

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

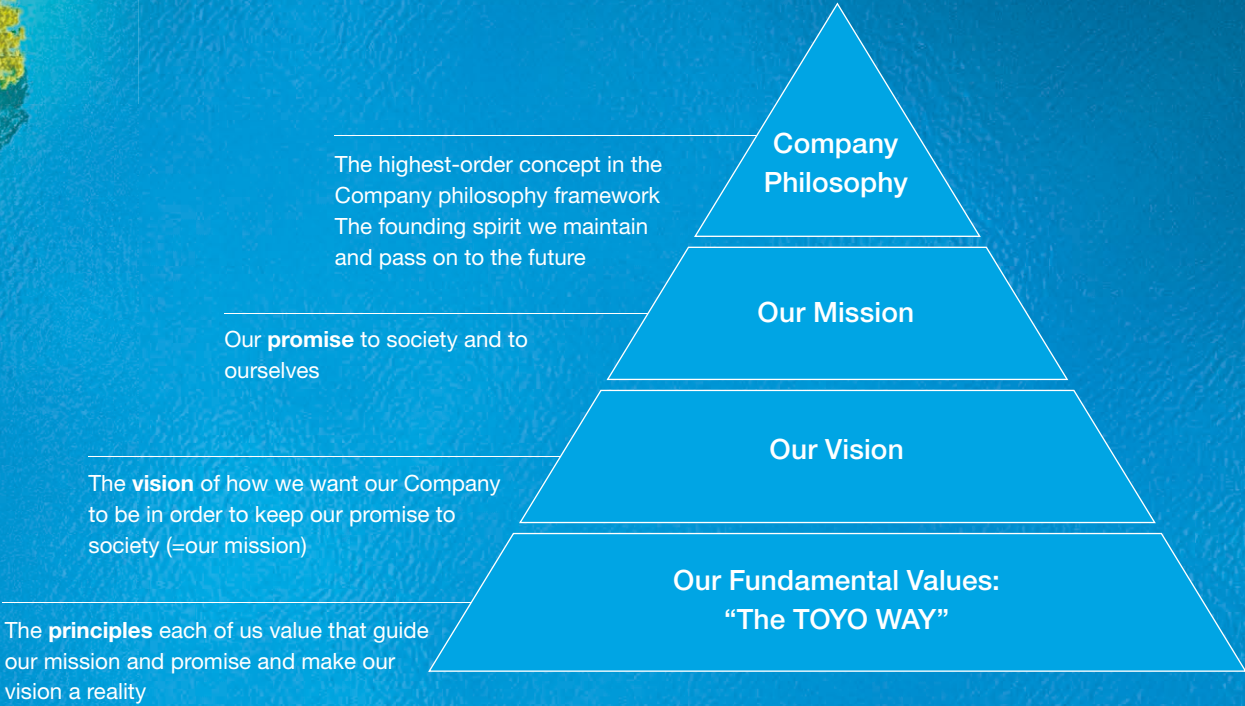
To create excitement and surprise with our products that exceed customer expectations and enriches society.

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. |

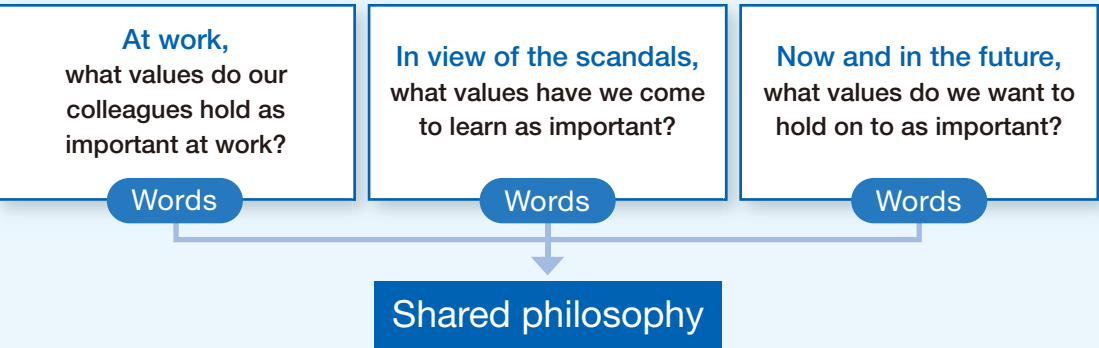


Open Roads Await

Our Philosophy

Our Philosophy was published in 2017, reviewing the old Philosophy statements we had up until then. This change was prompted by the issue of data fabrication that came to light in 2015 concerning the seismic isolation rubber business and anti-vibration rubber business. As the Company faced this existential crisis in 2016, the management team responded to the need to take another, serious look at our social mission and responsibility so that we can reemerge as a company that society needs and relies on, and decided, as the first step, to reform the company culture and realign the values shared by all officers and employees by reviewing and reconstructing our Philosophy.

The guiding principle of the company-wide project was to approach the task not merely from the perspective of implementing a root-and-branch reform of the organizational culture that led to the problem, but also from the perspective of how a global business must act and behave. Under this guiding principle, we discussed and debated three key questions: “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?” The common values distilled from the dialogue were put together to formulate our new Philosophy statements.




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 that he believed business people should aspire to in a time when Japan’s economy was rising out of the post-war period of rebuilding to a phase of rapid growth dubbed the Japanese economic miracle. However, this spirit that underlies our Company Philosophy is not an outdated idea that is relevant only to manufacturing in times of material scarcity. Times may have changed and our business environment transformed, but the perspectives and insights contained in these words still ring true today. What materials do we use to make our products? How do we make them? What value do we provide to the customers who pay us? We believe that we must continue exploring these questions as we respond to the demands of our times and look to the future. The principle behind the Company Philosophy, that we must sell valuable products at the right prices, is the spring from which our value creation process flows.

For this reason, we place our Company Philosophy at the top of our Philosophy statements as the spirit that we should always maintain and pass on into the future as we engage in our work.

[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.

Our Philosophy and Sustainability

When we launched the Medium-Term '21 Plan, we made clear that our purpose as a company was to make our Philosophy a reality, and that the management plan was a means of achieving it.

When we started working on the shift toward sustainability management presented in the Medium-Term '21 Plan, this shared understanding provided a basis for our discussions of policies to promote sustainability and of the material issues for the Company, enabling us to keep to the essence of the ideas contained in the Philosophy statements such as contributing to the enrichment of society through our business and serving and caring for our stakeholders. One of our key focuses was to ensure that the way we viewed and considered was always connected to the Philosophy so that we stayed true to our uniqueness, and through four months of these discussions, we identified our material issues. We strive to embody our Philosophy through the efforts to address these material issues.



Instilling the Philosophy

Since the Philosophy was defined, we have continuously been implementing a variety of initiatives to raise the awareness and understanding of it across our workforce.

In Japan, the Philosophy is incorporated in our internal training program, including case workshops to promote the understanding of the importance of embedding visions and strategies that are linked to the Philosophy in workplaces, and group-based workshops to share creative ideas to promote the Philosophy within each organization. At our international sites, the Philosophy is included in the e-learning course on sustainability to raise awareness. The Philosophy statements are framed and hung on the wall of meeting rooms and visitor reception rooms at each site as a reminder to reflect on at moments of uncertainty in the course of work and renew our commitment to customers.

Our human resources management system clarifies what is expected of each role at each level and one of the expectations is “to embody and instill the Philosophy.” By ensuring that the evaluation and career progression of employees are based not only on their performance in achieving targets but also on their ways of “thinking and acting” through which those achievements were made, we nurture a pool of talents that not only understand the Philosophy as knowledge but embody it in their performance of tasks and running of departments.

VOICE Comments of sustainability e-learning participants on the Philosophy

America

I like our Philosophy, and I agree in giving the society as much value as we can give with our product. I guess is implicit in the idea, and, in my opinion, honoring the workers or employees that make the mission be successful would help to better own the mission.

Europe

Our philosophy will help us to turn Toyo into a sustainable company. The implementation of the philosophy will change the thinking in the company and also increase the appreciation of the company by third parties (society, employees, customers, suppliers).

Asia

I like the Toyo Tire Group Fundamental Values: The Toyo Way. Always treat our company as our second home by working together as a team and showing initiatives in all matters. By supporting each other can create continuity in business and foremost employee loves and enjoy coming to work every day.

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.

Operations & management

1945-1970:
Founding and groundwork for growth

In August 1945, Toyo Rubber Industrial, which was established and developed by Toyo Boseki (currently, Toyobo) in order to develop the rubber industry, merged with Hirano Rubber Manufacturing, a company whose operations Toyo Boseki had invested in and strengthened, resulting in the establishment of Toyo Tire & Rubber Co., Ltd. Both predecessor companies' main factories had been severely damaged in air raids and our history started with rebuilding the devastated business environment. Since our founding we have kept technology in our sights, and in 1946 we established a department to develop elemental technologies, the precursor to the Central Research Center, as well as the Toyo Institute of Rubber, Industry and Technology. In 1950, after wartime restrictions were lifted, we began producing rubber products, aiming to make the leap to a general rubber company. In 1952, we launched the long-awaited RS (Royal Wing Special) Tire. In 1966, while expanding our sales network, we took the lead in the industry by establishing Toyo Tire (U.S.A.) Corp. in the U.S. (currently Toyo Tire U.S.A. Corp.) and expanded the scale of our business, riding the wave of rapid economic growth.



Former Central Research Center



Toyo Institute of Rubber, Industry and Technology



Ceremony to celebrate the first shipment of the year

1971-2003:
Diversification and globalization

In the early 1970s, our diversification and stimulation strategy promoted four businesses: tires, chemicals, footwear and industrial goods. Following the oil crisis, during a period in which we found it extremely difficult to secure raw materials, we focused on improving our organizational structure. In 1979, we entered into a comprehensive business partnership with Nitto Tire Co., Ltd. and reorganized our production bases. We also further expanded our sales strategy outside Japan by establishing local subsidiaries in Australia and what was West Germany. In an effort to strengthen our technological development we opened the Automotive Parts Technical Center in 1986 and the Toyo Technical Center (currently, the Tire Technical Center) in 2001.



Tire Technical Center

2004-2015:
Taking on the North American market and further global expansion

In 2004, Toyo Tire North America Manufacturing Inc. (TNA) was established in Georgia, U.S.A., as our first tire production plant outside Japan. We introduced a new proprietary production method at the plant that combines design and high performance, backed by differentiating technologies. Under Toyo Tire Holdings of the Americas Inc., the North American regional headquarters established in 2008, TNA has worked hard to constantly expand its production capacity, and local sales subsidiaries have been unwavering in their support of our presence in the large-diameter tire category for pickup trucks and SUVs. During this period, we also strengthened our global production and supply system by establishing tire production bases in China and Malaysia, and steadily implementing sales strategies in European countries, Thailand, and Mexico.



TNA, the largest tire plant in the Group



Malaysia Plant

2016-2020:
“Second founding” with mobility business at our core

In 2017 we re-established our philosophy. We introduced a function-based organizational framework, relocated our headquarters and moved our technology development and platform technology development functions to an area close to our new headquarters. These changes enabled us to accelerate cooperation, create solidarity and speed up decision-making. In 2018 we became a new management entity with mobility at the core of our business, and the following year we changed our name to Toyo Tire Corporation. That same year, we established a new brand statement, “Open Roads Await.” In addition to formulating a growth strategy for our new corporate stage, we established a North America R&D Center and a European R&D Center (in Germany). We also decided to establish a new tire plant in Serbia to strengthen our development and production/supply systems.



Headquarters (in Itami, Hyogo Prefecture, Japan)

From 2021:
Embarking on Medium-Term Business Plan “Mid-Term ’21 Plan” to strengthen sustainability management

In 2021, we announced the Medium-Term ‘21 Plan. Under the slogan of “bolstering ability to promptly and flexibly respond through global collaboration,” our ideal we are aiming for, we are implementing business strategies to achieve our management targets. In April 2021, we established a Sustainability Committee, chaired by the president, to strengthen our sustainability management and aim for the true integration of business and sustainability. We are making steady progress despite the COVID-19 pandemic and other changes in the business environment. Operations at our new Serbia Factory are up and running and we are steadily developing our digital transformation infrastructure.



Serbia Factory

Changes in operating income

Changes in operating income

Established in 1945

2004
Establishing tire production bases in America

2011-
Tripolar production sites system of Japan, America, and Asia

Starting “Medium-Term ’21 plan”



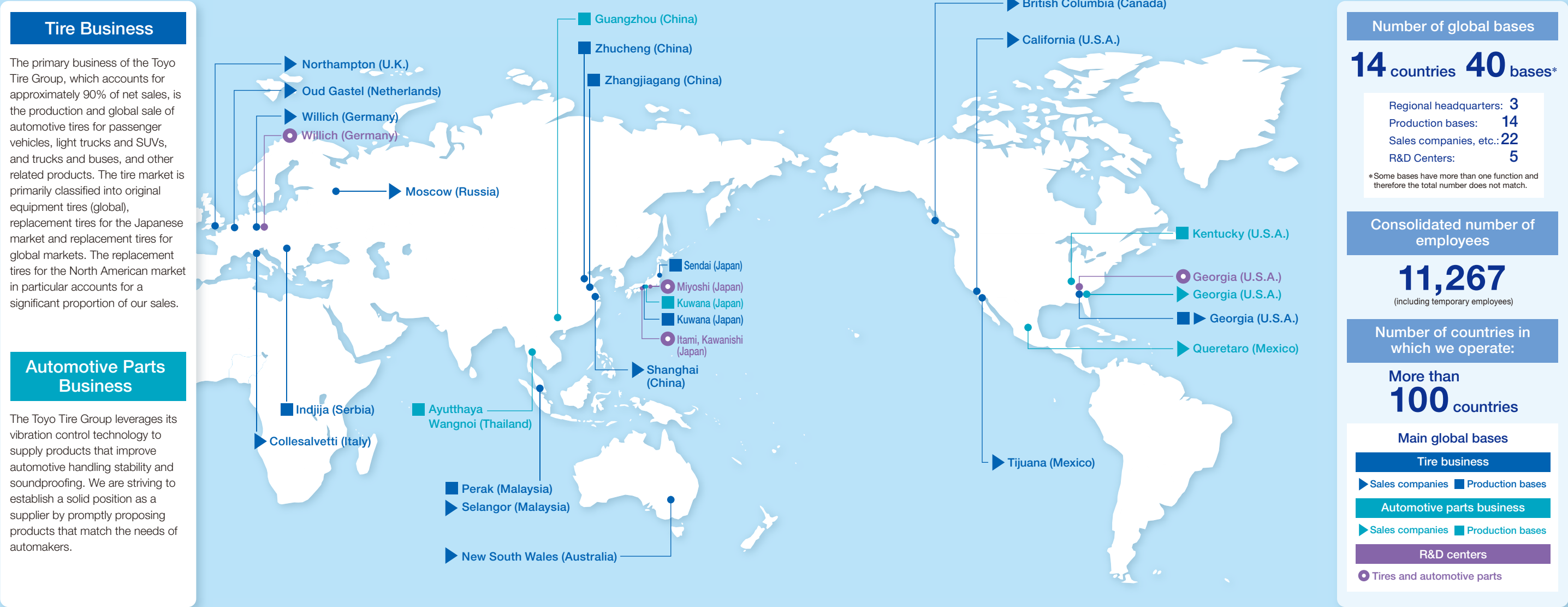
Fiscal Year (FY)	Operating Income (millions of yen)
1945	~5,000
1986	~10,000
1990	~15,000
2000	~10,000
2004	~15,000
2011	~15,000
2021	~55,000
2023	~75,000

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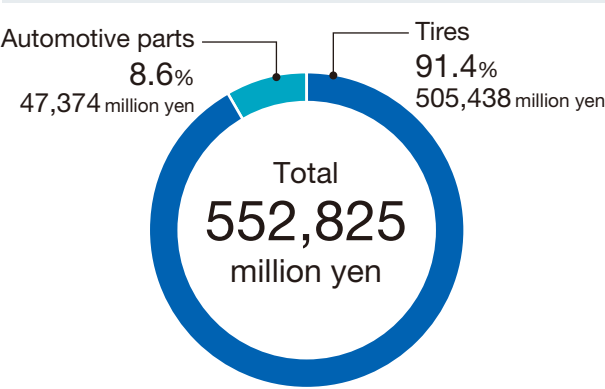
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At a glance

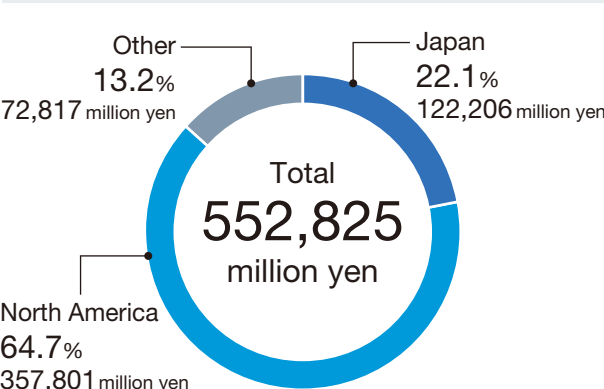
The Toyo Tire Group has 14 production bases and 5 R&D centers, and is developing its tire and automotive parts business globally.



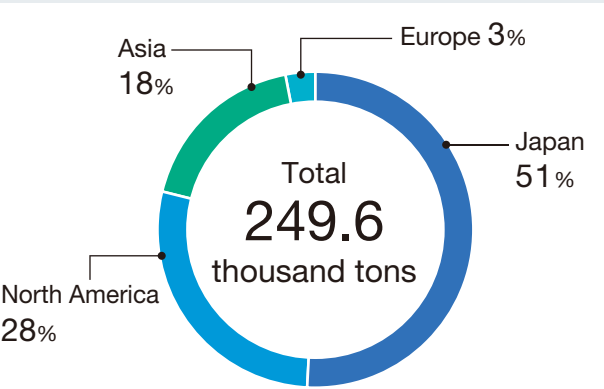
Net sales by business segment (FY2023)



Net sales by region (FY2023)



Percentage of tire production volume (new rubber) by region (FY2023)



Percentage of tire sales by region (FY2023)

