

The Toyo Tires Group seeks to remain a company admired by individuals and society, each member keenly aware of their “Connection” with society.

Priority Theme & Ideal Status

| Priority Theme | Ideal Status in 2020 | Priorities | Stakeholders | |
|---|---|--|--|---|
| | | | Directly | Indirectly |
| 1 Product and Service Reliability and Innovation | Providing eco-friendly products and services founded on high quality and safety | <ul style="list-style-type: none"> Ensuring product quality based on thorough customer orientation Efforts to alleviate and adapt to climate change Development of human resources with technical expertise | Customers | Shareholders and Investors Creditors Business organizations |
| 2 Contribution to the Global Environment | Promoting environmental management on a Group-wide basis | <ul style="list-style-type: none"> Efforts to alleviate and adapt to climate change Efforts to reduce water risk Resource recycling efforts | Local Communities Environment | NGOs Shareholders and Investors Business organizations |
| 3 Respect for Human Rights and Diversity | Diverse employees actively working in an environment with a global sense of human rights | <ul style="list-style-type: none"> Fulfilling responsibility to respect human rights Review labor standards taking into consideration customary international law | Employees | NGOs Shareholders and Investors Business organizations |
| 4 Collaboration with Business Partners | Entire supply chain engaging in CSR activities | <ul style="list-style-type: none"> Supply chain management (Society and Environment) | Business Partners (Suppliers/Logistics) | Shareholders and Investors Business organizations Local Communities NGOs Government |
| 5 Harmony with Local Communities | Contributing to local community development while responding to stakeholders' voices | <ul style="list-style-type: none"> Engagement with local communities Preserving biodiversity | Local Communities Environment | NGOs Government Shareholders and Investors |
| 6 Creation of Safe and Healthy Workplaces | With priority given to safety, promoting the creation of workplaces that ensure well-being and security | <ul style="list-style-type: none"> Global-level worker safety and health management | Employees | Business organizations Shareholders and Investors NGOs |
| 7 Reinforcement of Corporate Governance and Compliance | Engaging in business activities with integrity while constantly improving management transparency | <ul style="list-style-type: none"> Reinforcing corporate governance Further spreading awareness of placing greatest priority on compliance | We are working to reinforce corporate governance/compliance as the foundation of CSR management, while paying close attention to all stakeholders. | |

Identification Process of Priority Themes (2013-2014)

We have identified, from a wide range of CSR issues, those that need to be addressed as a high priority, based on the materiality of each issue to the Group and its stakeholders. In May 2014 we consolidated those issues into seven priority themes.

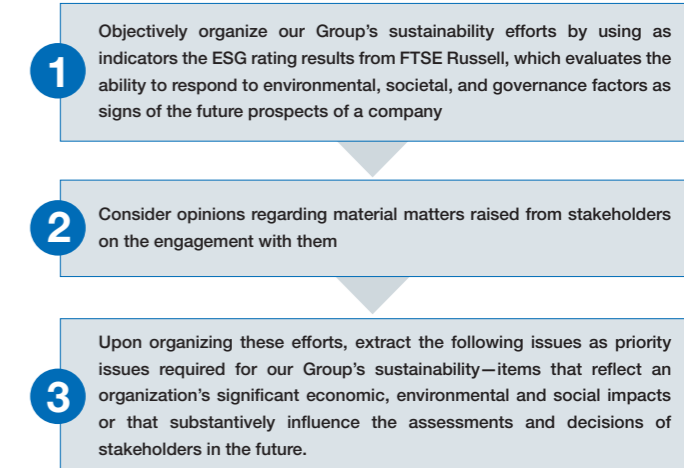
Extracting priority issues required for the sustainability of the Toyo Tires Group (2017)

Taking into consideration the accelerating changes in the business environment after identifying priority themes and our vision for 2020 as well as new demands of our stakeholders, we have extracted issues that should be addressed with priority in order to achieve sustainability by our Group into the future.

Extracting of issues was done by stressing objectivity, taking into consideration the results of evaluations conducted by independent rating organizations, and after obtaining the opinion of independent experts.

Of the priority issues that were extracted, a working group (WG) was established for each those issue that require cross functional activity promotion, with the WG considering responses to these issues.

Extracting process for priority issues

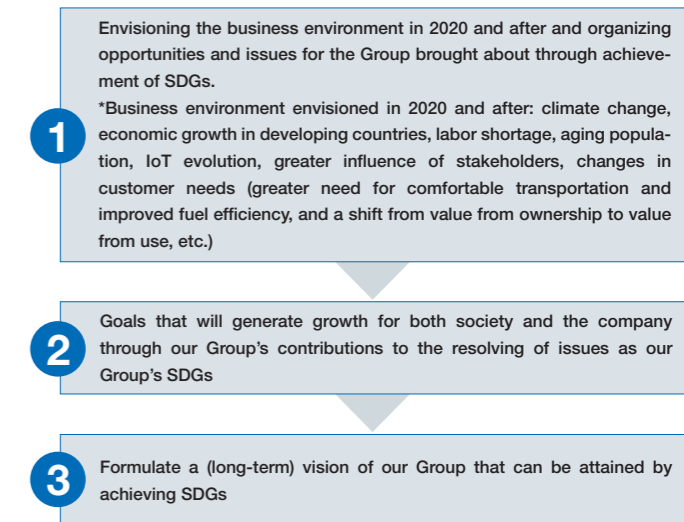


Contributions to Achieving SDGs and Examining Future Ideal Status (2017-)

Having positioned contributing to efforts to achieve the 2030 sustainable development goals (SDGs) adopted by the United Nations as one important business issue, we have established cross functional WGs group-wide where this issue is discussed. After compiling the goals by the end of fiscal 2018 and obtaining approval by the Executive Committee as SDGs for our Group, we plan to expand these throughout the entire Group and all organizations.

Furthermore, we defined our “Ideal Status in 2020” to visualize where we want to be as a company in each current priority theme and we are also examining a long-term vision for our Group that can be realized by achieving SDGs.

The process of setting SDGs for our Group



Promotion System

To promote sustainability, the Executive Committee (chairperson: President), which has been delegated authority by the Board of Directors, has approved the creation of WGs to discuss issues that should be addressed with priority, and the WGs debate an action plan that includes orientation, goals, and targets. The WG brings together the responsible parties in related business organizations, the discussed action plan is approved by the Executive Committee, and the plan is spread throughout the entire Group and all organizations. WGs for the four themes of “Supply Chain”, “Environment”, “Human Rights & Labor”, and “SDGs” have already been established and discussions are underway.

To promote sustainability, the Executive Committee manages the progress of activities undertaken by each WG, and evaluations are made of the effectiveness of the management methods for each theme using the results of performance ratings by an independent organization, the opinions of stakeholders obtained from the complaint processing mechanism, and industry trends. Improvements are then made.