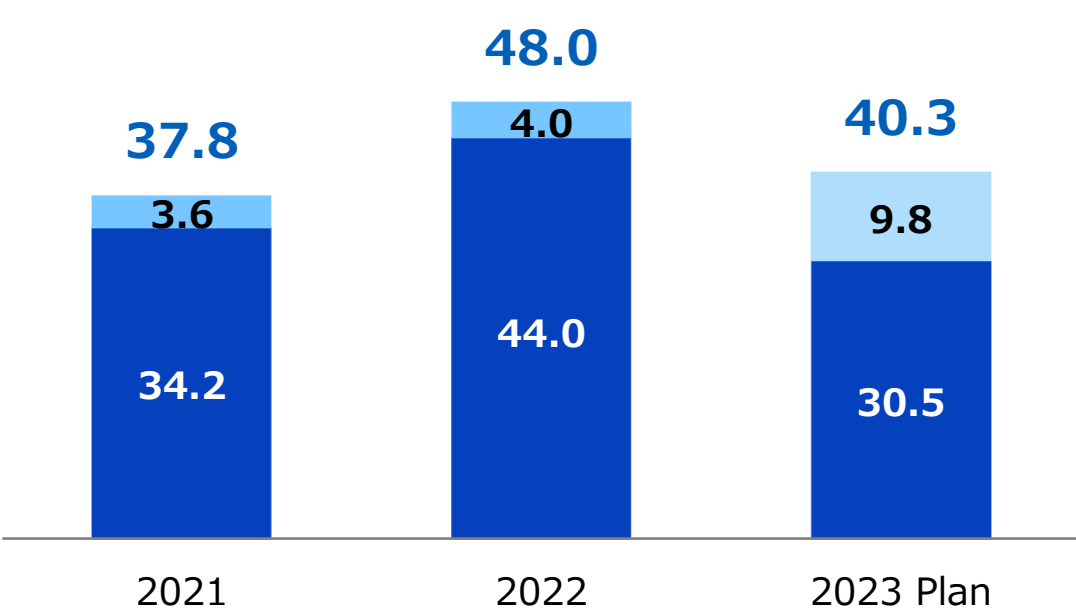
2023 Plan

Capital Expenditure : 40.3 Billion Yen

Tire : 30.5 Billion Yen Automotive Parts, Other : 9.8 Billion Yen

(Unit: Billions of Yen)

■ Tire ■ Automotive Parts, Other



Change in Depreciation

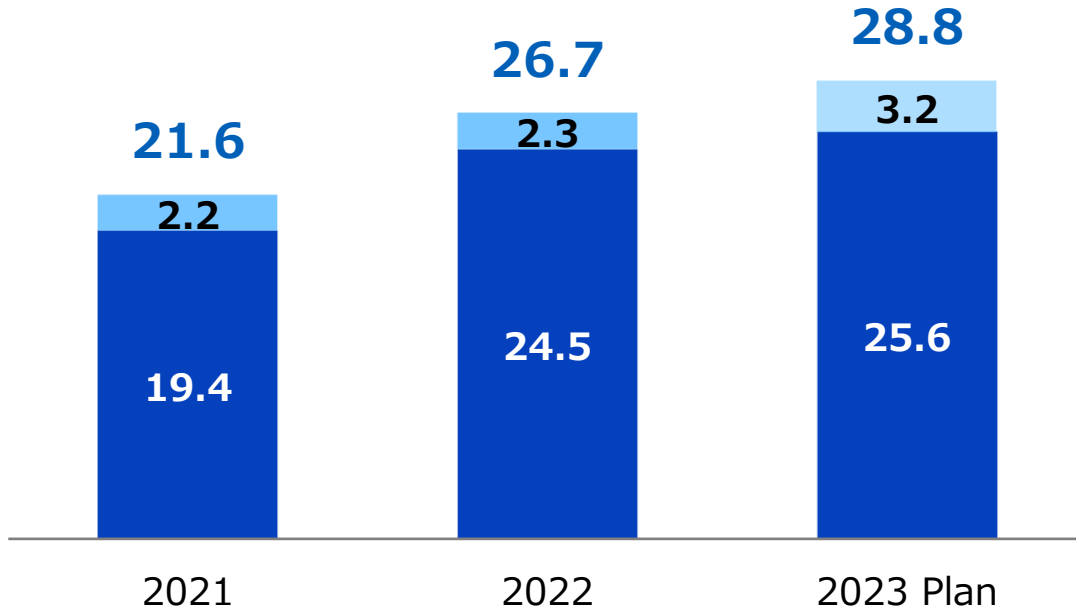
2023 Plan

Depreciation : 28.8 Billion Yen

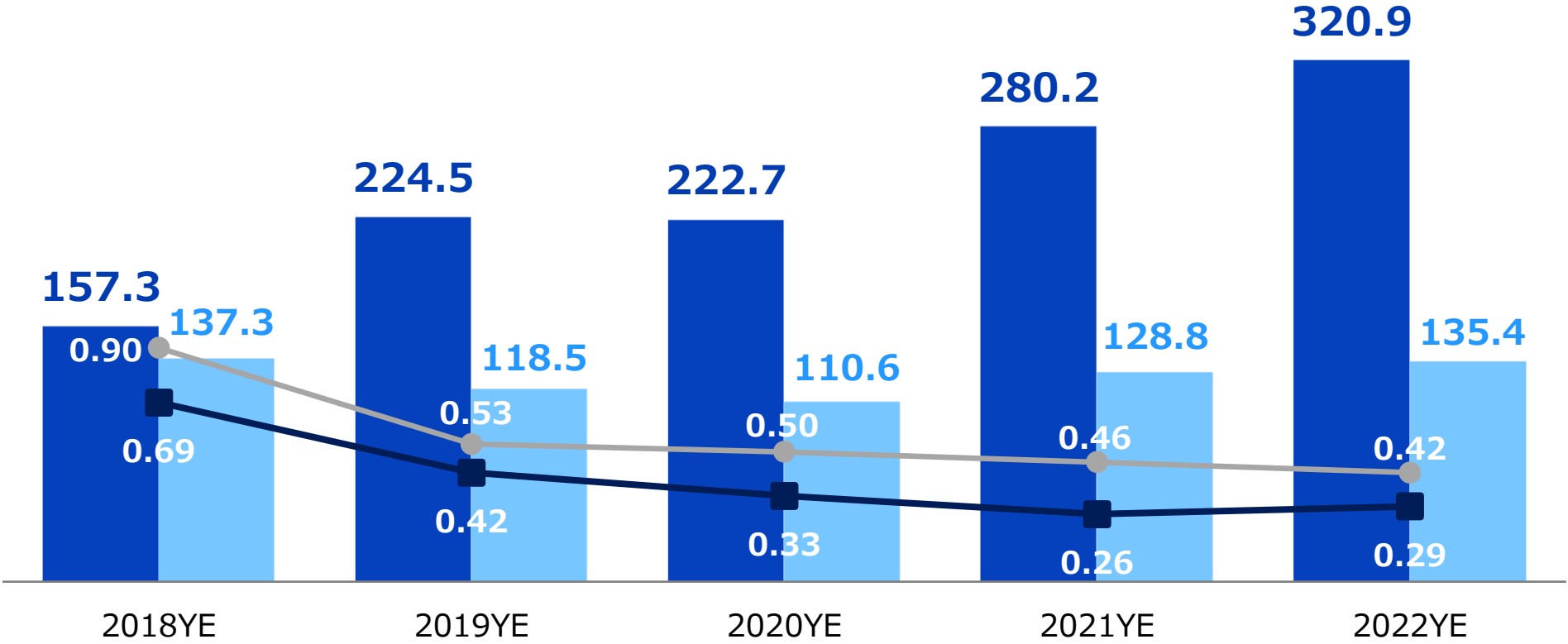
Tire : 25.6 Billion Yen Automotive Parts, Other : 3.2 Billion Yen

(Unit: Billions of Yen)

■ Tire ■ Automotive Parts, Other

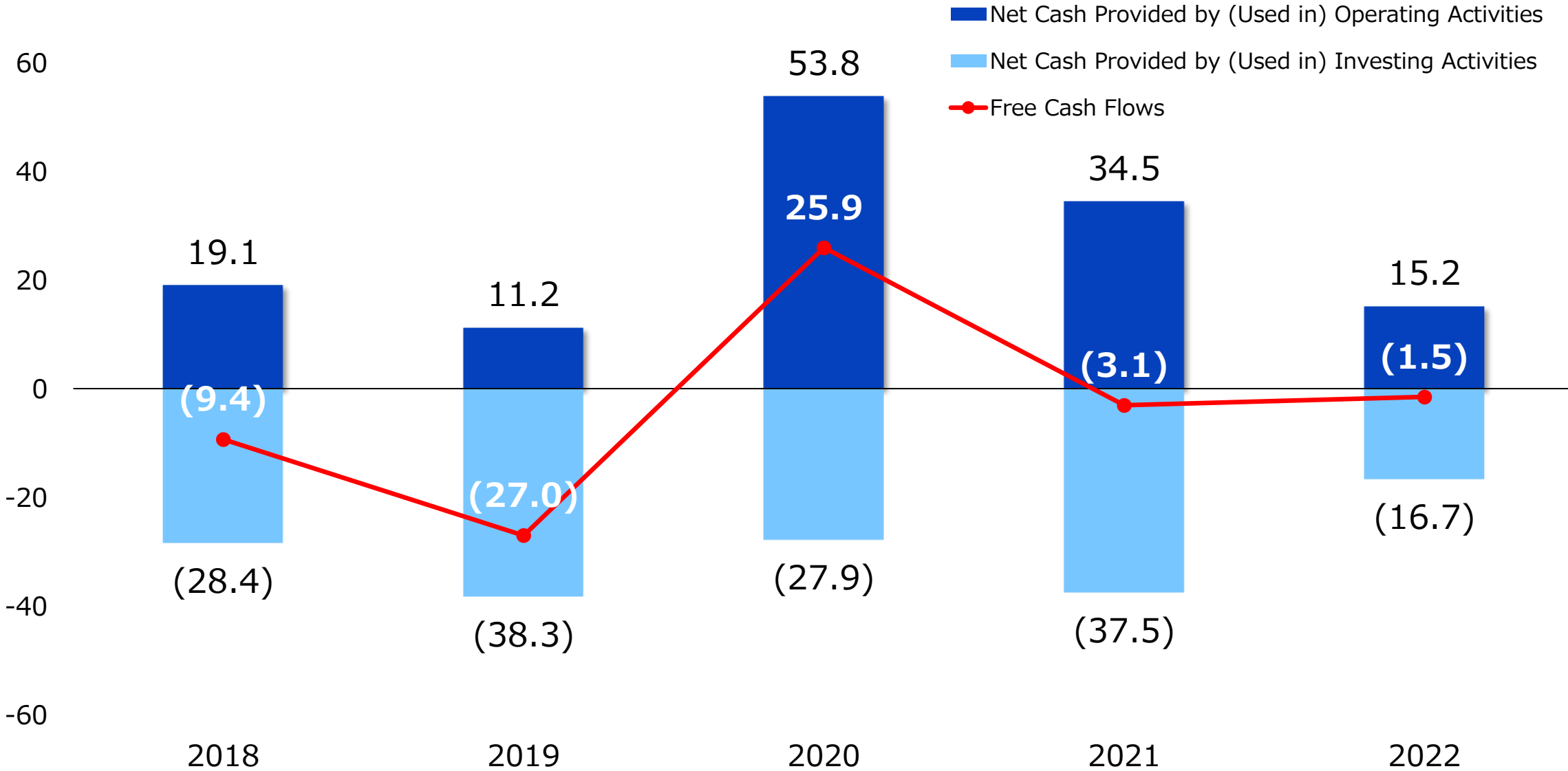


- Net Assets (Billions of Yen)
- Interest-Bearing Debt Balance (Billions of Yen)
- Debt / Equity Ratio (ratio)
- Net Debt / Equity Ratio (ratio)



Capital Ratio **32.5%** **47.5%** **49.5%** **52.7%** **53.5%**

(Billions of Yen)





TOYO TIRES



DAKAR
RALLY
2023

PRODUCTION CAR CATEGORY

VICTORY

10

OPEN COUNTRY M/T-R



TEAM LAND CRUISER
TOYOTA AUTO BODY



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.