

Summary Report of Consolidated Business Performance
for the Third Quarter of Fiscal Year 2023
(January 1, 2023 – December 31, 2023)

HYOGO, JAPAN – November 14, 2023 - Toyo Tire Corporation (“the Company”; President & CEO: Takashi Shimizu) announces its consolidated business performance for the third quarter of fiscal year 2023 (January 1, 2023 through December 31, 2023) as follows:

Quantitative information concerning the quarterly financial results

(1) Business Results

- Net Sales: 409,221 million yen (an increase of 58,790 million yen, or 16.8% from the same period in FY2022)
- Operating Income: 50,324 million yen (an increase of 18,932 million yen, or 60.3% from the same period in FY2022)
- Ordinary Income: 64,489 million yen (an increase of 19,201 million yen, or 42.4% from the same period in FY2022)
- Profit Attributable to Owners of Parent: 56,768 million yen (an increase of 11,999 million yen, or 26.8% from the same period in FY2022)

(2) Results by Business Unit

The Tire Business Unit posted net sales of 374,163 million yen (an increase of 54,049 million yen, or 16.9% from the same period in FY2022) and an operating income of 50,278 million yen (an increase of 16,539 million yen, or 49.0% from the same period in FY2022).

The Automotive Parts Business Unit posted net sales of 35,045 million yen (an increase of 4,795 million yen, or 15.9% from the same period in FY2022) and an operating income of 46 million yen (an increase of 2,393 million yen from the same period in FY2022).

(3) Explanation of financial situation

Total assets at the end of the third quarter of FY2023 of the consolidated accounting period were 652,962 million yen, an increase of 54,072 million yen compared to the end of the previous consolidated accounting period.

Liabilities were 271,084 million yen, a decrease of 6,889 million yen compared to the end of the previous consolidated accounting period.

Interest-bearing liabilities were 120,668 million yen, a decrease of 14,768 million yen compared to the end of the previous consolidated accounting period.

Net assets as of the end of the third quarter of FY2023 of the consolidated accounting period were 381,877 million yen, an increase of 60,962 million yen compared to the end of the previous consolidated accounting period.

As a result, the capital ratio increased by 4.9 points compared to the end of the previous consolidated accounting period to 58.5 %.

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year December 31, 2022	End of current fiscal year September 30, 2023
Assets		
Current Assets		
Cash and deposits	41,601	42,244
Notes and accounts receivable – trade	109,468	128,174
Merchandise and finished goods	78,315	77,603
Work in process	5,091	5,478
Raw materials and supplies	29,477	25,374
Other	25,952	29,546
Allowance for doubtful accounts	(328)	(293)
Total current assets	289,579	308,126
Fixed Assets		
Property, plant and equipment		
Buildings and structures, net	81,501	89,505
Machinery, equipment and vehicles, net	116,847	129,543
Other, net	66,702	67,629
Total property, plant and equipment	265,051	286,678
Intangible Assets	8,529	13,969
Investments and other assets		
Investment securities	27,204	17,782
Other	8,628	26,507
Allowance for doubtful accounts	(102)	(102)
Total investments and other assets	35,729	44,186
Total fixed assets	309,310	344,835
Total assets	598,889	652,962

Consolidated Balance Sheets

(Unit: Millions of yen)

	End of previous fiscal year December 31, 2022	End of current fiscal year September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable – trade	42,577	37,838
Commercial papers	43,000	22,000
Short-term loans payable	24,780	15,842
Accounts payable – other	31,225	25,009
Income taxes payable	11,816	19,792
Provision for product compensation	4,820	351
Provision for loss on liquidation of subsidiaries and associates	—	3,262
Other	32,827	44,568
Total current liabilities	191,048	168,664
Non-current liabilities		
Bonds payable	10,000	25,000
Long-term loans payable	51,366	46,385
Net defined benefit liability	3,523	3,494
Provision for product compensation	1,380	1,150
Provision for loss on litigation	1,340	1,340
Other provision	97	92
Other	19,218	24,957
Total non-current liabilities	86,926	102,420
Total liabilities	277,974	271,084
Net assets		
Shareholders' equity		
Common stock	55,935	55,935
Capital surplus	54,341	54,352
Retained earnings	159,837	205,827
Treasury stock	(132)	(120)
Total shareholders' equity	269,981	315,995
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,743	6,848
Deferred gains or losses on hedges	58	(158)
Foreign currency translation adjustments	32,359	53,804
Remeasurements of defined benefit plans	5,541	5,273
Total accumulated other comprehensive income	50,702	65,767
Non-controlling interests	231	114
Total net assets	320,915	381,877
Total liabilities and net assets	598,889	652,962

Consolidated Statements of Income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2022 (From January 1, 2022 to September 30, 2022)	FY2023 (From January 1, 2023 to September 30, 2023)
Net sales	350,430	409,221
Cost of sales	206,783	253,387
Gross profit	143,646	155,833
Selling, general and administrative expenses	112,254	105,509
Operating income	31,391	50,324
Non-operating income		
Interest income	299	529
Dividends income	857	789
Foreign exchange gains	14,898	13,770
Equity in earnings of affiliates	116	—
Other	1,173	1,244
Total non-operating income	17,345	16,334
Non-operating expenses		
Interest expenses	945	803
Equity in losses of affiliates	—	39
Other	2,503	1,326
Total non-operating expenses	3,448	2,169
Ordinary income	45,288	64,489
Extraordinary income		
Gain on sale of non-current assets	275	—
Gain on sales of investment securities	18,252	15,106
Gain on sales of shares of subsidiaries and associates	32	—
Total extraordinary income	18,560	15,106
Extraordinary loss		
Loss on retirement of non-current assets	237	292
Impairment loss	369	1,421
Loss on liquidation of subsidiaries and associates	—	3,662
Loss on product compensation	352	193
Provision for loss on litigation	1,294	—
Loss on COVID-19	29	—
Total extraordinary loss	2,283	5,570
Profit before income taxes	61,565	74,025
Income taxes	16,789	17,391
Profit	44,776	56,633
Profit (Loss) attributable to non-controlling interests	7	(134)
Profit attributable to owners of parent	44,768	56,768

Consolidated Statements of comprehensive income

(Unit: Millions of yen)

	Previous fiscal year	Current fiscal year
	FY2022 (From January 1, 2022 to September 30, 2022)	FY2023 (From January 1, 2023 to September 30, 2023)
Profit	44,776	56,633
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,436)	(5,894)
Deferred gains or losses on hedges	(174)	(217)
Foreign currency translation adjustment	35,509	21,301
Remeasurements of defined benefit plans, net of tax	(222)	(267)
Share of other comprehensive income of associates accounted for using equity method	191	160
Total other comprehensive income	21,868	15,082
Comprehensive income	66,644	71,716
(Comprehensive income attributable to)		
Owners of the parent	66,584	71,833
Comprehensive income attributable to non-controlling interests	59	(117)