

Editorial Policy

This report is intended to serve as a tool for promoting constructive dialogue with our stakeholders and furthering understanding of our company's medium- to long-term value creation. With the announcement of our Medium-Term '26 Plan, this year we focused on presenting a concise integrated overview of our future vision and supporting growth strategies, as well as the value creation process that will drive their implementation. We have structured this report to facilitate a solid understanding of the way we think about medium- to long-term growth and improvement in corporate value.

Through this report, we will continue fostering mutual understanding with our stakeholders, and incorporate their feedback in our decision-making to further enhance our corporate value.

Reporting period:

From January 2025 to December 2025

* 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:

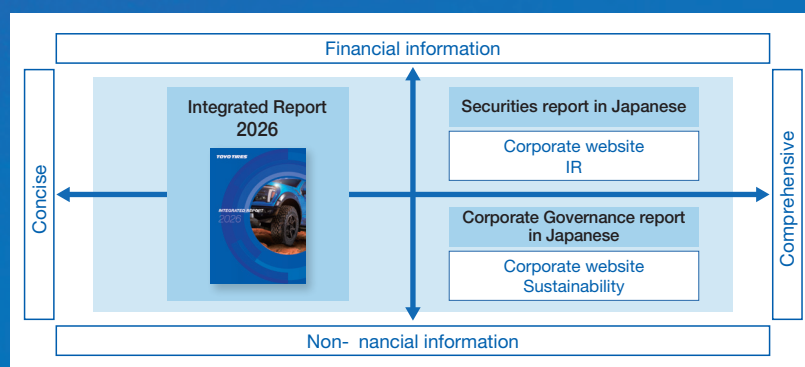
- International Integrated Reporting Council (IIRC),
The International Integrated Reporting Framework
- Japan's Ministry of Economy,
Trade and Industry, *Guidance for Collaborative Value Creation 2.0*
- Global Reporting Initiative,
GRI Standards (sustainability reporting standards)

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.

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.

Our Mission

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

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.

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.

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.

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.

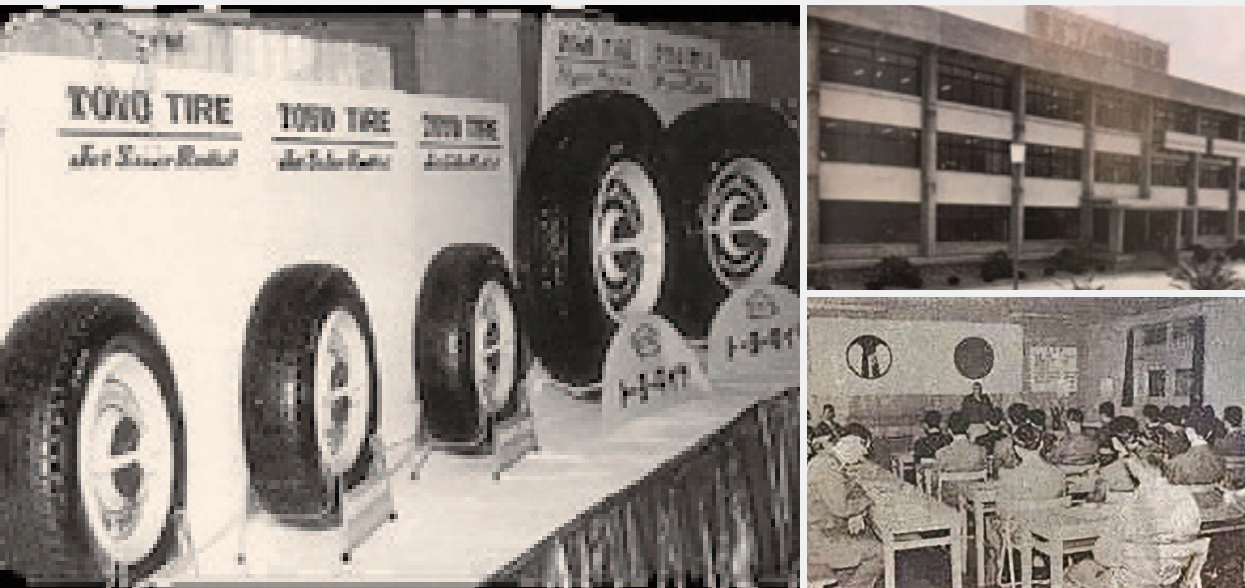
The definition of the foundation of our way of thinking, and values that are equally important to all officers and employees in order to fulfill our mission in society and achieve our ideal vision of a company

[The spirit that underpins our Company Philosophy]

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 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

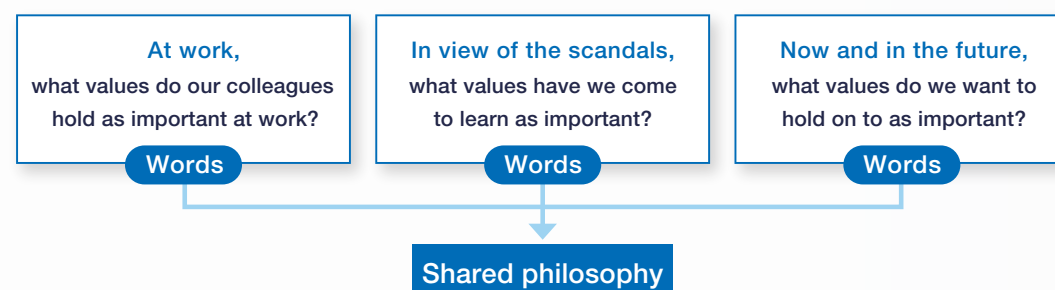
still ring true today. What materials do we use to make our products? How do we make them? What value do we provide to the customers who pay us? We believe that we must continue exploring these questions as we respond to the demands of our times and look to the future. The principle behind the Company 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.

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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.42, 43 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, we have incorporated a lecture on the Philosophy and its context into our internal training program, which is held at each stage of level-specific training for newly promoted employees ranging from junior employees to general managers. The program is designed to ensure consistency by having challenges identified at each level carried forward as themes for managers and general managers to examine, and emphasizes how the Philosophy connects to each employee's daily work so that it is understood and put into practice. We also encourage employees to take ownership of the Philosophy and apply it in their day-to-day performance and departmental operations

so that it is embodied throughout our organization.

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 from Philosophy training participants

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New employee

By consciously and consistently acting in accordance with the Philosophy, I hope to become someone who can make a meaningful contribution to society and our customers.
- 

Assistant manager

This training helped me reorient the TOYO WAY as a guiding principle for the way I communicate and accomplish my duties.
- 

General manager

I'm striving to first embody the Philosophy myself and speak about it in my own words to help instill it throughout our organization.



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, amid the turmoil just before the end of World War II, Toyo Rubber Industrial, which had been strengthened and developed by Toyo Boseki (now Toyobo) to promote the advancement of the rubber industry, merged with Hirano Rubber Manufacturing, resulting in the establishment of the Company. We advanced the establishment of core technologies and product development, strengthened our business foundation in step with the growth of the domestic market, and laid the groundwork for overseas expansion.



Ceremony to celebrate the first shipment of the year



Toyo Tire (U.S.A.) Corp

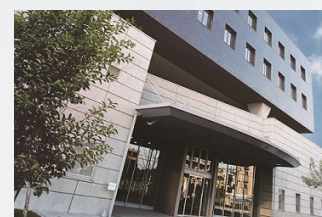
1971-2003:

Diversification and globalization

Under a diversification strategy, we expanded our business domains and strengthened our production, sales, and R&D frameworks. We expanded our presence to countries including Australia, West Germany, and China, building a corporate structure capable of competing globally.



Toyo Reifen GmbH



Tire Technical Center

2004-2015:

Taking on the North American market and further global expansion

We established a tire production base in North America, marking our transition to a full-scale global business. By introducing a proprietary new manufacturing method, we enhanced both product competitiveness and supply capability, establishing a strong presence in the large-diameter tire category for pickup trucks and SUVs in the North American market. During this period, we 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

Starting with the reconstruction of our corporate philosophy and organizational reform, we shifted our management focus to mobility business. By establishing a new plant in Serbia and strengthening our R&D center in Europe, we further reinforced our global development and production structure, enhancing our competitiveness.



Headquarters (in Itami, Hyogo Prefecture, Japan)

2021-2025:

Integration of business growth and sustainability

We pressed ahead with the Medium-Term '21 Plan with a focus on our ability to respond to change swiftly and flexibly. We strengthened our global framework by bringing the Serbia Plant online and consolidating our sales functions in Europe. We promoted the integration of business and sustainability by establishing the Sustainability Committee and identifying material issues.



Serbia Plant

2026~:

Launching the Medium-Term '26 Plan, strengthening our earnings base, and accelerating growth

Having announced the Medium-Term '26 Plan and in pursuit of decision-making speed and uniqueness that set us apart in the industry, we will concentrate management resources in areas where we can best demonstrate our strengths. Under a local production for local consumption business model, we will accelerate growth centered on North America, drive renewed growth in Europe and Japan, and advance our sustainability initiatives in tandem with our business activities.

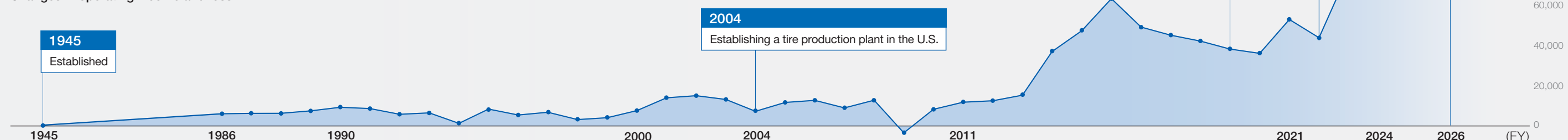


Serbia R&D Center

2026~

Launch of the Medium-Term '26 Plan — Pursuit of decision-making speed and uniqueness that set us apart in the industry

Changes in operating income and loss





At a glance (FY2025)

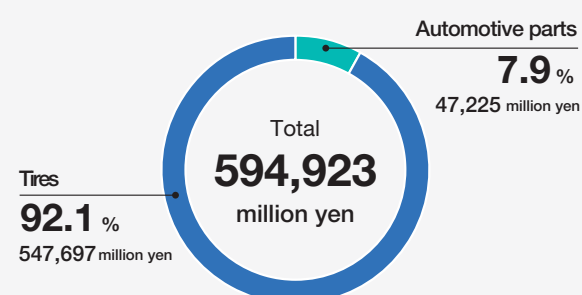
Tire Business

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.

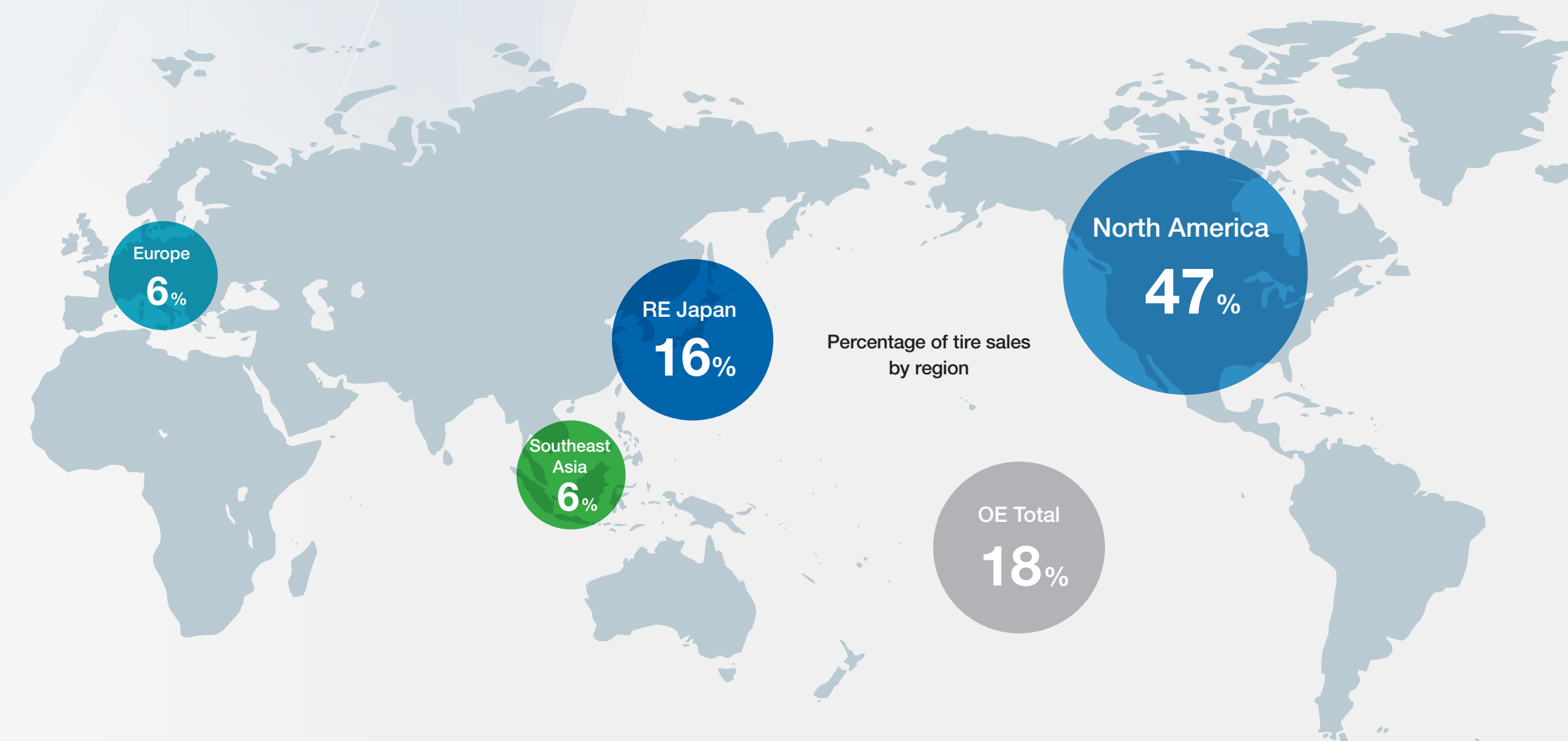
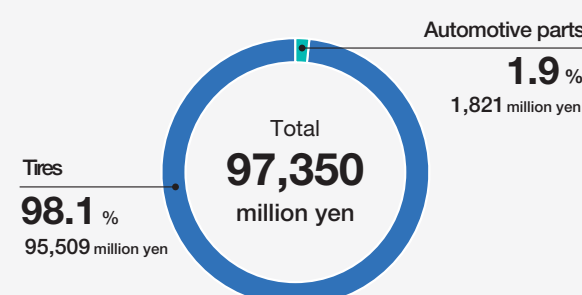
Automotive Parts Business

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



The Toyo Tire Group has 12 production bases and 5 R&D centers, and is developing its tire and automotive parts business globally.

* Figures current as of December 2025

Number of global bases

14 countries **39** bases*

Regional headquarters:	3
Production bases:	12
Sales companies, etc.:	23
R&D Centers:	5

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

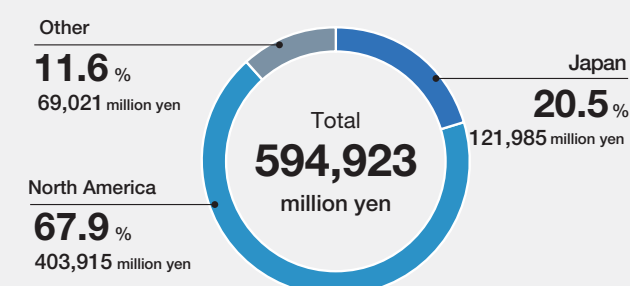
Number of countries in which we operate:

More than
100 countries

Consolidated number of employees

10,702
(including temporary employees)

Net sales by region



Percentage of tire production volume (new rubber) by region

