

Our Philosophy

Philosophy (Defined in January 2017)

Company Philosophy

We will endeavor to continuously improve our products, and create value for everyone who we work with.

Our Mission

To create excitement and surprise with our products that exceed customer expectations and enriches society.

Our Vision

- Our goal is to be a company that:
- Stays one step ahead of the future through constant technological innovation;
 - Drives entrepreneurial and creative spirit through a progressive culture; and
 - Shares in the enjoyment felt by everyone involved in our activities.

Our Fundamental Values: “The TOYO WAY”

Fairness	Be fair and selfless in one’s actions to benefit society.
Pride	Take pride in one’s self, work and company, and to persevere.
Initiative	Show initiative in all matters, and take ownership of one’s actions.
Appreciation	Demonstrate sincere compassion and appreciation for people and society.
Solidarity	Continuously advance creativity and innovation by working together to mobilize our corporate knowledge and capabilities.

The highest-order concept in the Company philosophy framework
The founding spirit we maintain and pass on to the future

Company Philosophy

Our **promise** to society and to ourselves

Our Mission

The **vision** of how we want our Company to be in order to keep our promise to society (=our mission)

Our Vision

The **principles** each of us value that guide our mission and promise and make our vision a reality

Our Fundamental Values:
“The TOYO WAY”

Open Roads Await

The Spirit That Underpins Our Company Philosophy

We will endeavor to continuously improve our products, and create value for everyone who we work with.

Our Company Philosophy was established by the founding president, Rikimatsu Tomihisa, in September 1950 to serve as a clear statement of his management philosophy. This short statement reflects the noble spirit he thought people should aspire to at the time of the country's rebirth. Ten years after the founding of the Company, Rikimatsu Tomihisa said, "the decade of growth our Company has enjoyed is largely thanks to the way every employee has faithfully followed the spirit of our Company Philosophy."

Even though times have changed and the business environment in which we operate has been drastically transformed, the Company Philosophy embodies insights and guidance that are still relevant today. We see our Company Philosophy as the founding spirit which we should always hold on to as we pursue our tasks at work and pass on into the future.

[The spirit that underpins our Company Philosophy]

Industry progresses steadily day by day and never rests. We must understand the importance of our work well and make progress every day. We must research, create and be ingenious, always determined that we will be better today than yesterday. Abundance of high-quality materials may make it easier to produce good products, but they are not always available, and knowledge and skills vary also from person to person. We must start with the understanding that there are too many change



factors to have stability, and be relentless in our pursuit of improvement in order to produce good, balanced products consistently. Our motto must be to sell valuable products at the right prices, and we must above all refrain from seeking to profiteer to the detriment of people. Consumers do not just mean customers; the next process at work is also a consumer. Everyone in a company is a necessary person. Conversely, every person has an important responsibility. Everyone must do their very best at work.



Philosophy Review Process

Our Philosophy review began as a response to the issue of data fabrication that came to light in 2015 concerning the seismic isolation rubber business and anti-vibration rubber business. As the investigations into the root cause of the problem progressed in 2016, the management team realized that there was a need for reforming the company culture and came to a consensus to review and redraft our Philosophy statements in order to reaffirm our values. In April 2016, a project was launched to review the role and content of our Philosophy statements.

December 2015	General review of the issues (investigation into cause, announcement of measures to prevent recurrences)
March 2016	Intensive discussions at officers' level Conclusion: verbalizing of shared philosophy and its dissemination across all levels of organization are important tasks we should undertake
April– December 2016	Project to review the role and content of Philosophy statements Bottom-up hearing of employees' voices and Shaping statements through officers' discussions
January 2017	Establishment of new Philosophy statements



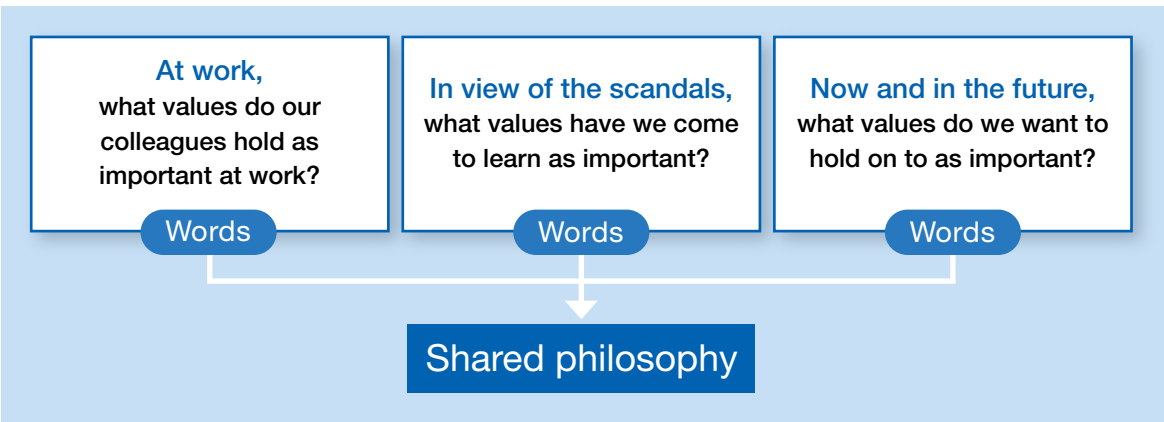
Turning wishes and hopes for the future of our Company into words

The project to review the role and content of Philosophy statements was structured as a reciprocal back-and-forth of ideas between employees and the management, where a working group of employees would present their thoughts in the form of recommendations to the management, the management team would in turn discuss the same themes and return their feedback, the employees' working group would then use the feedback to hold further discussions, and so on.

The nine-month long dialogue considered three aspects: "what values do our colleagues hold as important through work?"; "what values have we come to learn as important in view of the scandals we have gone through?"; and "what values do we want to hold on to as important now and in the future?" Common values distilled from the dialogue were put together into words to formulate Philosophy statements.

These discussions brought out a clear picture of what we felt the Company should aspire to be, and this was crystalized in the new Philosophy statements established on January 1, 2017.

The 2017 New Year Address by the president announced the launch of the new Philosophy to the workforce, in which he stated, "Our Philosophy is the central pillar of the Company itself, a shared set of values that employees must hold and take into the future. Every officer and every employee must place it at the starting point of every task, understand what it means correctly and strive to be its embodiment."



Instilling the Philosophy

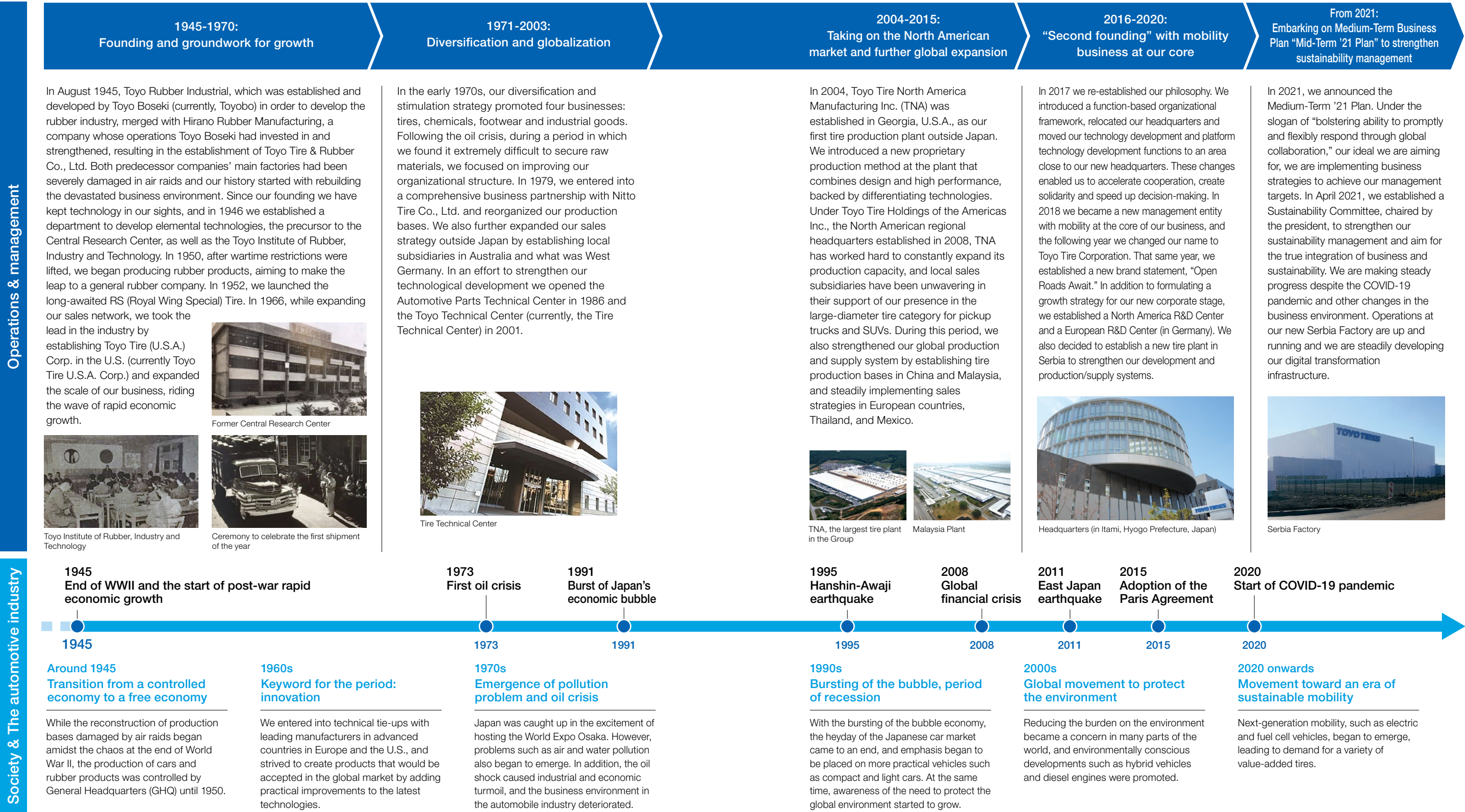
Since the introduction of the Philosophy in 2017, we have been taking various initiatives to promote the awareness and understanding of it across all employees.

These initiatives include: a Philosophy card for every employee to carry, and the text hung on the wall of meeting rooms and visitor reception rooms at each site; a lecture on the Philosophy given as the first session of every internal training course; case workshops to promote the understanding of the importance in workplaces of visions and strategies that are linked to the Philosophy; and group-based workshops to share creative ideas to promote the Philosophy within each organization.

Our human resources management system is designed to base the evaluation and career progression of each employee on clearly defined ideals and expectations for each level, and one of the expected roles is "to embody and instill the Philosophy" in order to embed a culture of thinking and acting in line with the Philosophy while carrying out tasks and running departments.

Growth Trajectory

The Toyo Tire Group can trace its roots back to 1945, a time of unprecedented disarray around the end of World War II. Since then, we have experienced a period of high economic growth and the bubble economy, and we have overcome recessions, continuously delivering a multitude of values, including “safety,” “the joy of driving” and “a society of sustainable mobility,” to the world by expanding globally while adapting to the diversifying automobile market.



Society & The automotive industry

1945
End of WWII and the start of post-war rapid economic growth

1945

Around 1945
Transition from a controlled economy to a free economy

While the reconstruction of production bases damaged by air raids began amidst the chaos at the end of World War II, the production of cars and rubber products was controlled by General Headquarters (GHQ) until 1950.

1973
First oil crisis

1973

1960s
Keyword for the period: innovation

We entered into technical tie-ups with leading manufacturers in advanced countries in Europe and the U.S., and strived to create products that would be accepted in the global market by adding practical improvements to the latest technologies.

1991
Burst of Japan's economic bubble

1991

1970s
Emergence of pollution problem and oil crisis

Japan was caught up in the excitement of hosting the World Expo Osaka. However, problems such as air and water pollution also began to emerge. In addition, the oil shock caused industrial and economic turmoil, and the business environment in the automobile industry deteriorated.

1995
Hanshin-Awaji earthquake

1995

1990s
Bursting of the bubble, period of recession

With the bursting of the bubble economy, the heyday of the Japanese car market came to an end, and emphasis began to be placed on more practical vehicles such as compact and light cars. At the same time, awareness of the need to protect the global environment started to grow.

2008
Global financial crisis

2008

2000s
Global movement to protect the environment

Reducing the burden on the environment became a concern in many parts of the world, and environmentally conscious developments such as hybrid vehicles and diesel engines were promoted.

2011
East Japan earthquake

2011

2020 onwards
Movement toward an era of sustainable mobility

Next-generation mobility, such as electric and fuel cell vehicles, began to emerge, leading to demand for a variety of value-added tires.

2015
Adoption of the Paris Agreement

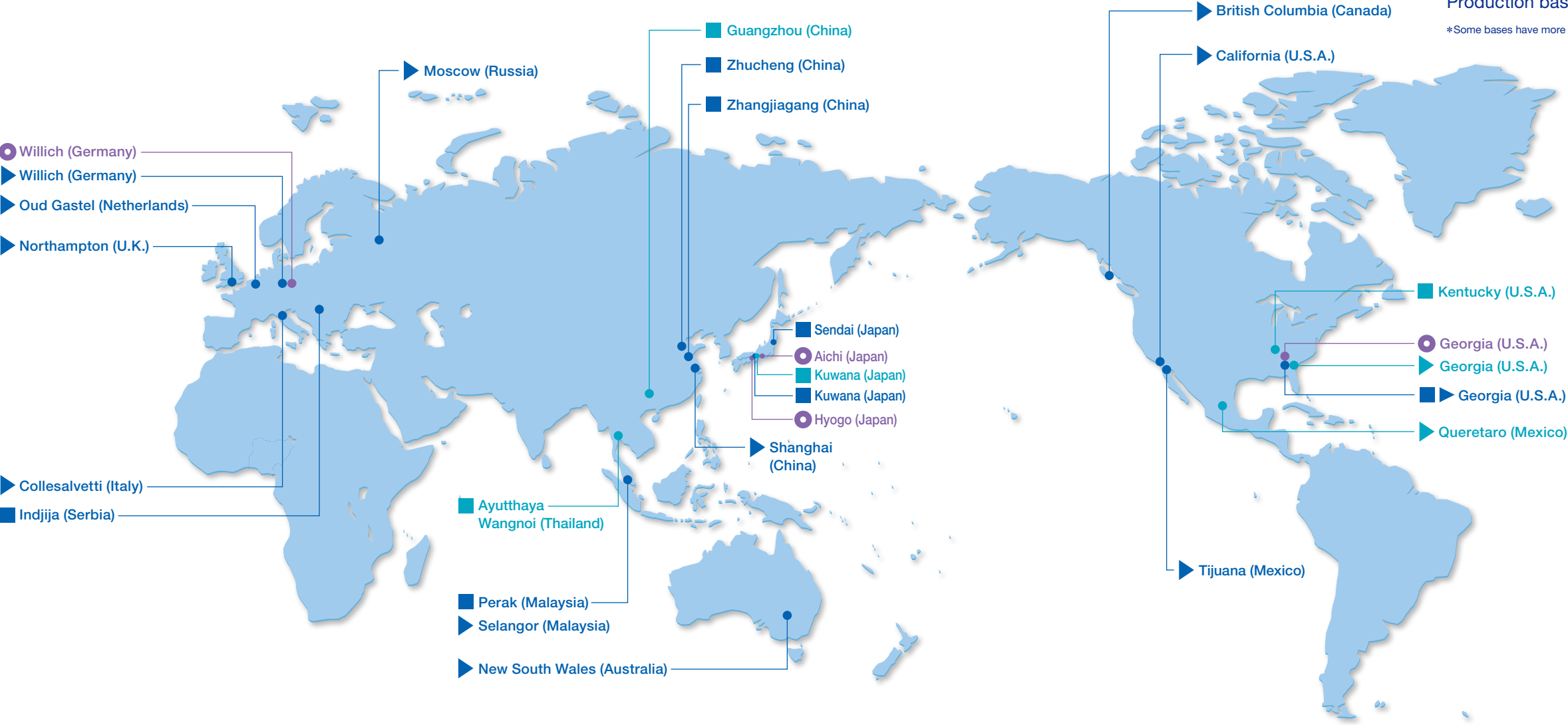
2015

2020
Start of COVID-19 pandemic

2020

At a glance

The Toyo Tire Group has 14 production bases and 5 R&D centers, and is developing its tire and automotive parts business globally.



Number of global bases

14 countries **40** bases*

Regional headquarters: **3** Sales companies, etc.: **22**
Production bases: **14** R&D Centers: **5**

*Some bases have more than one function and therefore the total number does not match.

Consolidated number of employees

11,744

(including temporary employees)

Number of countries in which we operate:

More than **100** countries

Main global bases

Tire business

▶ Sales companies ■ Production bases

Automotive parts business

▶ Sales companies ■ Production bases

R&D centers

● Tires and automotive parts

* Figures current as of December 2022

