

Editorial Notes

Our aim with this Integrated Report 2025 is to share with all of our stakeholders the ideas and actions that enable us to work toward our mission of enriching society through our business activities. Based on feedback received from readers of our past Integrated Reports, this year we have endeavored to be clearer and more specific about how we are working to create value through different processes and business strategies, which are founded on our strength in collaboration between functional organizations. We hope this report helps you better understand that we are a company providing unique value and aiming for continued growth together with society based on our corporate philosophy. Moving forward, we will continue engaging in active dialogue with all of our stakeholders as we strive to improve our value as a company.

More detailed information can additionally be found on [our website](#) .

Reporting period:

From January 2024 to December 2024

* The report contains some information from outside the above period

Scope:

Toyo Tire Corporation and group companies in and outside Japan (consolidated subsidiaries)

Organization names in this report:

Toyo Tire Corporation itself is referred to as “Toyo Tire Corporation” or “we”
The entire Group is referred to as “Toyo Tire Group,” “the Group” or “we”
Individual companies in the Group are referred to by their company name

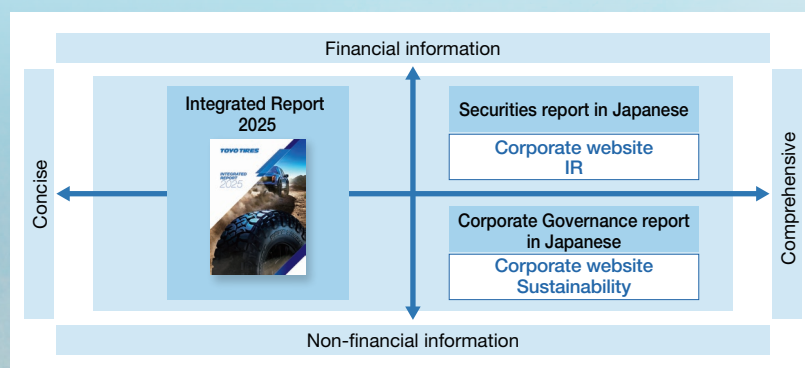
Guidelines and other references:

- International Integrated Reporting Council (IIRC), *The International Integrated Reporting Framework*
- Japan's Ministry of Economy, Trade and Industry, *Guidance for Collaborative Value Creation 2.0*
- Global Reporting Initiative, *GRI Standards (sustainability reporting standards)*

Note on forward-looking statements

This report contains forward-looking statements concerning future performance. These statements are not a guarantee of future performance and involve risks and uncertainties. Please note that factors such as changes in the operational environment may cause the actual future performance to deviate from planned figures.

Positioning of this report



Our Philosophy

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 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.



Founding president,
Rikimatsu Tomihisa

The company philosophy is positioned as **the highest concept** in our philosophy system.

It is **the all-important spirit of our founding that we will continue to pass on into the future.**

This is **the definition of our purpose in society** in our own words.

It expresses **our duty to society**, and is, so to speak, a promise that we make to it.

These are definitions, in our own words, of **the kind of company we are aiming** to become in order to fulfill our corporate mission (or our “promise to society”).

In other words, they illustrate the ideal image of the company that we are aiming to be.

The definition of **the foundation of our way of thinking, and values** that are equally important to all officers and employees in order to fulfill our mission in society and achieve our ideal vision of a company.

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.

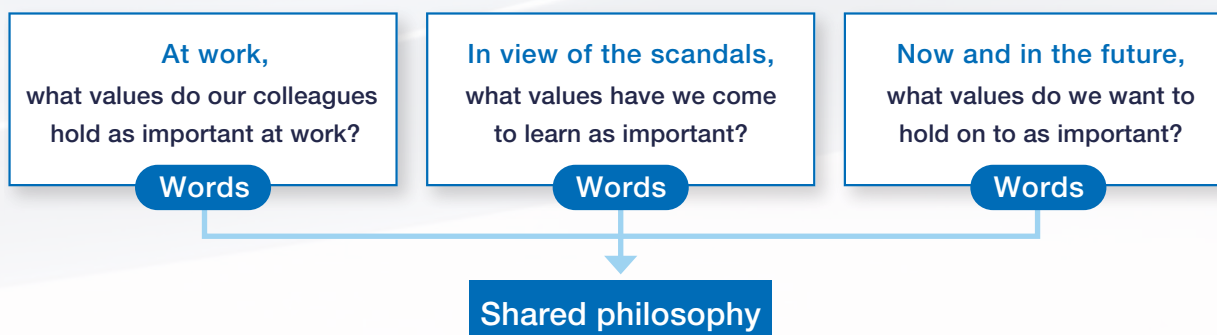
For this reason, we place our Company Philosophy at the top of our Philosophy statements as the spirit that we should always maintain and pass on into the future as we engage in our work.

Our Philosophy

Our Philosophy was published in 2017, replacing 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.



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.

Our Mission

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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
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Material issues

- 1 Help create a society of sustainable mobility
- 2 Support the enjoyment of mobility for all
- 3 Support diverse talent with motivating challenges and job satisfaction
- 4 Continue innovating next-generation mobility technology
- 5 Pursue decarbonization in all corporate activities
- 6 Promote supply chain sustainability
- 7 Ensure the fundamentals of manufacturing: quality and safety

See p.36,37 for details of 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, a lecture that delves into the context of the Philosophy is incorporated in our internal training program. In level-specific training for newly promoted managers, a workshop is held along with the lecture so that the knowledge will improve their own conduct. The training is given at each stage of employees' career progression, from junior employees to general managers, which means that the challenges identified by junior and mid-career staff are examined as themes for managers and general managers to tackle. The program design ensures consistency throughout all levels, and encourages employees to embody the Philosophy across the Group, with each individual acting in alignment with their roles and positions. We also provide

e-learning for the Group's entire workforce, including employees at overseas bases, which ensures that everyone understands how our Philosophy relates to our sustainability actions and value creation.

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



Our philosophy is inspiring and motivates us to uphold these values in our daily work.



It is good to share the positive spirit of The Toyo Way.



I believe that our Philosophy is an important signpost that we can return to when we are unsure which way we should be going. The e-learning has reaffirmed my understanding of the fundamental purpose of the work we do.

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.

1945-1970:

Founding and groundwork for growth

In August 1945, Toyo Rubber Industrial, which was established, strengthened, and developed by Toyo Boseki (currently, Toyobo) in order to develop the rubber industry, merged with Hirano Rubber Manufacturing, 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.



Ceremony to celebrate the first shipment of the year



Toyo Tire (U.S.A.) Corp.

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. In 2003, we established a tire distributor in China to promote further globalization.



Toyo Reifen GmbH



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 the U.S., as our first tire production plant outside Japan. We introduced a new proprietary production method at the plant that combines design and high performance.

Under Toyo Tire Holdings of the Americas Inc., the North American regional headquarters established in 2008, we worked hard to constantly expand our production capacity and solidify 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 Asia and steadily implementing sales strategies in European countries, Thailand, and Mexico.



TNA (the U.S. tire production base)

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 development function 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.” Furthermore, to prepare for this new corporate stage, we established R&D centers in North America and Europe and decided to establish a new tire plant in Serbia to strengthen our development and production/supply systems.



Headquarters (in Itami, Hyogo Prefecture, Japan)



Serbia Factory

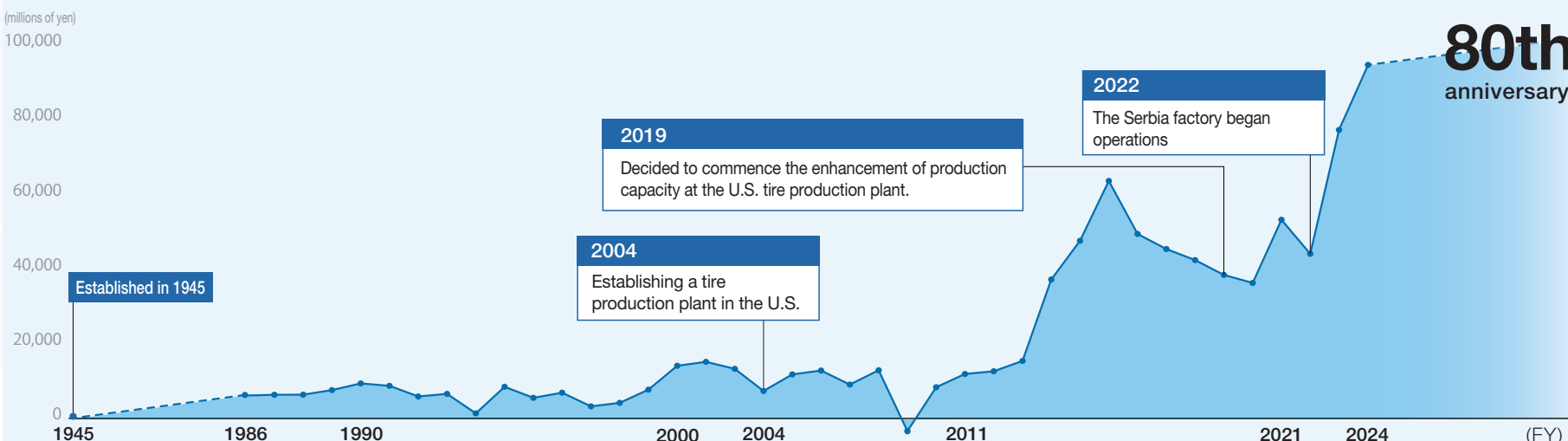
From 2021:

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,” we are implementing our business strategies. 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 have made steady progress despite the COVID-19 pandemic and other changes in the business environment, proceeding with operations at our new Serbia Factory, developing digital transformation infrastructure, and consolidating European sales functions in the new Serbian company.

Changes in operating income and loss



Brand development

Brand statement 2019

Open Roads Await

We announced the “Open Roads Await” slogan depicting a desire to drive courageously and boldly on an open surface, carving new roads where none had previously existed, because we want to become a company that embodies that kind of pioneering spirit.

Key message 2020

Ignite your BLUE.

The “Open Roads Await” brand statement that expresses the Toyo Tire Group’s pioneering spirit inspires the desire to challenge magnificently expansive blue-tinted infinity.

Key message 2025-

Blaze BLUE

This slogan expresses TOYO TIRES determined will to move confidently forward by bravely confronting unknown wilderness, roadless territories, and new challenges.

At a glance (FY2024)

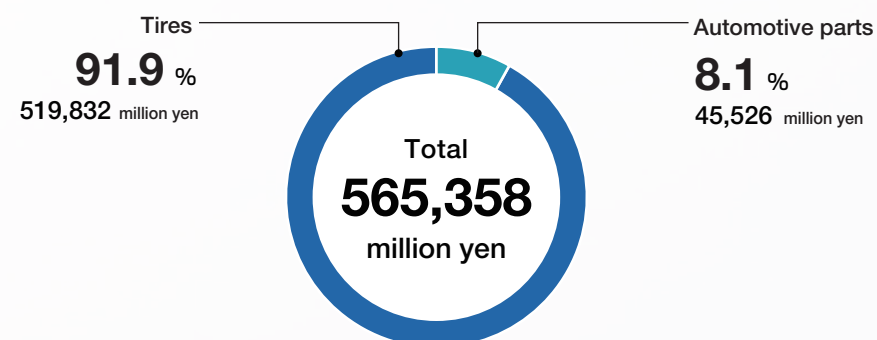
Tire Business

The primary business of the Toyo Tire Group, which accounts for approximately 90% of net sales, is the production and global sale of automotive tires for passenger vehicles, light trucks and SUVs, and trucks and buses, and other related products. The tire market is primarily classified into original equipment tires (global), replacement tires for the Japanese market and replacement tires for global markets. The replacement tires for the North American market in particular accounts for a significant proportion of our sales.

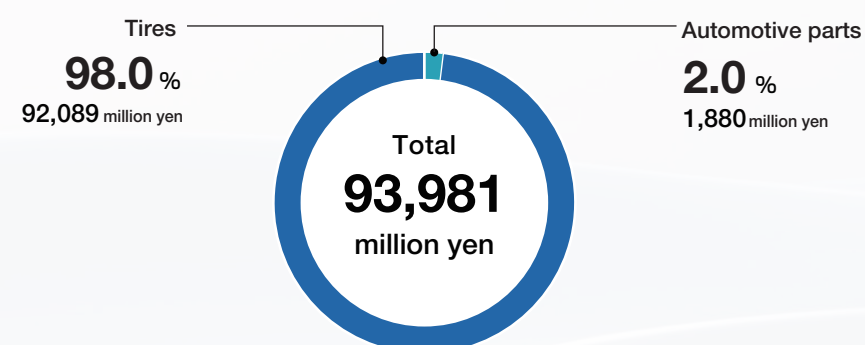
Automotive Parts Business

The Toyo Tire Group leverages its vibration control technology to supply products that improve automotive handling stability and soundproofing. We are striving to establish a solid position as a supplier by promptly proposing products that match the needs of automakers.

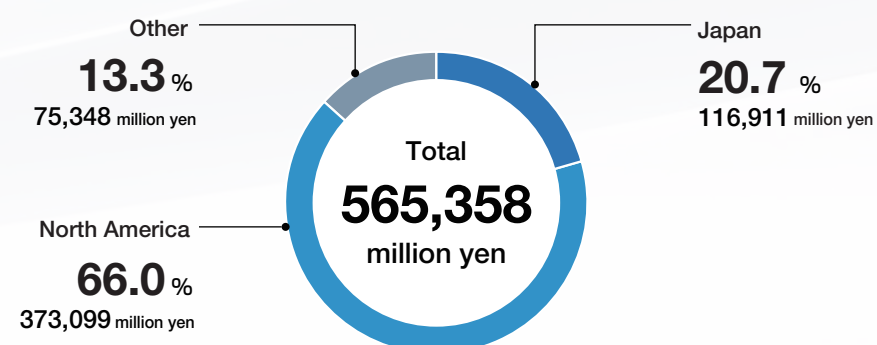
Net sales by business segment



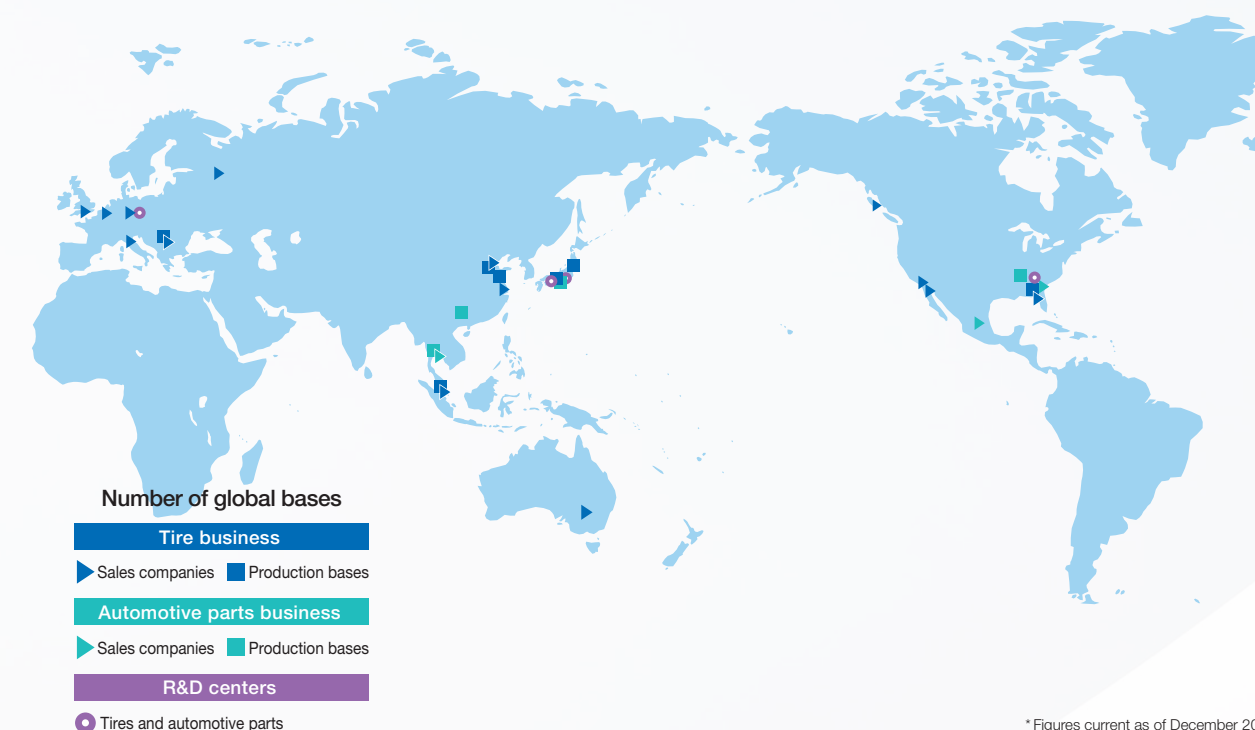
Operating Income by business segment



Net sales by region



The Toyo Tire Group has 13 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
Production bases:	13
Sales companies, etc.:	23
R&D Centers:	5

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

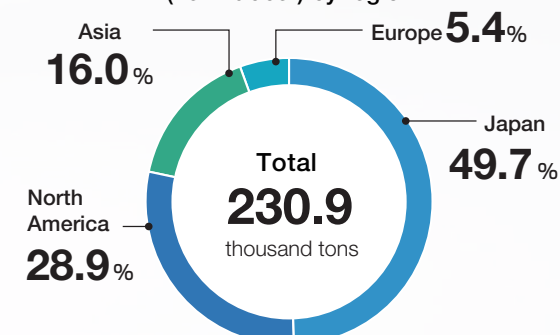
Consolidated number of employees

11,202
(including temporary employees)

Number of countries in which we operate:

More than
100 countries

Percentage of tire production volume (new rubber) by region



Percentage of tire sales by region

