

(Translation of report file with Tokyo Stock Exchange on February 14, 2024)

Announcement Regarding 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, 2023

Hyogo, Japan—February 14, 2024—Toyo Tire Corporation (President & CEO: Takashi Shimizu) announced today differences between its non-consolidated business results for the fiscal year ended December 31, 2023 and the actual results for the previous fiscal year. The Company also announced that it resolved at its Board of Directors meeting held today to make the following proposal on dividends of surplus (dividend increase) to the Annual General Meeting of Shareholders to be held on March 27, 2024.

1. Difference between non-consolidated results for the fiscal year ended December 31, 2023 (January 1, 2023 through December 31, 2023) 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, 2022) (A)	284,167	19,900	40,109	39,286	255.19
Results for the current fiscal year (ended December 31, 2023) (B)	310,514	65,395	90,637	81,932	532.15
Amount of change (B-A)	26,347	45,495	50,528	42,646	—
Percentage change	9.3%	228.6%	126.0%	108.5%	—

(2) Reason for difference

Non-consolidated results exceeded those of the previous year primarily owing to the absence of the impact of raw materials prices and ocean freight cost, both of which had soared in the previous year, and the yen's depreciation.

2. Distribution of surplus (year-end dividend)

(1) Details of year-end dividend

	Amount determined	Latest dividend forecast (Announced on November 14, 2023)	Results for the previous fiscal year (Year ended December 31, 2022)
Reference date	December 31, 2023	Same as on the left	December 31, 2022
Dividend per share (Yen)	80	70	50
Total amount of dividends (Million yen)	12,317	—	7,697
Effective date	March 28, 2024	—	March 30, 2023
Source of dividends	Retained earnings	—	Retained earnings

(2) Reason

The Company considers the return of profits to its shareholders as an important management issue and has consistently paid stable dividends. While adhering to this stable dividend policy, the Company will remain committed to meeting its shareholders' expectations by paying dividends linked to its business performance while maintaining its financial soundness.

While aiming to maintain a consolidated dividend payout ratio of 30% or higher throughout the "Mid-Term '21 Plan" period (from FY2021 to FY2025), the Company intends to realize the policy of distributing stable profits linked to its performance by adjusting non-recurring and special gains and losses included in net income to link dividend payment to profits that are more reflective of the Company's underlying profitability.

The Company has decided to pay a year-end dividend of 80 yen per share for the fiscal year under review. With this, the annual dividend for the fiscal year under review will be 100 yen per share.

This proposal will be made at the Annual General Meeting of Shareholders to be held on March 27, 2024.