

**TOYO TIRES**

*Integrated Report*  
**2024**

**TOYO TIRES**



**Toyo Tire Corporation**

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Editorial Notes

As a key element of engagement with our stakeholders

It is our stated policy that, being strongly aware that every action in our business is linked to society and the future, we will seek to fulfill our purpose by solving social issues through our corporate activities and creating social value.

Last year, we published an integrated report for the first time in order to share our vision of the society we are seeking to bring about through our corporate activities, and to provide information on the initiatives we are undertaking to make that society a reality. We are delighted that so many of our stakeholders have read the report, which we hope has helped your understanding of the future we are working toward.

Our workforce, led by the management team, has been exploring what our strengths are and developing our vision of a sustainable society further. We have also received invaluable feedback from many of our stakeholders who have read the first Integrated Report. Based on the insights gained through this process, we have made some changes to improve the clarity of our value creation storytelling in this year's Integrated Report.

This report will form the basis of our ongoing engagement with our stakeholders, which will enable us to further enrich society through our corporate activities.

Editorial policy

- Reporting period:**  
From January 2023 to December 2023  
\* 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.

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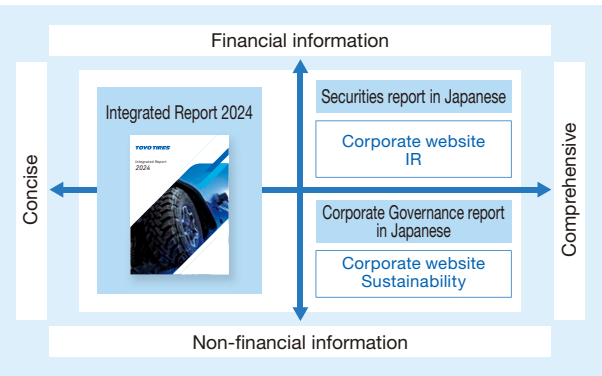
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Positioning of this report





# 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

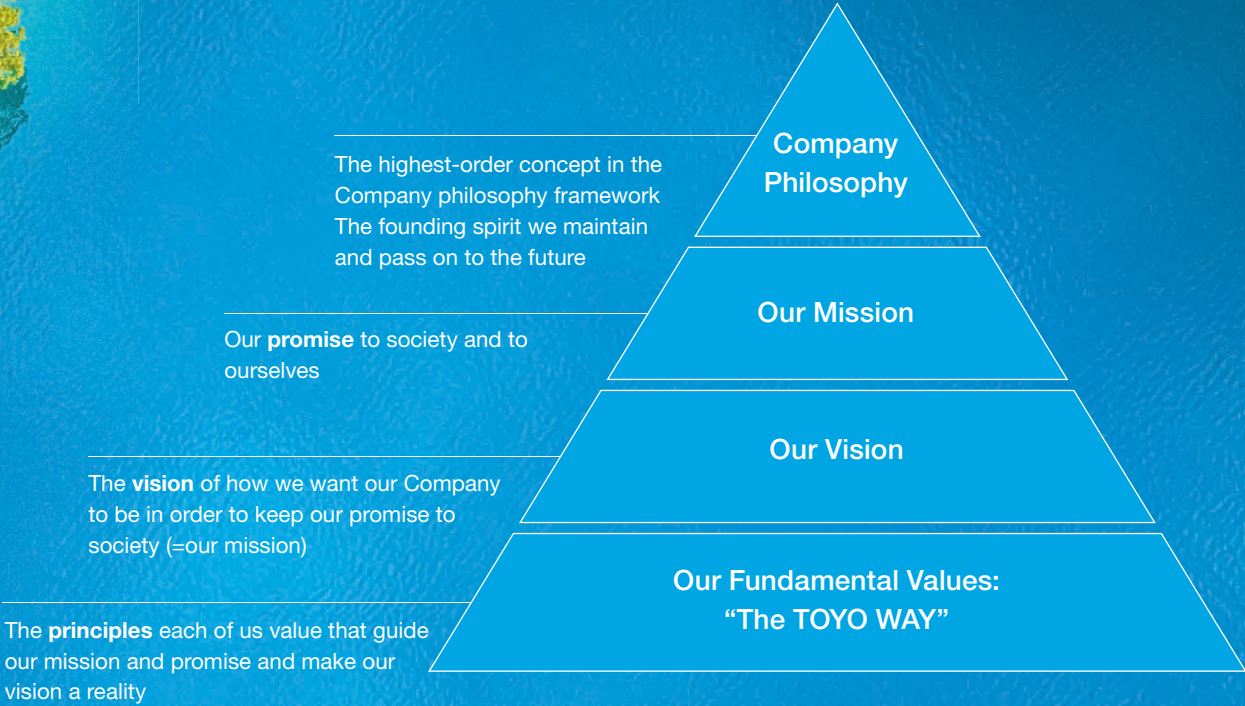
To create excitement and surprise with our products that exceed customer expectations and enriches society.

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. |



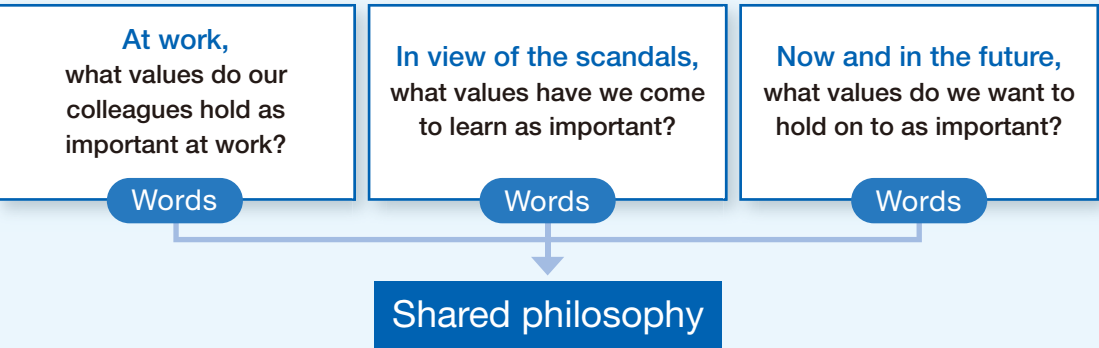
Open Roads Await



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]



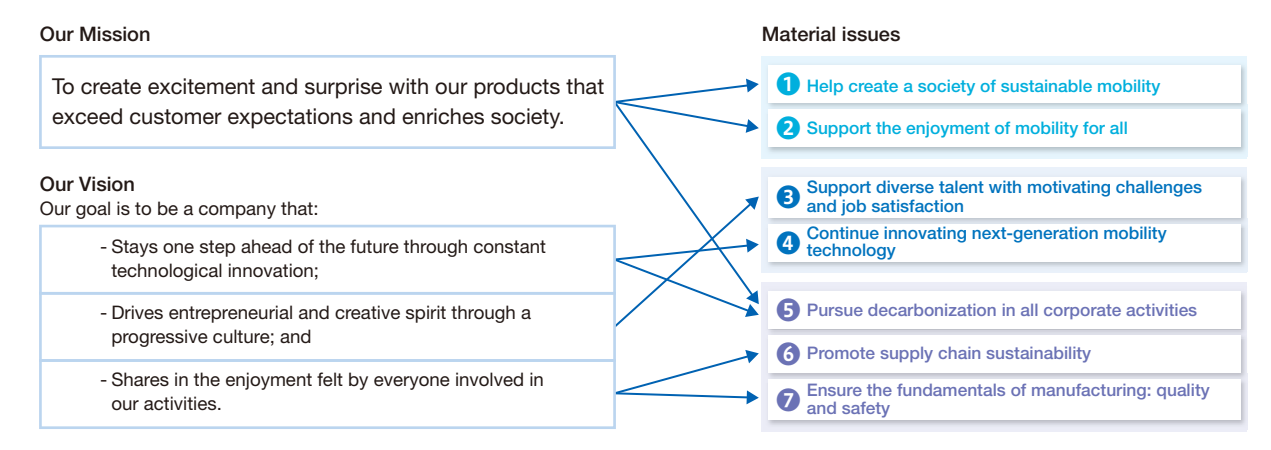
Industry progresses steadily day by day and never rests. We must understand the importance of our work well and make progress every day. We must research, create and be ingenious, always determined that we will be better today than yesterday. Abundance of high-quality materials may make it easier to 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.



→ See p.23-24 for details of material issued.

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	~10,000
2021	~55,000
2023	~75,000

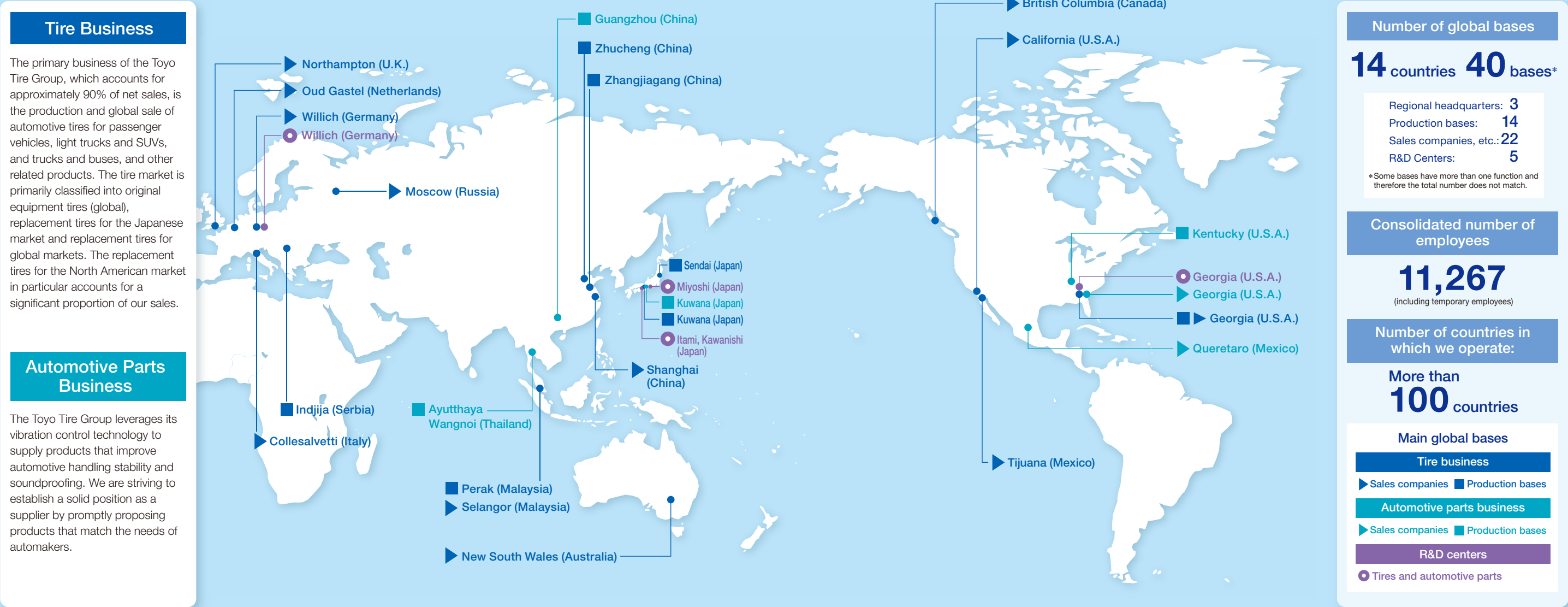
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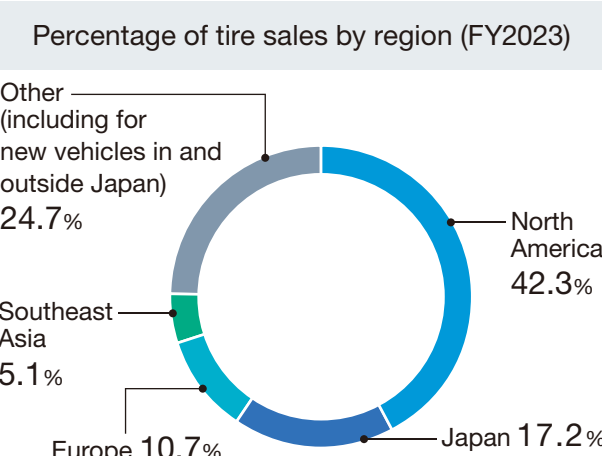
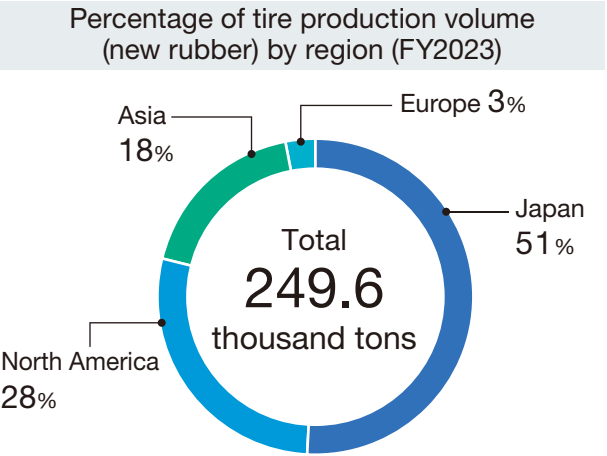
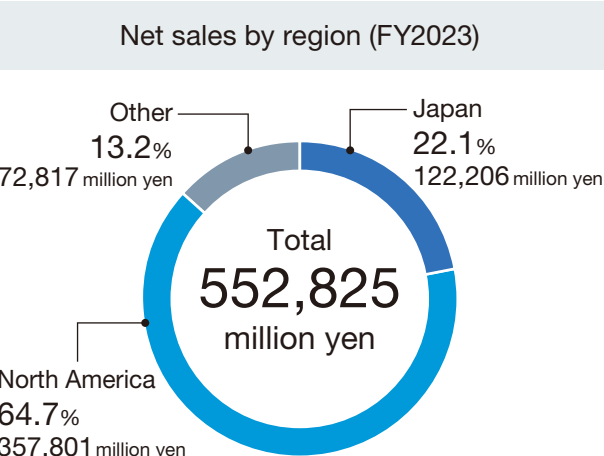
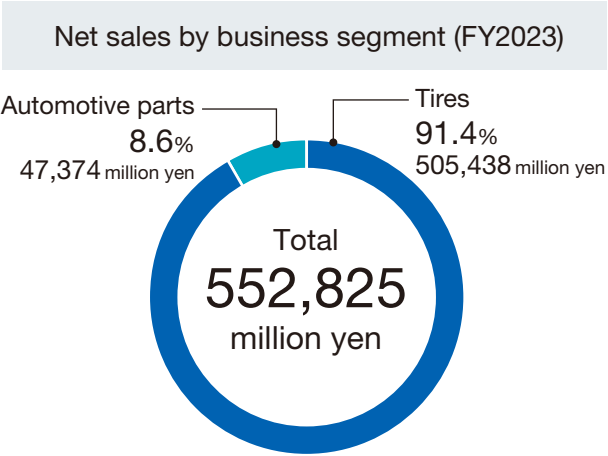


At a glance

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



\* Figures current as of December 2023





## Message from the President



**Takashi Shimizu**

Representative Director,  
President & CEO

## Further integrating sustainability into our business strategies and leveraging our strengths to maximize economic value and create environmental and social value

### A year spent reflecting on who we are and what we are aiming for

Last year, when we published our first integrated report, I indicated that we view the report as a theater stage and that the report is an important tool for readers to confirm our potential as a company. In compiling this report, we have prepared answers on each page to the fundamental question, “who are we?” Readers can find information on our ideals, history, medium- to long-term management strategies, financial situation, capital policy, sustainability initiatives tied to the material issues we have identified, and our governance structure. There are many different aspects that need to be covered when introducing a company and communicating its business to the public.

By evolving and organically integrating these aspects, readers can confirm our potential as if we were a single living organism.

We have asked ourselves what added value we offer, through what kind of business processes, from what kind of social capital. And based on the output of such processes, we have examined which social issues we are trying to solve and what kind of value we are trying to create for society over the medium to long term. We believe that our ability to demonstrate our value creation process, which systematizes these processes, is of great significance in two respects.

### Revisiting our business at the core of the value creation process

Firstly, we have reconfirmed the need to align our business processes, which are lie at the heart of our business management activities, with the value creation process. Although we do not necessarily have scale advantages in the same business domain, we have worked to optimize our business management structure by maximizing our resources. We excel at capitalizing on our unique strengths by ensuring that all our functions powerfully communicate their intentions and appropriately collaborate on a single strategy. While our human resource base and technology base support the fulfillment of these functions, we are strengthening our governance base and risk management to ensure our sound corporate growth. In this respect, we have reconfirmed that we are producing output from such a portfolio that sets us apart from other companies.

Secondly, we feel that our value creation process provides insights into how to approach our business. To

raise awareness of the outcomes, we are breaking down the value creation process at the division level under each organizational function. As part of our philosophy, we advocate management that is conscious of our social contribution, “to create excitement and surprise with our products that exceed customer expectations and enrich society.”\* So, what specific value are we creating for society? This is something we need to clarify. More often than not, a business will push ahead to achieve results without questioning what our true purpose is. However, we need to remain conscious of such purpose as a company and strategically promote our business to pursue profits from a long-term perspective. We have embarked on activities to create such a culture within the framework of business promotion, with division general managers taking the lead.

\*Our Mission



Steady outputs support outcomes

We have turned the halfway point of our five-year Medium-Term '21 Plan, which started in 2021. In 2024, we are making steady progress on the second half of our medium-term management strategy. In fiscal 2023, we achieved record highs in net sales and all profit items. We recorded operating income of 60 billion yen, the figure we were aiming for in the final year of our medium-term plan, and our operating income margin was 13.9%, 0.1% short of our medium-term plan target. In addition to the favorable impact of the depreciation of the yen and other tailwinds, I believe that our pulling together as a company to tackle the unprecedented difficulties we encountered in 2021 and 2022 has paid off, opening the way for the results we achieved in 2023.

In particular, our market supply strategy for high value-added products, which is devised to meet the expectations of customers and to please them by delivering tires, engages the gears of each organizational

function to meet customer insights, creating our unique added value to society, and contributing to raising our profit levels. This year, my mission once again is to lead the company by conscientiously continuing our meticulous business management from such a customer-oriented perspective. I will steadfastly support the economic value and output required for the creation of social and environmental value by moving ahead with our current work, while keeping an eye on our medium-term plan.

Our business environment is sensitive to the price of raw materials and foreign exchange rates and so it is imperative that we optimize other cost-related and operational factors. We will also hone the precision of our unique business strategies by focusing on an optimal and high-quality product portfolio that meets the market and customer demands as well as maximizing the effectiveness of operations at our production bases.



Further improving our North American base and raising the quality of other markets

In the North American market, we intend to focus on capturing trends in the large-diameter tire category and we will continue to deliver attractive tires in a timely manner. The global adoption of electronic vehicles (EVs) has been astonishing, but the momentum is showing signs of temporarily slowing down, which means we need to keep a close eye on the situation. The trends of switching to EVs and the expectation of their role in realizing a carbon-neutral society have not changed, and we believe that it is now important to take the initiative for the future, to ensure our presence in the market.

The performance requirements for tires will become more sophisticated as the load and torque increase with electrification. We are aware that this works to our advantage, because tires supporting EVs require larger diameters. Our strength lies in our ability to offer products

that combine unique added value, such as ultimate driving enjoyment and a range of designs, while satisfying, at a high level, the basic elements required for EV tires, such as reduced rolling resistance, wear resistance, and quietness, even though such elements may contradict each other.

We intend to seize this opportunity by strengthening coordinated functions centered on marketing, which involves building good relations with our customers so that we can identify their latent needs and provide feedback to the development team. Assuming that our competitors are strengthening their large-diameter tire strategies, we will enhance the leading position in this category in the North American market and capitalize on our unique strengths, namely the trust we have built up and our agility.

I believe we need to be even more ambitious in raising the level of the technological platforms that support our product strengths, and we will continue to make solid investments in this area. We will also work to advance our collective technological strength by leveraging the characteristics and roles of each of our R&D centers in Japan, the U.S., and Europe. Furthermore, through proactive and continuous participation in motorsports activities, we will link the knowledge we gain through such participation to the improvement of our technological prowess and systematically and effectively develop EV-compatible tires in the off-road field.

Our assets include our relationships of trust with suppliers, who understand the appeal and value of our products and support our sales, and our strong customer base. Going forward, we will continue to maintain our unique agility, which is one of our strengths, by limiting focus areas to our advantage.

In regions other than North America, we strategically select value-added products in line with the market trends in that region and focus on supplying such

products. In Japan and Europe, we are promoting structural reform and focusing on our key policy of pursuing quality, rather than quantity, in our business activities. And we are building win-win relationships with sales partners who share our way of thinking and deliver products to users. We can see the results of these efforts reflected in our business performance from the second half of 2023. Having closed our Silverstone plant in Malaysia in 2021, we are now shifting our focus in Asia from the Silverstone brand to Toyo Tires brand products. As a result, the Toyo Tire brand has steadily established and improved its presence, resulting in dramatic improvements in profitability in Malaysia.

Generally speaking, as of 2024, we have raised our competence to a level at which we are more than capable of meeting the management targets set forth in our medium-term plan. However, we must never forget that we live in a time in which change is the norm. We will continue our efforts to achieve outputs that exceed our targets in 2025, the final year of the plan.



Internalizing the sustainability cycle amidst bewildering external change

The Sustainability Committee, established at the start of the Medium-Term '21 Plan, has been active for three years. A cycle has been established in which activity themes linked to material issues are incorporated into each organizational function's business plan, and the progress of such plans is monitored and managed. Decarbonization and supply chain task forces under the jurisdiction of the committee promote their initiatives efficiently and effectively while pursuing company-wide optimization, and they have now started to work on higher level issues in a more autonomous manner. We believe that we have steadily promoted ESG governance, including giving advice to the Executive Committee and reports at the Board of Directors meetings, and that we have integrated business management and sustainability to some extent as set forth in the Medium-Term '21 Plan.

Meanwhile, numerous economic, social, and environmental issues have continued to emerge during

the past three years. International organizations, states, regions and industries are required to respond to these issues ever more quickly, with no signs of the turmoil abating. What risks and opportunities does this create for Toyo Tire's business operations? We need to continuously watch such trends and take action from a medium- to long-term perspective.

At the final Sustainability Committee meeting in fiscal 2023, we conducted a rolling inspection of our medium- to long-term sustainability targets and plans on whether they are effective amidst environmental changes, including the global situation and trends at other companies, and how such targets and plans are linked to outcomes through our value creation process. We are currently promoting the integration of business and sustainability based on the medium- to long-term targets starting from 2024.

Updating both awareness and behavior for enhanced effectiveness

Our willingness to address climate change, a big issue on a global scale, has been increasing each year. We are promoting the use of renewable energy, a priority measure for decarbonization, in line with the medium- to long-term plan discussed by the Executive Committee, and we have the CO<sub>2</sub> reduction target for 2030 in our sight. However, we need to consider more effective measures in light of the harsh international view of the current state of CO<sub>2</sub> reductions as well as discussions in Japan and abroad around next-generation energy. We will officially introduce internal carbon pricing (ICP) this year, which we believe will be effective as one of the evaluation standards for decarbonization investments. In May 2024, we submitted a letter of commitment to obtain science based target (SBT) certification. We plan to set more effective targets for Scope 3 and to apply for certification this year.

Reducing the environmental impact of dust from tire

wear and preventing deforestation in the natural rubber supply chain are urgent issues for the tire industry. It is now also imperative that we take action to ensure the sustainability of the natural capital we have enjoyed in our business activities thus far. We are working with industry groups and suppliers to strengthen our response and thoroughly manage the impact of our business.

In 2023, we conducted a human rights risk assessment of our entire value chain and identified key risks. We are now in the process of implementing action plans to address these risks, the progress of which will be monitored by the Sustainability Committee. Needless to say, companies should respect human rights, not just as a legal obligation, but as a prerequisite for doing business in society. We need to understand that respect for human rights is a basic assumption for building appropriate relationships with stakeholders, and the committee is working to promote such awareness throughout the

organization. Human capital, which is inseparable from human rights, is a source of value creation for society. Only when people are motivated to fulfill their responsibilities and take on challenges in a healthy and enthusiastic manner, do they bring returns to the company. We view human capital as an integral part of our business strategy and plan to invest in it based on our grand design, through which diverse talent with different abilities, ideas, and careers will be able to enjoy various opportunities and thrive.

We recognize the importance of ensuring the effectiveness of our measures when addressing various sustainability-related ESG issues. We need to establish and manage effective measures for our targets. In other words, it is important to measure effectiveness, make

corrections based on the results of assessments, and continuously make improvements. We plan to further enhance the monitoring function of the Sustainability Committee from such perspective.

In parallel with the implementation of strategies to achieve the Medium-Term '21 Plan, we have already started to formulate the next medium-term plan, which will cover the five-year period from 2026. We will continue to use this Integrated Report as a basis for constructive dialogue with stakeholders in order to further strengthen the integration of business and sustainability that we have been promoting in our current medium-term plan, and to ensure the content really does enhance our corporate value. Thank you so much for your continued trust in and loyalty to the Toyo Tire Group.





# Value Creation Process

The Toyo Tire Group believes in the importance of organizing and disclosing our corporate philosophy, business model, governance, and business risks and opportunities to help promote a clearer understanding of the type of company we want to be in the future. As part of our value creation process, we have verbalized our six capitals, and defined the outputs generated through the utilization of these capitals and the outcomes that might impact stakeholders.

**Our Mission**

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

## Inputs (FY2023)

**Financial capital**

- Total assets: **645,480**M yen

**Manufactured capital**

Production processes that respond flexibly to changing market needs and demand and supply conditions

- Capital expenditure: **34,102**M yen
- Number of production sites: **14** (Japan: 5, International: 9)

**Intellectual capital**

A technological base that encourages differentiation through a combination of basic performance and design features

- R&D expenditure: **12,729**M yen
- A highly efficient and accurate tire development platform

**Human capital**

Diverse human resources that can generate high added value

- Number of consolidated employees: **11,267** (In Japan 5,606; Outside Japan 5,661)

**Social and relationship capital**

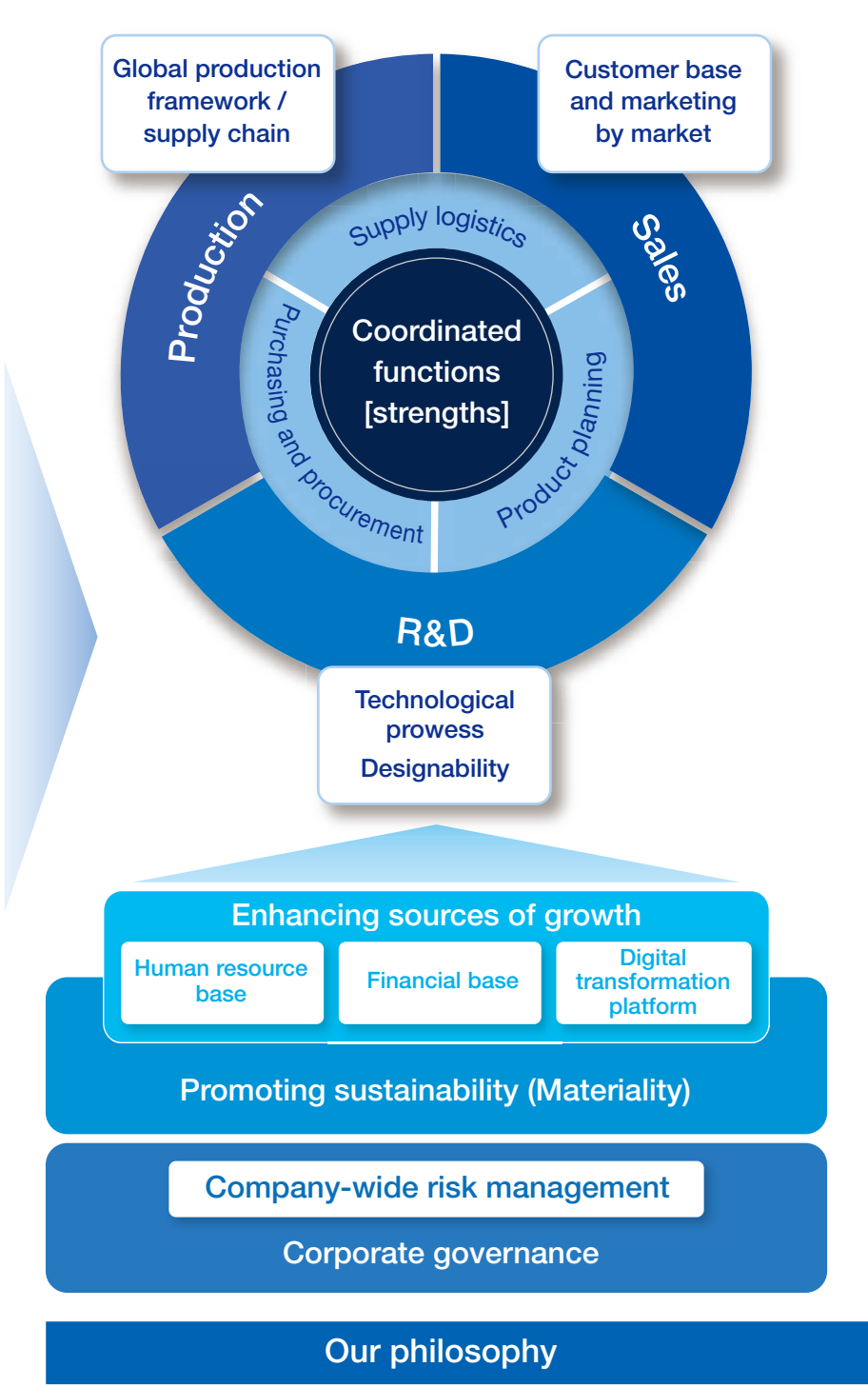
Partnerships for value creation

- Consolidated subsidiaries: **37** firms in **14** countries
- Firm customer base (distributors)
- Universities and other external research organizations

**Natural capital**

- Total energy consumption: 7,686.9 thousand GJ
- Total volume of raw materials: 549.0 thousand t
- Total water discharges: 3,247.6 thousand kl

## Business processes



## Outputs

Medium-Term '21 Plan Financial indicators	<ul style="list-style-type: none"><li>• Consolidated operating income: <b>60.0</b>B yen / Consolidated operating income margin: <b>14%</b> or higher</li><li>• Percentage of sales from priority products: over <b>55%</b></li></ul>
Medium- to long-term materiality indicators	<b>Unique products and services</b> <ul style="list-style-type: none"><li>• Differentiated SUV and CUV products that combine environmental performance and sophistication</li><li>• Innovation to address the shift to electric SUVs and pickup vehicles</li><li>• Customer endorsement Rank 5th on sales share in North America (Medium-Term '21 Plan challenge)</li></ul>
	<b>Human talent</b> <ul style="list-style-type: none"><li>• Introduction and revision of flexible human resources systems that adapt to the times</li><li>• Creating diverse learning opportunities</li><li>• Actions to improve engagement</li></ul>
	<b>R&amp;D</b> <ul style="list-style-type: none"><li>• Ratio of sustainable raw materials used in products 2030: 40%</li></ul>
	<b>Decarboni-zation</b> <ul style="list-style-type: none"><li>• Scope 1, 2 emissions 2030: 46% reduction vs. 2019 levels, 2050: carbon neutral</li><li>• Scope 3 emissions 2030: 20% per tire vs. 2019 levels</li></ul>
	<b>Supply chain</b> <ul style="list-style-type: none"><li>• Expanded number of sustainable suppliers 2025: 100% implementation of risk assessments for primary suppliers</li></ul>
	<b>Quality</b> <ul style="list-style-type: none"><li>• Established process assurance system</li><li>• Traceable individual management to end of market</li><li>• Improved user safety awareness</li></ul>

## Outcomes

- ROE over Medium-Term '21 Plan: **12%** or higher
- Shareholder returns: Maintain a dividend payout ratio of **30%** or higher

**A society of sustainable mobility**

**The enjoyment of mobility for all**

**Mobility with reduced impact on the environment**

Contribution to a carbon-neutral society by consider the whole life cycle of products when planning and developing them

► Story 1 (See P.36)

**The ultimate enjoyment, excitement, and surprise of driving**

Satisfied with the quality of life that mobility brings, the ultimate joy of connecting society through mobility

► Story 2 (See P.38)

**Safety, peace of mind, and comfort**

Inbuilt safety performance that adapts to social and mobility changes

► Story 3 (See P.40)



Our Strengths

During the Medium-Term '21 Plan, we have been working to bolster our ability to promptly and flexibly respond to changes through global collaboration.

ProductionOptimal global production and supply system

We are promoting local production for local consumption in markets where our production bases are located, while working to optimize the product mix and level production at each of our plants in order to increase our flexibility to respond to diversifying customer needs and changes in supply and demand. These efforts enable us to deliver products to our customers in a timely manner. For example, large-diameter tires for SUVs and pickup trucks, an area in which we excel, enjoy tremendous support in the North American market. In order to meet such demand, we are gradually increasing the production capacity at our U.S. plant and we have also updated facilities at our Japanese plants and set aside capacity at our Serbia Factory, which opened in 2022, to fulfill supplies to North America.

Our strength also lies in the talent that enables us to respond flexibly to production. We are fostering talent based on the characteristics of each plant and the local conditions. At the same time, the size of the working population in Japan is declining and we need to ensure skill and know-how succession, an issue we are addressing by leveling operations and eliminating dependency on individual efforts or skills in coordination with enterprise resource planning (ERP) and through the introduction of new production systems. These initiatives are undertaken in line with our company-wide efforts toward data-driven management. We believe that leveling operations will also lead to greater diversity at production bases.



Masami Miyamori  
Corporate Officer and Vice President of Production Headquarters

R&DProprietary technology and tripolar R&D collaboration between Japan, the U.S. and Europe

The automotive industry is currently undergoing major transformations and tire development is also expected to quickly provide quantitative performance and functions to support the evolution of mobility. We are developing high-performance, high-quality products by linking our Nano Balance Technology, a proprietary platform technology for rubber materials, and T-MODE, a tire design platform technology, and we are constantly updating such proprietary technology. Our R&D functions in Japan, the U.S. and Europe each play a different role in our research and we are combining their results and collaborating with sales and production departments to develop highly functional and differentiated products that meet the needs of each market.

The use of artificial intelligence (AI) is becoming indispensable in the development of technology, such as T-MODE. We believe that it is essential for engineers to be able to explain the principles behind their designs and provide evidence to support their convictions, without over-relying on AI. We are working to train and improve the skills of our engineers so that they can use AI to expand their cognitive skills and capacity.



Satoru Moriya  
Corporate Officer and Vice President of R&D Headquarters

Material design technology (Nano Balance Technology)	We strive to develop the ideal rubber material by predicting, creating functions, precisely controlling, and observing and discovering the properties of the various materials used in tire rubber at the nano-level (1 nano = one billionth of a meter).		
Simulation technology (T-MODE)	We incorporate design support technology that uses AI into our tire and driving simulations to simulate aerodynamics and snow traction and accurately analyze tire patterns behavior in detail.		
Design support technology (T-MODE)	We centrally manage various data as common assets, and add value by correlating data, and we use machine learning to enable the acquisition of tire characteristic values in real time.		

Japan-R&D

- All R&D functions
- Development of high-performance technologies (research, development, evaluation, utilization of big data and AI)

Responsible for all R&D functions and updates various platform technologies.

NA-R&D

- Marketing
- Development of customer-oriented products

Cooperates with the marketing department in North America, our core market, to develop customer-oriented products that respond to preferences

Europe-R&D

- Advanced materials / next-generation mobility survey
- Development of high-performance technologies

Focuses on surveys and research for the utilization of cutting-edge materials to facilitate the development of next-generation mobility technologies such as EVs.

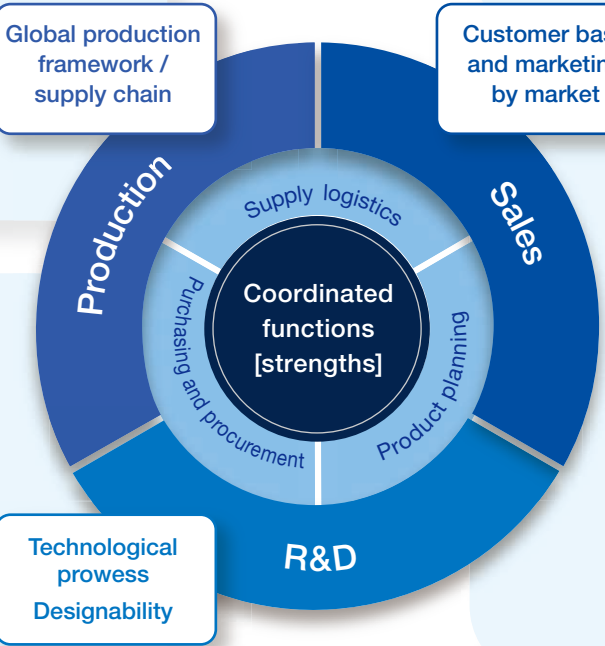
SalesStrong customer base built on advantages gained by not operating dealerships

The Toyo Tire Group does not operate any directly managed dealerships in order to sell our tires, making dealers our closest customers. We believe it is important not only to understand the actual need for the products that dealers want to deliver to consumers, but also to elicit and respond to the latent needs of dealers in terms of what kind of value-added proposals and services they expect from us. Our strength lies in our ability to accurately link our customers' needs, which vary widely from market to market, with what we can offer, and in our ability to collaborate between small and agile functional organizations, and quickly adapt to information that comes directly from the market. Our North America business strategy has become an iconic business model for the Group's tire business.

Our sales function is thoroughly aware of the need to correctly understand Toyo Tire's position within the industry as well as our strengths and weaknesses in order to implement product and channel strategies.



Tatsuo Mitsuhashi  
Corporate Officer and Vice President of Sales Headquarters



Product planningProduct planning to achieve the enjoyment of mobility for all

Product planning is one of the functions that plays a role in guiding company-wide value creation. Product planning takes the lead in discussions that overlap between production, sales, and R&D, and takes on issues requiring collaboration, that tend to be overlooked due to the specialized and independent nature of each function.

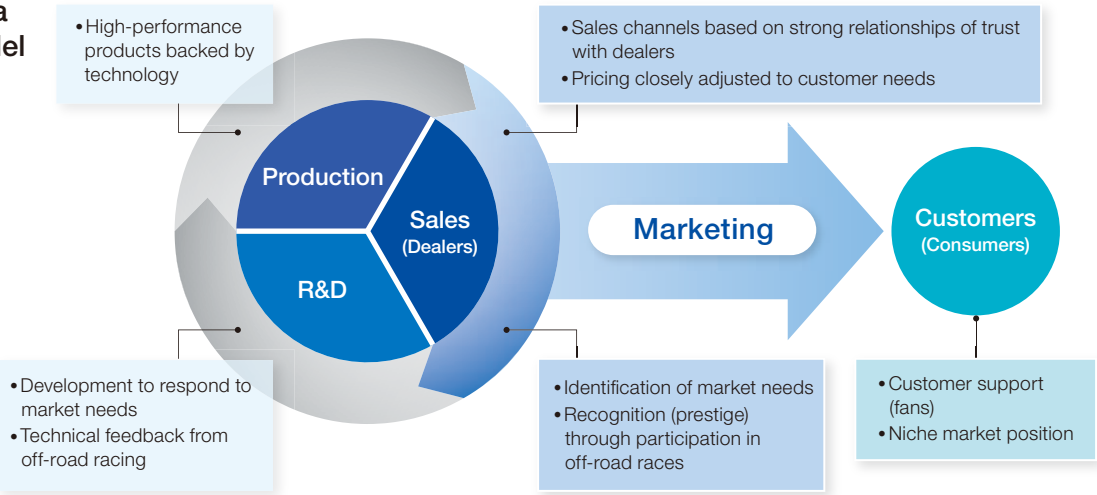
Rather than simply focusing on changes in mobility, market trends and interests, we strive to create and realize plans to make mobility more fun and interesting while ensuring the basic performance required of tires. This product planning stance has resulted in our unique, differentiated products. In particular, our strength lies in our ability to communicate with sales companies across the world on a daily basis. Such communication enables us to identify future trends and come up with product ideas, which we combine with the basic technology that our R&D function updates in anticipation of trends in the automotive industry and the level of performance and functionality required of tires, to create actual products.

We believe that products created bearing in mind the various situations in which customers use tires can be sold not just as consumable items, but as luxury items that help achieve the enjoyment of mobility for all.



Kiyohito Hasumi  
Corporate Officer and Vice President of Business Headquarters

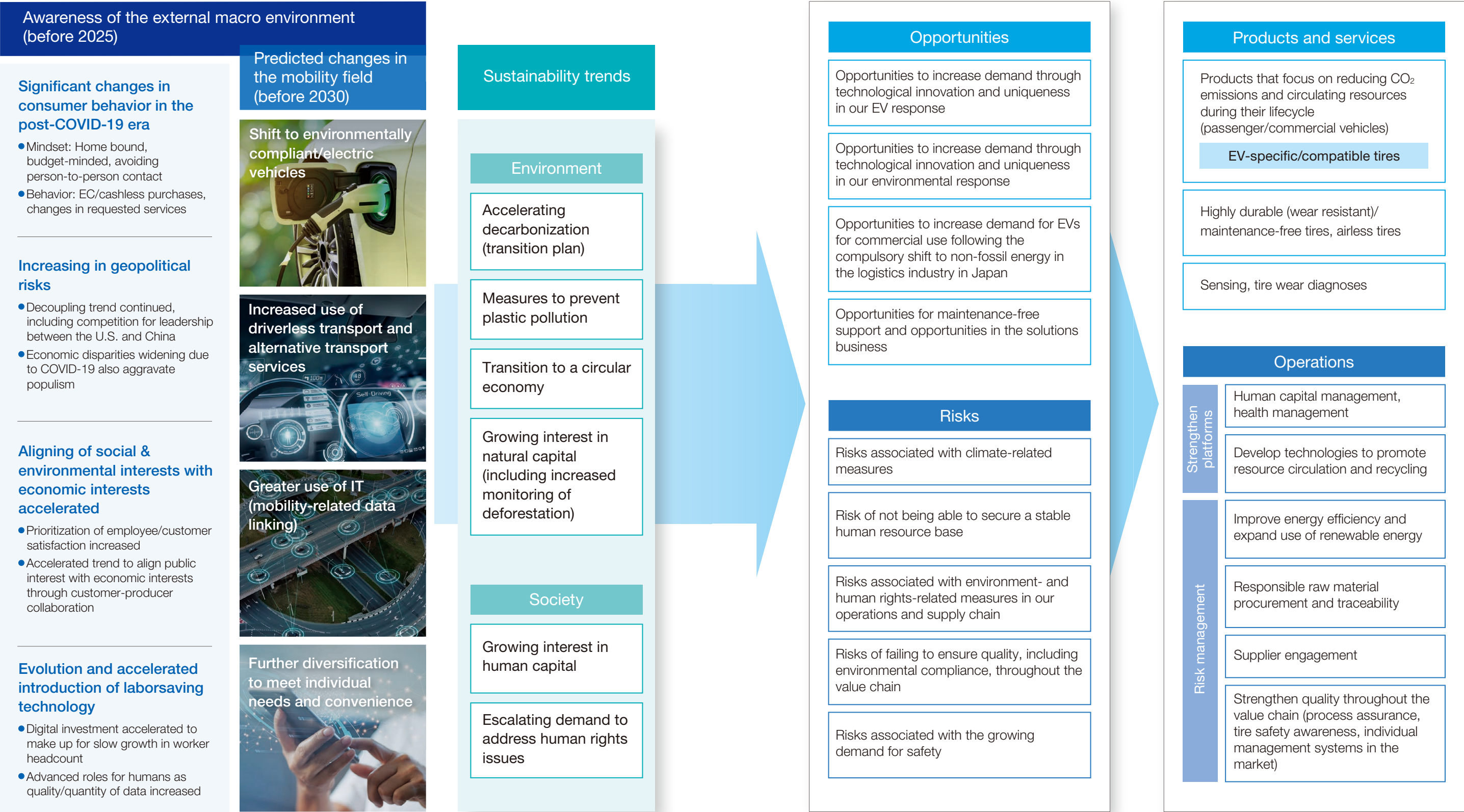
North America business model





External Environment and Risks & Opportunities

We are aware of the risks and opportunities posed by the external macro environment in which the Medium-Term '21 Plan was formulated and is being implemented, as well as the changes in the mobility field that are expected to occur by around 2030. We will work to create value along the entire value chain through our operations, products and services based on this awareness.





# Toyo Tire Materiality

We have established our Group material issues, which were decided upon by the Sustainability Committee in June 2021 and then approved by the Executive Committee in July. Along with strategically investing our internal resources into initiatives related to the material issues, we also use this opportunity to foster a corporate culture where each employee addresses sustainability issues by connecting materiality to their own duties, as well as strengthen materiality-focused stakeholder engagement.

## Process of identifying material issues

Following the statement in our Medium-Term '21 Plan that we are going to integrate sustainability into corporate management, we established a steering committee comprising the president and the vice presidents of each headquarters to start developing sustainability-related policies and identifying material issues. The work was transferred to the Sustainability Committee in April 2021, with further discussions taking place over four months. In the meantime, a total of 40 division general managers and general managers, who would be at the heart of the teams handling the task of driving and promoting sustainability, also had their own discussions on the same themes, and the outcome of their discussions was fed back to the Committee's discussions.



Material issues

Domain I Value creation

Unique value provided to customers and society through our products and services

1 Help create a society of sustainable mobility

We will contribute to a society of mobility that achieves net-zero environmental impact and zero accidents while providing efficient transportation by offering unique products and services.

2 Support the enjoyment of mobility for all

We see it important to offer creative added value that supports the diversity of sustainable mobility by meeting the varied expectations people have for their own mobility through our unique products and services.

Key achievements of fiscal 2023:

- Product development based on plan to upgrade fuel efficiency at each model change
- Development of differentiated products based on strategy of unique approach to EVs
- Development of truck and bus tires that address environmental and social issues in logistics industry

Domain II Foundation for value creation

The base for value creation

3 Support diverse talent with motivating challenges and job satisfaction

We will secure a foundation for diverse talent who support our company's business management and create high added value in these rapidly changing and uncertain economic and social times.

4 Continue innovating next-generation mobility technology

We believe it is vital to engage in technological innovation that supports the evolution in mobility being demanded in this new era and make continuous advancements that meet the needs of society.

Key achievements of fiscal 2023:

- Second employee opinion survey and action to improve organizational culture
- Training to empower women and unconscious bias training to promote diversity and inclusion
- Percentage of sustainable raw materials used in products: 26% (by weight in products produced at the end of 2023)
- Industry-academia collaboration (joint research) in and outside Japan on sustainable raw materials

Domain III Risk management

Responsible business practices that protect the means of value creation

5 Pursue decarbonization in all corporate activities

We aim to reduce our environmental impact through our products and services and decarbonize our entire manufacturing process and supply chain while leveraging these measures to increase our cost competitiveness.

6 Promote supply chain sustainability

We understand that the sustainability of the Company's operations, as well as the genuine enjoyment of mobility we endeavor to provide, depend on a healthy supply chain. We are therefore committed to addressing environmental and social issues in the supply chain.

7 Ensure the fundamentals of manufacturing: quality and safety

Quality and safety are fundamental to any product or service. The value our products and services offer will mean little to society if their quality or safety is in doubt, as the lessons from our past have taught us. Quality and safety are therefore our top priority in all of our operations.

Key achievements of fiscal 2023:

- CO<sub>2</sub> emissions reduction achieved (against 2019): Scope 1, 2: 35.6%, Scope 3: 1.5%
- Percentage of electricity from renewable sources used at production sites: 71.1%
- Trial of internal carbon pricing (ICP) program (for investment decision-making)  
\*Officially introduced in January 2024
- Human rights risk assessment carried out across value chain.
- Percentage of suppliers assessed for environmental and social risks: 70% of total transaction amount of raw materials for tires  
\*100% of primary suppliers of natural rubber



# Financial Strategy

## Medium-Term '21 Plan: Financial policies and targets

In the medium-term business plan, the Medium-Term '21 Plan, announced in 2021, Toyo Tire Corporation set out its future vision for three management platforms (digital and IT infrastructure, sustainability management, and organizational and human resource infrastructure) designed to create value through the solution of social issues and ultimately generate sustainable corporate growth. Right now, we are steadily progressing each management platform and earnestly working to strengthen the financial base that underpins these platforms.

We intend to pursue stable management, even when faced with an uncertain and rapidly changing economic environment by promoting measures designed to: improve capital efficiency by scrutinizing our business assets; achieve cash flow-focused management by strengthening our power to create cash and accelerating cash cycles; and ensure financial soundness, and build a robust financial base that will contribute to improving our corporate value through KPI management.

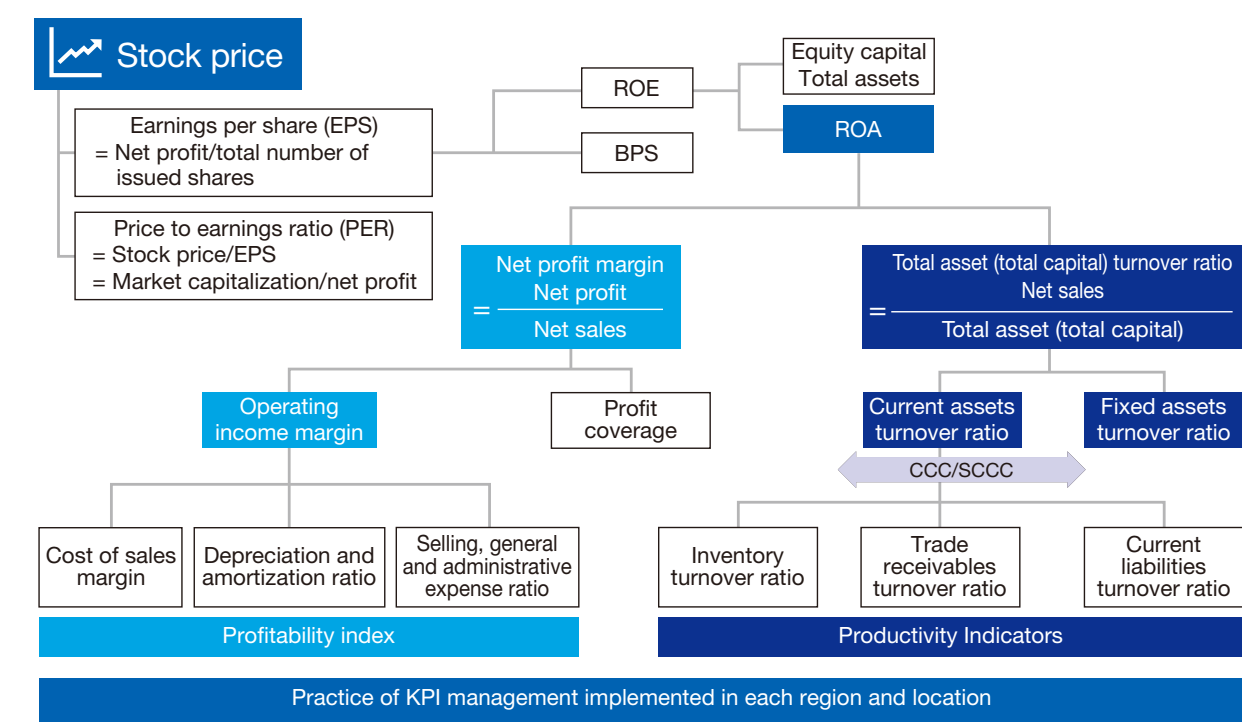
In terms of concrete targets, we have set targets in the Medium-Term '21 Plan for a consolidated operating income margin of 14% or more and consolidated operating income of 60 billion yen in fiscal 2025. We have also set a minimum 55% sales

composition ratio for priority products, which is vital for achieving the aforementioned targets. We are promoting initiatives to maximize our strengths in order to increase profitability. In fiscal 2023, we achieved consolidated operating income of 76.9 billion yen, ahead of the target of the Medium-Term '21 Plan, and our consolidated operating income margin was 13.9%.

As a manufacturing company that utilizes machinery, equipment, and other assets to increase earnings, we are focused on improving our return on assets (ROA). Furthermore, we set a minimum target for return on equity (ROE) of 12% during the medium-term plan because we are moving into a new corporate stage, and clarified our policy for improving capital efficiency as well as profitability. Each month we review our ROE, together with our consolidated operating income and consolidated operating income margin, and hold internal discussions on ways to achieve our targets. The ROE for fiscal 2023 was 20.2%.

We are determined to improve our own unique corporate value, which focuses on enhancing quality, by continuously pursuing these financial policies and targets.

### Building a strictly-disciplined, robust financial base for enhanced corporate value

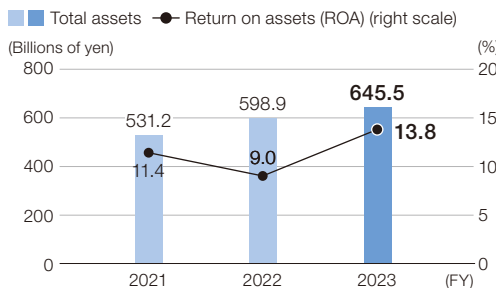


### Financial situation

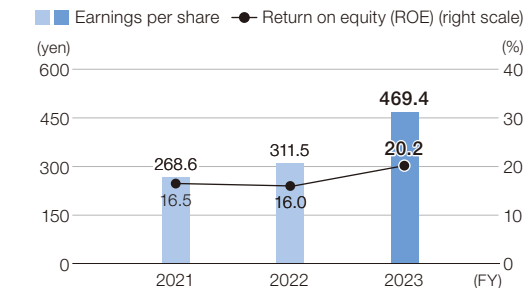
(Millions of yen)

	FY2021	FY2022	FY2023
Total assets	531,229	598,889	645,480
Equity capital	279,954	320,683	395,199
Cash and cash equivalents at end of the year	53,592	41,600	52,798
Interest-bearing debt at end of the year	128,784	135,436	102,714
Capital ratio (%)	52.7	53.5	61.2
Payout ratio (%)	28.3	25.7	21.3
Return on equity (ROE) (%)	16.5	16.0	20.2

### Total assets / Return on assets (ROA)



### Earnings per share / Return on equity (ROE)



## Investment and financial strategies

We have established a policy regarding the allocation of capital with due consideration of shareholder returns, and formulated the capital investment plans based on the tandem pursuit of profitability and potential growth. When considering capital investments, we calculate the internal rate of return (IRR) based on future cash flows and compare it to the most recent weighted average cost of capital (WACC). As a general rule, management decisions to invest are made only for projects for which the IRR exceeds the WACC.

We plan to make capital investments of 194.0 billion yen over the five years of the Medium-Term '21 Plan. We intend to use operating cash flow generated during the period, along with additional procured funds if necessary, to cover the total amount of capital investment and shareholder returns.

Operating cash flow for fiscal 2023 increased by 86.5 billion yen due to the accumulation of profit and improvements in working capital while capital investments amounted to 34.1 billion yen, including growth investments such as digital-related investment and investment in a new plant in Serbia. Dividend payments during the fiscal year amounted to 10.8 billion yen, which were covered within the operating cash flow. In fiscal 2024,

we expect to invest a total of 45.3 billion yen, which includes, in addition to digital-related investments, new capital investments at our U.S. plant and in R&D at our Serbia Factory. We will continue to invest within the scope of our operating cash flow, and remain disciplined to ensure that our free cash flow is stable and in a surplus.

In addition to the capital ratio and financial leverage, we will make quarterly fixed-point observations on the turnover ratio of trade receivables, inventory, trade payables, and others, to properly manage the balance sheet and cash flow. While maintaining strict financial discipline in that manner, we will consider investing in strengthening our supply framework for large-diameter light truck tires as they harbor strong growth potential given that light trucks and SUVs, areas in which we excel, form the bulk of sales in the U.S. market, as well as in developing highly unique products that leverage our strengths. Through these strategies, we will maintain and improve our current profitability, promote capital optimization, and return profits to shareholders by increasing dividends in an effort to meet capital market expectations.



Growth investment

Regarding growth investment, we will promote investment that is essential for ensuring future growth in the medium- to long-term, namely digital-related investment, market investment and investment in new R&D fields.

First, on digital-related investment, we aim to improve profitability by reorganizing our enterprise resource planning (ERP) system, and seeking to strengthen global data governance by, for instance, visualizing management resources and risks, accelerating business processes and improving the quality of our decision-making.

Second, in terms of market investment, we will invest management resources in building user-centric sales and marketing, including digital marketing, engagement activities designed to enhance our brand power and promotional activities to expand sales.

Third, in terms of investment in new R&D fields, we will strive to establish and commercialize technologies for next-generation vehicles in order to create forms of sustainable mobility that are worthy of a carbon-neutral society.

Environment and social (ES) investment

We expect to make further sustainability-related investments going forward in order to promote a shift toward sustainability management. Regarding decarbonization-related investments in particular, it can be difficult to incorporate any CO<sub>2</sub> reduction impact into the profit simulation used for verifying profitability and determining whether or not to promote regular investment projects. As a result, those investments may be considered unsuitable in terms of sustainability management.

With that issue in mind, we introduced internal carbon pricing (ICP) on a trial basis in fiscal 2023. ICP is a good way to visualize the impact of reducing CO<sub>2</sub> emissions by translating that impact into a quantifiable monetary value and incorporating that impact into a quantitative model. We reviewed the performance of our ICP-based decarbonization investments, and then decided to introduce ICP as an official evaluation standard from fiscal 2024 based on external ICP price-setting trends. By considering the CO<sub>2</sub> reduction impact as a monetary value in investment decision-making, we will strive to promote decarbonization-related investment.

Shareholder returns

In our new corporate stage, we will set policies for capital investment and shareholder returns in addition to ROE indicators, and we will pursue both profitability and efficiency in a well-balanced manner.

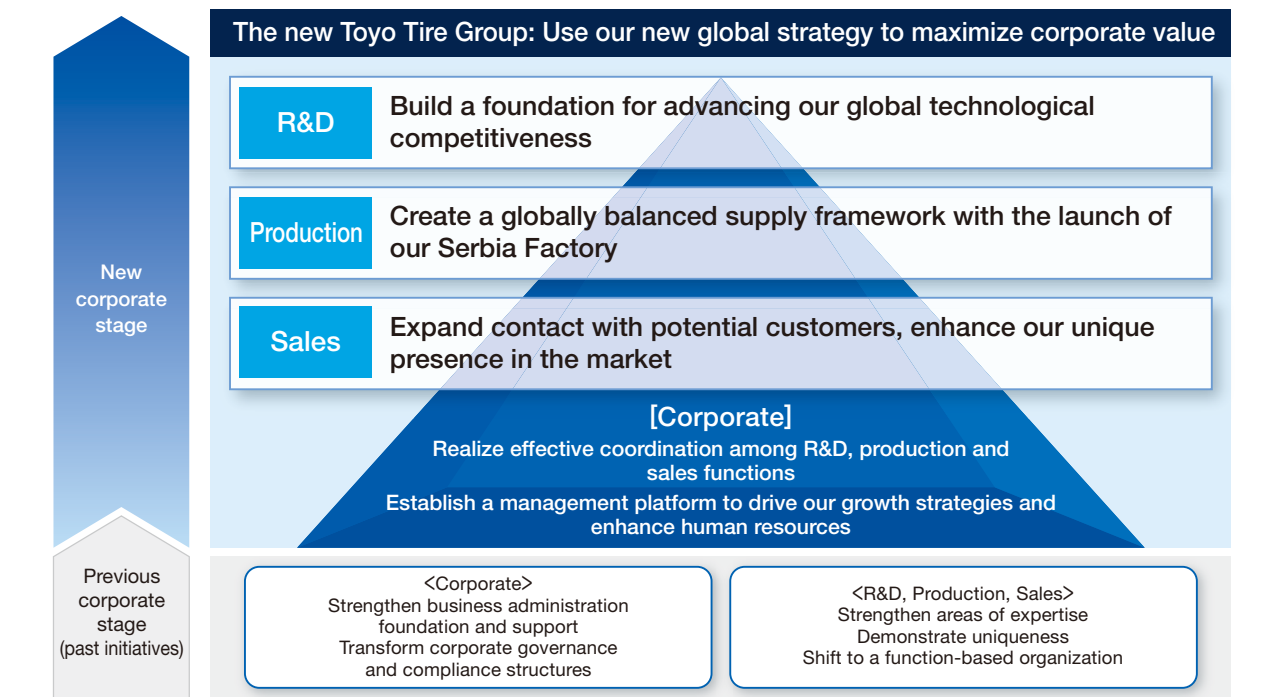
As part of this policy, we aim to return at least 30% of profit, excluding extraordinary profit and loss to reflect the actual performance of the business, to shareholders as dividends. We strive to provide long-term, stable returns to shareholders, taking into overall consideration factors such as the ratio of dividends to shareholders' equity and the actual amount of dividends.

Regarding specific dividends, we paid an annual dividend of 100 yen per share in fiscal 2023, an increase of 20 yen from the previous year, and in fiscal 2024, we expect to pay 105 yen per share. This will be done by adjusting for non-recurring special gains and losses included in profit attributable to owners of the parent and linking returns to real profit that more closely reflects actual profit values. We will work to realize a long-term stable return in a payout ratio of 30% or more, calculated by excluding special factors, in a way that both provides stability and reflects business performance.

Medium-Term '21 Plan Progress

This section explains the progress made on our five-year medium-term business plan that we call Medium-Term '21 Plan. To help address the dramatic changes in our external environment, we are pursuing the plan's goals by coordinating R&D, production, sales and other functions on a global scale and demonstrating an ability to adapt swiftly and flexibly to change.

Basic policy



Progress on R&D, production and sales strategies

R&D

Strengthen our proprietary technology by joining up the R&D of Japan, the U.S. and Europe to develop highly preferable and differentiated products that meet environmental and other next-generation mobility needs

- Launched the industry's first light truck tire for EV  
Looking to reduce rolling resistance and improve cruising distances by conducting our own unique aerodynamic simulations while maintaining the wear resistance and durability required to support the high torque and increased vehicle weight of EVs
- Developed a concept tire made from 90% sustainable materials
- Started joint research on sustainable materials with the University of Novi Sad in Serbia

Production

Build a stable supply base for the North American market and make the Serbia Factory highly cost competitive

- Installed final equipment in the Serbia Factory in December 2023  
Actively developing the systems and training to support full production
- At our U.S. plant, we are gradually shifting production of low-inch tires to other bases and upgrading facilities so we can increase production capacity of large-diameter light truck tires
- As part of our effort to streamline production of automotive parts, we stopped production at our auto parts plant in the U.S. and transferred production primarily to Japan

Sales

Enhancing our approach to strategic models by launching original products inspired by tailored strategies in North America, Europe, Japan, and other Asia, and encouraging close cooperation between our tire and automotive parts businesses

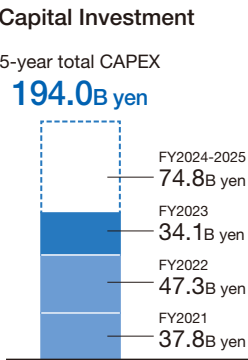
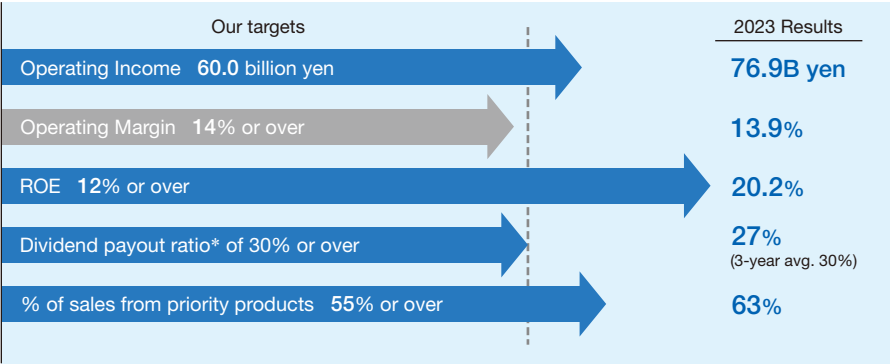
- Working to consistently strengthen our relationships with local dealers in the North American market to gather more data on user needs, and leverage our dealer network to promote sales of high value-added products
- Continue to introduce sophisticated products primarily in the light truck tire segment
- Focusing on direct digital marketing through social media, while also improving our presence and building a quality brand image by participating in motorsports activities and signing sponsorship agreements with professional sports teams



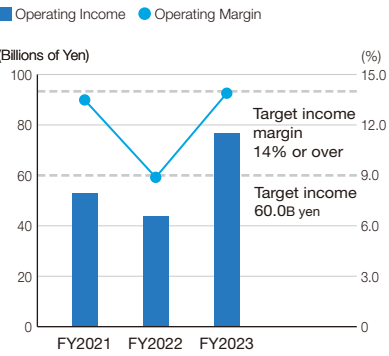
Progress on key performance indicators

We are accelerating some measures set forth in the Medium-Term '21 Plan such as the promotion of sales of priority products that offer high added value and the streamlining of business structures in the automotive parts business. Furthermore, we achieved most of the plan's targets ahead of schedule in fiscal 2023 thanks in part to a boost from external factors such as foreign exchange rates. Going forward, we will continue to promote various measures to reach the remaining targets that have not been met, and to further progress the targets that have already been achieved.

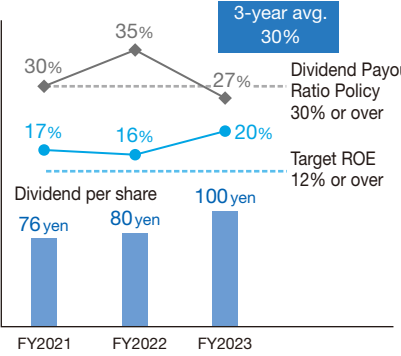
Achievement and progress of targets (FY2023)



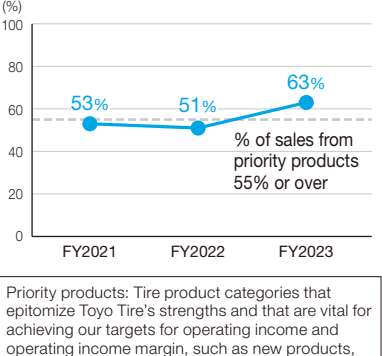
Changes in Operating Income, Margin



Changes in ROE, Dividend payout ratio\*



Changes in Percentage of sales from priority products

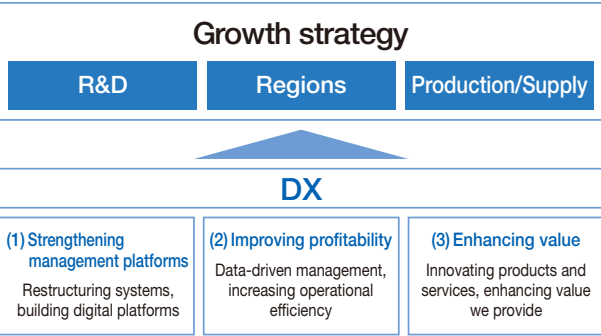


Progress on Digital transformation

We position digital transformation (DX) as a set of initiatives designed to back up efforts to improve our corporate structure and to steadily realize the growth strategy laid out in Medium-Term '21 Plan. Our Digital Transformation Headquarters, which was established in 2021, promotes digital innovation that enhances company-wide cross-departmental cooperation. And, the headquarters is made up of designated DX personnel from each function who serve as intermediaries for promoting DX. We are also establishing a framework for DX education together with the Human Resources Department to increase the number of people with the right mindset and skills to fully comprehend and effectively utilize precious data.

Regarding the DX initiatives which are divided into three stages and promoted: (1) Strengthening management platforms, (2) Improving profitability and (3) Enhancing value, we are steadily advancing initiatives in the first stage of strengthening management platforms, and are now starting to implement the

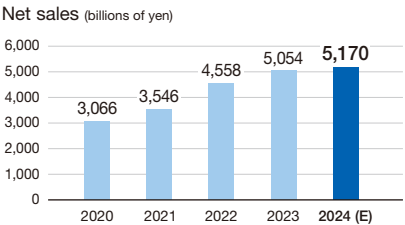
second and third phases that will lead to improved profitability and enhanced value. We are in the process of establishing an integrated digital strategy that leads to both customer-oriented manufacturing and highly profitable operational management in order to support our overall growth strategy.



Progress of Tire Business

Basic strategy

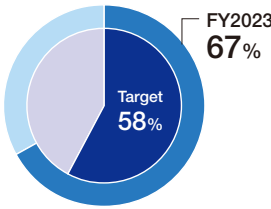
- Create differentiated products by further evolving our proprietary technologies
- Effectively utilize the extremely cost-competitive Serbia Factory
- Build a future-oriented supply platform through the global development of highly efficient production systems modeled on the Serbia Factory
- Consistently develop high value-added products tailored to specific needs
- Solidify and extend a dominant position in the large-diameter light truck tire segment in North America



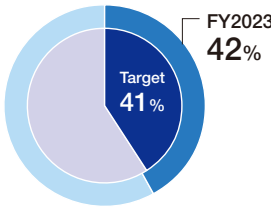
FY2023 review

We worked hard to expand sales of priority products such as large-diameter light truck tires in the North American market, resulting in year-on-year increases in unit sales and revenue in fiscal 2023.

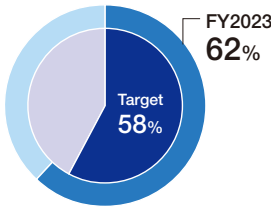
North America proportion of total sales (FY2023)



Ratio of units sold to North America (FY2023)



Ratio of priority products to total sales in North America (FY2023)



In the European market, unit sales declined year on year partly due to the impact of the Russia-Ukraine situation, tighter monetary policies, and the continued economic slowdown caused by higher prices. In the Japanese market, new vehicle production recovered, but sales of winter tires were stifled by warm winter weather. As a result, unit sales were flat year on year in fiscal 2023. However, revenue increased thanks to more prevalent price increases and a higher ratio of priority product sales.

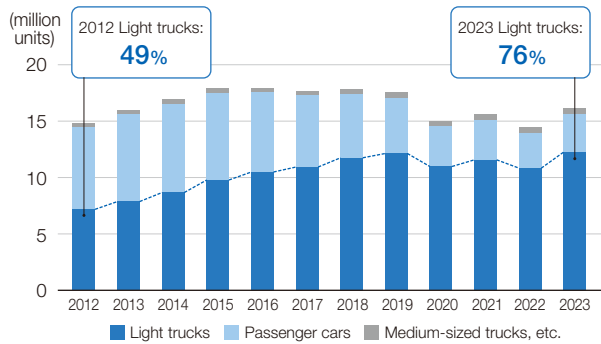
The external environment and future outlook

The United States is a major sales region for Toyo Tire Corporation in which the ratio of small trucks to total new vehicle sales remains comparatively high at roughly 75% of total sales in fiscal 2023. Our company has a strong presence in the light truck replacement tire market, where demand is expected to increase in future.

We also expect to see stable tire replacement demand in Japan and Europe, which both boast a high level of automobile ownership. Regarding new vehicle sales, we are seeing an increase in SUVs and a tendency toward installing larger diameter tires in new vehicles. We consider these trends as a great opportunity for expanding sales in areas in which we excel.

Requirements for tire performance will likely change and grow more sophisticated as the source of powering vehicles diversifies. Furthermore, the creation of new forms of mobility, such as green slow mobility, may require unprecedented new tire performance. Green slow mobility is a small mobility service that uses electric vehicles permitted on public roads that are capable of speeds up to 20 km/h to help alleviate social issues such as last-mile logistics and an aging population.

Breakdown of new vehicle sales in the U.S. market



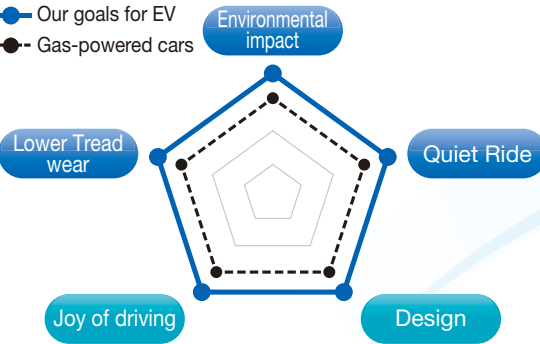


Individual measures

R&D

- Develop tires with high environmental performance to help improve the fuel efficiency of automobiles
- Develop technologies and products to handle the low tire noise, instant torque, and heavier body mass, due to the use of motors with the spread of EVs
- Develop products that set us apart from other companies by fully demonstrating our unique commitment to the joy of driving and offering of design features

Blending eco-friendly technologies and sophisticated features



Sales

- Promote sales activities with a focus on large-diameter tires for light trucks, in which we have a strong presence, by strengthening cooperation with national dealers with nationwide dealership networks
- Expand brand recognition and fan bases through direct marketing that maximizes social media and other digital tools, and participation in motorsports
- Increase our focus on product categories in which we excel in Japan, Asia, and Europe and concentrate on developing differentiated products



Our Brand

TOYO TIRES

A brand that pursues a degree of excitement and surprise that transcends expectations and satisfaction with its unique imaginative sense and technological prowess, and makes driving ideals a reality. Toyo Tires offers a full product range from passenger car tires, light truck tires, and truck and bus tires.



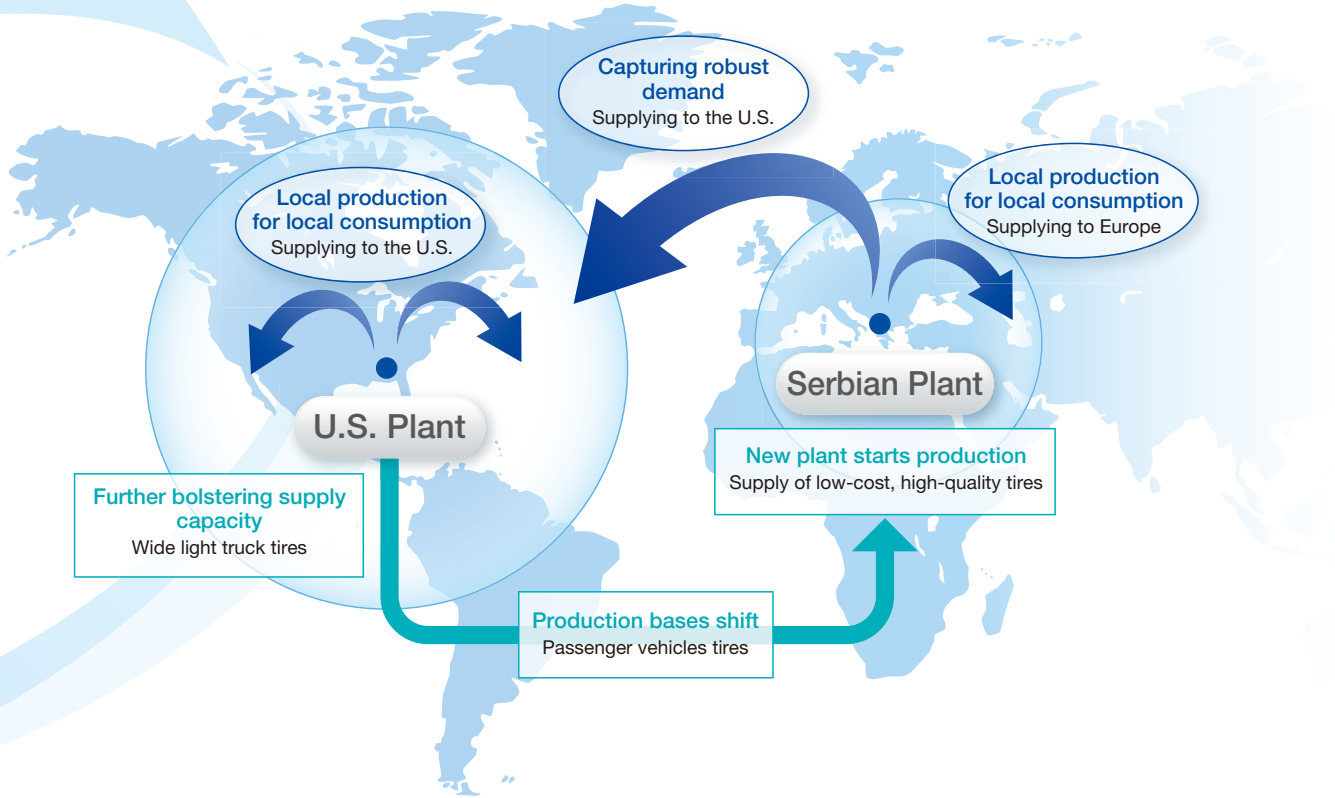
NITTO

A brand that heeds the opinions of car enthusiasts, remains true to its motto of creating what customers really want, and offers an exquisite mix of freedom, innovation, and creativity. Nitto always strives to set trends by anticipating market needs through in-depth analysis of customer feedback, which leads to an overwhelming reputation in its own niche market.



Production

- Operate our Serbia Factory at full capacity to ensure timely supply to the European market and stable supply to the North American market
- Increase production at our U.S. plant of large-diameter light truck tires that are expected to witness even higher demand in the North American market
- Realize optimal global supply systems centered around efforts to establish production systems at the Serbia Factory and expand production capacity at our U.S. plant



Expand capacity at our U.S. plant

We intend to satisfy replacement tire demand for pickup trucks and SUVs, which is expected to continue to grow going forward, by increasing production ratios of large-diameter light truck tires at our U.S. plant.



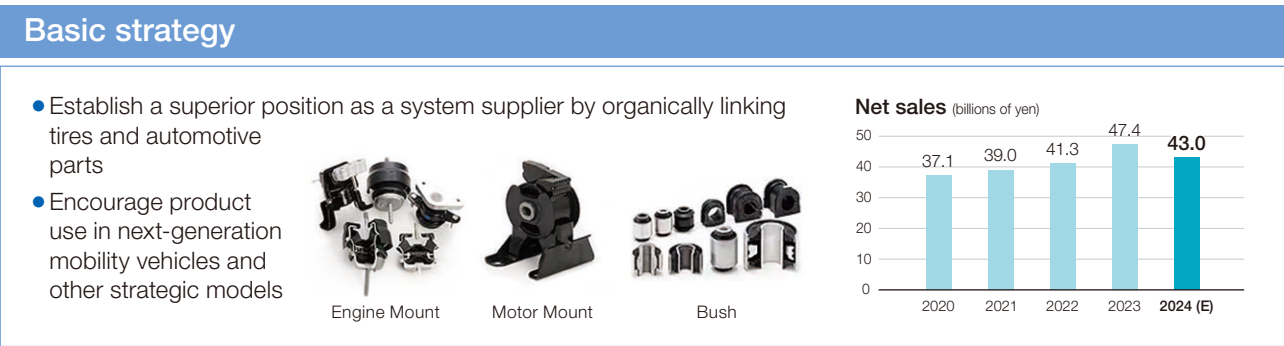
Full production at Serbia Factory

We will establish a stable production system and promote various measures to ensure production is kept within the estimated costs. We will seek to increase market credibility by providing a stable supply of products to the North American market, shortening lead times to swiftly meet European demand and supplying high-performance tires.





Progress of Automotive Parts Business



FY2023 review

We moved into the black in fiscal 2023, two years ahead of the fiscal 2025 timeline, by terminating production of auto parts at our U.S. plant and generally streamlining our business structure, continuing our cost-cutting activities, and passing on fluctuations

in raw materials prices. Going forward, we will be looking to generate consistent profits and improve profitability by further rationalizing production systems, reducing costs, and developing and selling high value-added products.

The external environment and future outlook

Automobile production is recovering now that the disruptions in supply chains and shortages of semiconductors caused by the COVID-19 pandemic have dissipated. From a medium- to long-term perspective, requirements for automotive parts' performance will likely change and grow increasingly sophisticated as vehicle power sources and mobility modes diversify. The proportion of battery electric vehicles (BEVs) is expected to rise in the future, but demand for hybrid electric vehicles (HEVs) is also proving strong. While demand for EV motor mounts and other EV-specific

parts is increasing, we expect demand for our engine mounts and other main products to remain solid.

**Achieve a stable profit in the automotive parts business**  
Having turned a profit in the automotive parts business earlier than planned in fiscal 2023, we will strive to ensure stable profits and generate greater profitability by consistently implementing improvements under a new streamlined framework and developing high value-added products.

Collaboration with tire business

Toyo Tire Corporation is engaged in two businesses that are vital to the mobility sphere, namely tires and automotive parts. Future performance requirements for tires and automotive parts will undoubtedly grow more diverse. We will strive to enhance our technological prowess and to develop and propose high value-added products by acquiring additional expertise and information through joint development projects and technical exchanges with automakers.

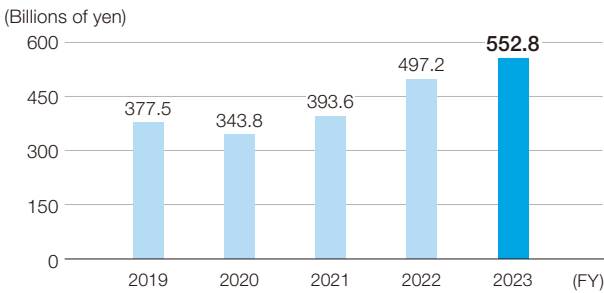
In addition, we will gather timely auto-related information to help anticipate and speedily develop the advanced technologies that future generations demand. Any information that we collect will also be shared with the tire business to help develop tires that satisfy the latest needs and trends.

We remain committed to pioneering the development of a mobility society through our own unique approach that features close collaboration between our tire and automotive parts businesses.

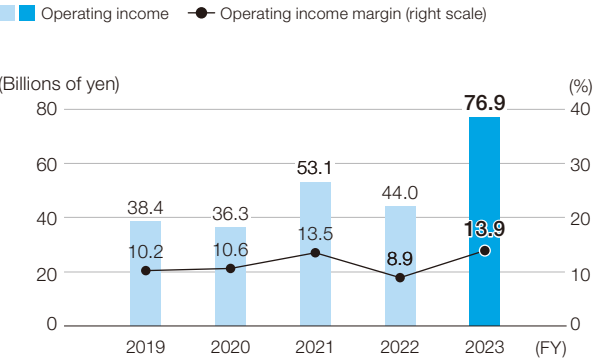


Financial Highlights

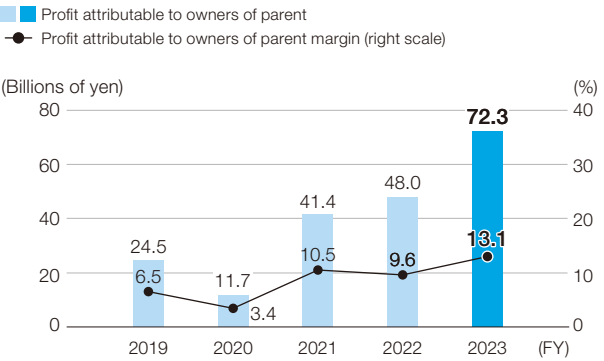
Net sales



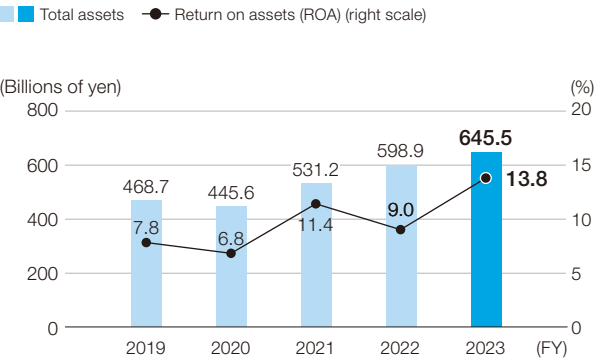
Operating income / Operating income margin



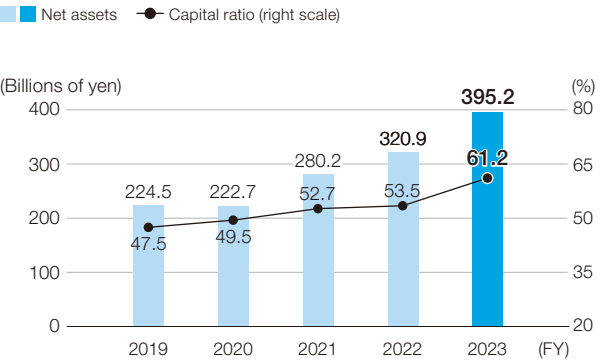
Profit attributable to owners of parent / Profit attributable to owners of parent margin



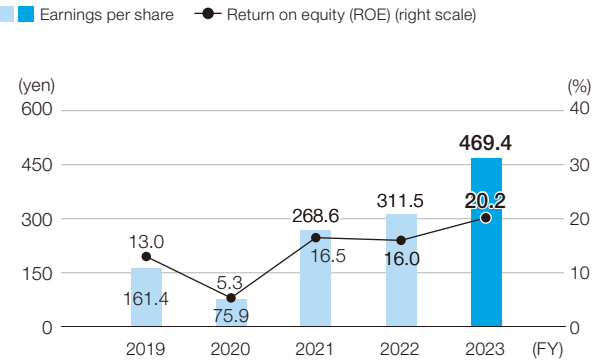
Total assets / Return on assets (ROA)



Net assets / Capital ratio



Earnings per share / Return on equity (ROE)







## Domain I Value creation

# Material issues relating to value creation

These material issues illustrate the unique value that the Toyo Tire Group offers in its dedicated mission to society and the value that links directly to the Group's purpose. We believe that the value we create and deliver through our business activities must contribute to the building of a society of sustainable mobility.

### Material issue

01

## Help create a society of sustainable mobility [WEB](#)



### Material issue

02

## Support the enjoyment of mobility for all [WEB](#)



- **Environmental contribution (CO<sub>2</sub> emissions reduction):** Reducing tire rolling resistance, improving EV compatibility, saving resources
- **Safety:** Maintenance-free products, diagnosis of tire wear
- **Ultimate enjoyment of driving and sophisticated features**

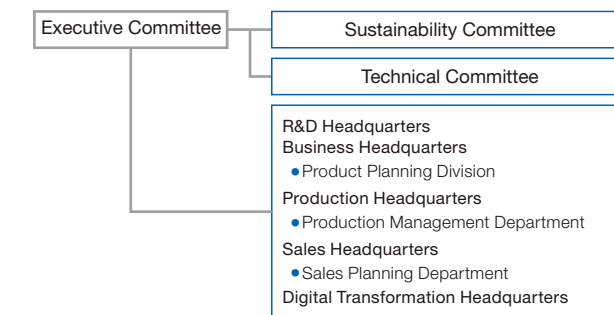
### Our policy

We know that the sustainable future for tire and automotive parts manufacturers will only be ensured once a society of sustainable mobility has been created. That's why we are working to help establish a society of sustainable mobility that boasts less environmental impact, fewer traffic accidents and efficient transportation. In addition to providing the necessary elements for promoting sustainability, we believe that using our unique products and services to satisfy the various features that people expect from superior mobility life will create added value designed to support a diverse mobile society, so that is what we intend to do.

### Organizational responsibilities (April 2024)

Spearheaded by our R&D Headquarters, we are working together with product planning, production management, sales planning and digital transformation (DX) functions and promoting sustainability-related activities based on various themes that correlate with the aims of our medium-term business plan.

The Technical Committee oversees the overall implementation of those activities and reports progress to the Sustainability Committee.



### Story 1: Reducing the environmental impact of mobility

Reducing vehicles' CO<sub>2</sub> emissions is a challenging issue that needs to be addressed throughout the supply chain in order to achieve carbon neutrality by 2050. Although the global shift to EVs is slowing, EVs will remain an effective means of transportation to reduce emissions in the medium- to long-term, and the shift is expected to continue. Despite the backlash, we believe it is important to systematically and effectively pursue initiatives to reduce CO<sub>2</sub> emissions from vehicles.

At Toyo Tire Corporation, our goal is to help reduce CO<sub>2</sub> emissions per tire by 20% by 2030 compared to 2019 levels and our functional organizations collaborate to develop products.

Our R&D function strives to consistently update basic technology over a medium- to long-term span in anticipation of automotive industry trends and the level of performance and functionality required of tires. While engaging in activities to improve the precision of material compounding and tire design, we have established an R&D system that can respond at a high level to the fuel efficiency performance and EV requirements of next-generation vehicles (reduced rolling resistance, larger diameter tires, quietness, etc.). Material development is one of the

approaches we use to reduce rolling resistance. We use Nano Balance Technology, our proprietary platform technology for rubber materials, to facilitate more accurate predictions regarding specific material properties and optimize material structure, and we are promoting its use in practical development. Our engineering and production functions are collaborating to support product development by, for example, improving processing methods.

Our product planning function plans model changes (rolling) in cooperation with our R&D and sales functions, based on our medium-term product plan. While keeping a close eye on market trends, we are incorporating upgraded functions and performance, including fuel-efficiency, that are compatible with EVs into the development requirements for our priority (core) products. At the same time, we plan to launch differentiated products for EVs.

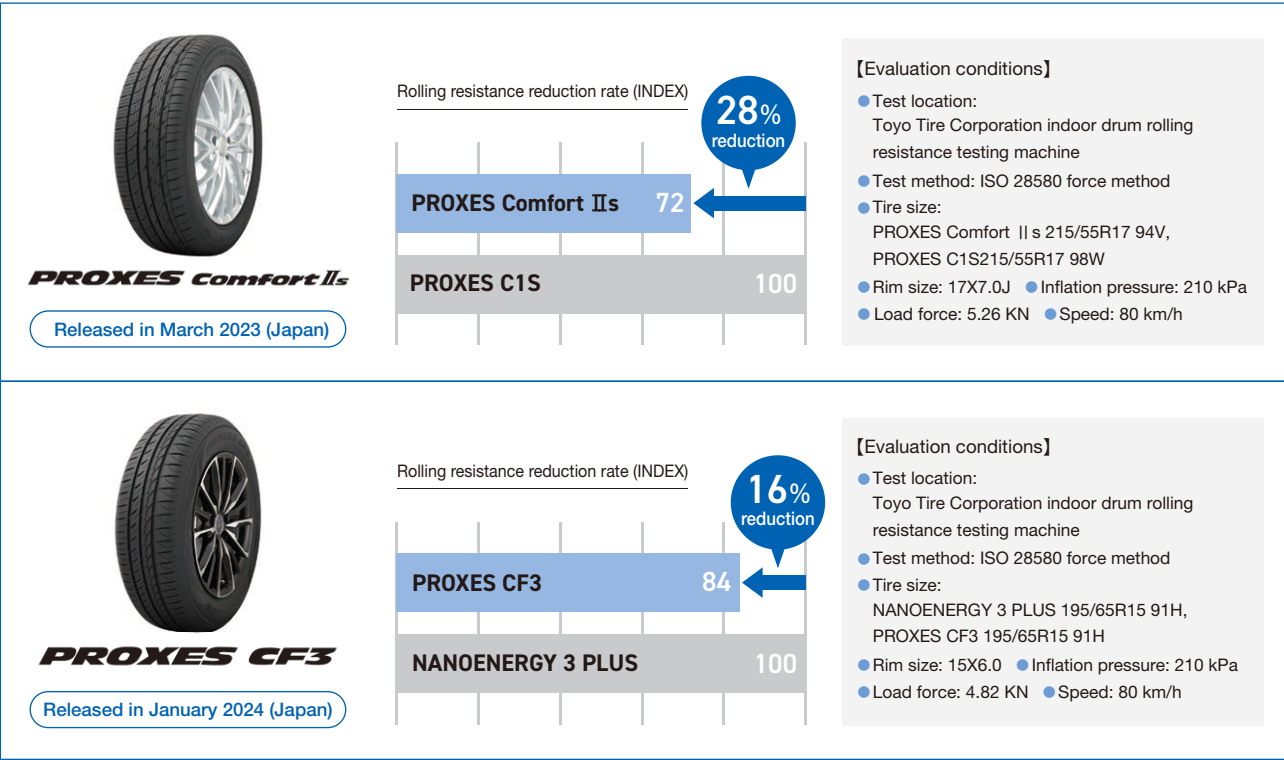
Through these activities, we will contribute to the creation of environmental value by implementing business strategies that appropriately respond to the shift to EVs while continuing to improve the fuel-efficiency of our products.



Domain I Value creation

Specific examples of improvements in fuel efficiency with each new model release

Developed a fuel-efficient compound using **Nano Balance Technology**. A new silica dispersing agent was used to reduce rolling resistance and improve wet performance and wear resistance. These features were optimized in high dimensions by distributing the silica more evenly. Furthermore, part of the silica dispersing agent was made using environmentally friendly and naturally derived sustainable materials.



Development of EV tires for pickup trucks & SUVs

In our Sustainability Management Policy, published in 2022, we set out our unique EV strategy as scenarios for achieving medium- to long-term value creation.

**EV Strategy**

- Develop technology for electric SUVs and pickups trucks
- Develop differentiated products for SUVs and CUVs according to trends in the North American market

Based on these scenarios and our medium-term product plan, we developed the OPEN COUNTRY A/T III EV tire for pickup trucks and SUVs, which we launched in the North American market in February 2024.

Taking advantage of the features of the OPEN COUNTRY A/T III, which has been well received in Japan and the North America, the EV tires offer both a powerful off-road driving experience and on-road maneuverability and comfort, as well as an improved cruising range thanks to their reduced rolling

resistance. Wear resistance and durability to handle the instant torque, rapid acceleration, and additional weight, characteristics of EVs, are also maintained. The tires also meet the requirements for the snowflake mark\*1, which is proof of their suitability for use year-round on a wide range of EVs.

\*1 Tires that meet the severe snow-grip requirements stipulated by the United Nations Economic Commission for Europe (UNECE)



OPEN COUNTRY A/T III EV

Unique aerodynamic simulation technology

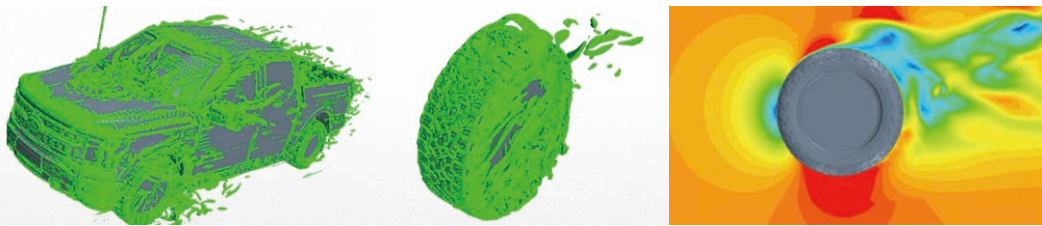
The OPEN COUNTRY A/T III EV was designed using Mobility Aerodynamics (aerodynamic simulation), our proprietary technology. The tires feature “AEROWING™” sidewall lug design to reduce wind drag generated while rotating.

Aerodynamic refers to wind drag generated when driving. Reducing wind drag contributes to improving fuel efficiency and, in the case of EVs, increases the cruising range per charge.

Analyzing the airflow around the tires while driving and optimizing the tire profile helps reduce the impact\*2 on a vehicle’s

aerodynamic characteristics. Our Mobility Aerodynamics technology enables us to predict the aerodynamics of an entire vehicle, taking into account the ground contact, deformation and rotation of the tires when driven. We use T-MODE (design support technology) to design tires that can improve the aerodynamics of each vehicle model.

\*2 Tires are said to account for approximately 15% of the total aerodynamic drag of an entire vehicle.



Visualization of air flows around vehicles and tires

Story 2: Ultimate driving enjoyment and a diverse range of mobility-related lifestyles

Toyo Tire Corporation’s unique strategy applies the Company’s core strengths to developing technologies and commercializing products that offer exquisite design features and the ultimate enjoyment of driving, while demonstrating high commitment to environmental and safety considerations.

We have established a strong business model in North America in particular by communicating minute detail to local dealers in order to engage more deeply with discerning customers seeking the ultimate driving enjoyment, and by creating a consistent operation that covers all stages from market research through production and sales to facilitate speedy product supply. Our North America sales department leverages the brand recognition and dealer relationships, which are assets that have been cultivated in this way, to gain a quick and firm grasp of the needs and wants of local customers and the problems they may be experiencing for internal feedback. The sales department sometimes cooperates with the technical department and goes out into the field to gather insights on customer preferences so that we can develop differentiated products and fuel a virtuous product-development cycle. The strongest part of this process lies in the effective communication

between the head office in Japan and the overseas sales companies that transcends the physical distance between them. Information on local customer feedback and trends is exchanged constantly through formal settings and on other various occasions, and reflected in product planning. The whole process is underpinned by our fundamental shared values and commitment to supporting a bountiful range of mobility-related lifestyles through our products while also maintaining basic tire performance.

Toyo Tire Corporation also participates in what are considered some of the world’s toughest international off-road races, such as the Dakar Rally and BAJA 1000, and we channel the knowledge gained through these experiences into product development in order to sharpen our technology and enhance product performance. We glean particularly useful information from the Dakar Rally’s challenging desert and rocky terrain which we use to improve durability, a factor leading to product reliability.

Thanks to these continued efforts, our Open Country tire brand has been able to establish a firm position in North America’s SUV and pickup truck markets.



OPEN COUNTRY A/T III OPEN COUNTRY M/T





Open Country for diverse driving experiences and lifestyles

Toyo Tire Corporation is pursuing its own marketing activities centered around the Open Country brand and building new fanbases in other markets outside of North America as well.

As part of our strategy, we focused on the possibility that excellently designed tires can transcend the narrowest concepts of mobility and earn a place in people’s daily lives as a lifestyle facilitator that can foster a particular worldview and culture. In some part of Asia, our sales department works together with local distributors on promotions that effectively employ social media to highlight the design features of our tires to car users who like to camp outdoors.

In Japan, we advertise through means other than automobile magazines, such as outdoor, fishing and fashion related media, to

reach car owners who are not particularly interested in tires and encourage them to choose their tires to suit their individual lifestyles. Our unique approach to the pursuit of ultimate driving enjoyment is to foster a set of values that inspires customers to change their tires not because they are worn out as consumables but because they want to replace their current tires for a more appealing luxury product. These marketing activities have helped fuel a growing awareness of the Open Country brand in Japan, especially among users who seek highly customized products. Going forward, we intend to use test-drive meets for tire users to promote awareness of the Open Country brand and its essential pursuit of “functional beauty” that embodies reliable performance.

TOPIC / Open Country R/T receives Minkara PARTS OF THE YEAR 2023 Hall of Fame Award (SUV/4X4 tire category)

Operated by LY Corporation, *Minkara* (short for “Everyone’s Car Life” in Japanese) is one of Japan’s largest specialist automobile social media platforms where car lovers post and discuss various car-related topics.

*Minkara* aggregates the number of parts user reviews and the scores, and ranks parts with the highest support in its PARTS OF THE YEAR survey announced twice a year in the middle and the end of the year. The Open Country R/T tire received the PARTS OF THE YEAR 2023 Hall of Fame Award\* (SUV/4X4 tire category) for the second consecutive year. Users particularly appreciated the tire’s high performance and unique design made for comfortable driving not only on ordinary roads but also off-road on dirt tracks. Our Open Country A/T EX tire won third place in the same category.

We never forget that we are a brand that is nurtured by its users and developed together with users, and we remain committed to further increasing the quality of our brand going forward.

\*This award is presented for parts that have garnered unwavering support in PARTS OF THE YEAR rankings over the past several years.



Story 3: Providing safety for evolving mobility in a changing society

As society changes and mobility technology advances with a wider use of IT and data and development of autonomous vehicles, we are beginning to see how the mobility landscape is reshaping. We are committed to developing technologies, products and services to provide safety that meets the needs of the evolving mobility environment.

Supporting safe driving (providing data to ensure driver safety)

Tires are the only components of a vehicle that actually come into contact with the road surface, and we are developing sensing technology that can collect various types of information from tires. The concept we are working to take forward is to create new added value by turning tires into data acquisition devices. Using this technology, we developed a software application that processes data inputs from sensors attached to tires to derive the limits of the required tire performance, uses them to determine whether the tire force\*3 of the running tires is within the performance range required for the road conditions, and provides real-time display. We are currently working to improve sensing accuracy by taking measurements of road surfaces under a range of conditions and proving the concept by testing the application on driving tracks. We will continue developing these technologies to serve as a part of safety systems required for autonomous driving.

\*3 Tire force is a term we use to describe the real-life tire performance, as estimated from data inputs from the tire such as air pressure, temperature, identified road surface condition, load, wear, and any anomalies detected.

Maintenance-free airless tires

A likely effect of changes such as self-service gas stations, home charging of EVs and wider adoption of car sharing is that there will be fewer opportunities for drivers to get tires serviced by experts. Also, cars need to be lighter in order to save energy and resources, and tire manufacturers face the challenge of providing safety in the next generation of mobility without the need to carry a spare tire. We are tackling this challenge by developing airless tires designed to provide maintenance-free, spare-free solutions.

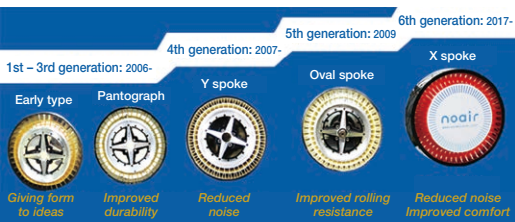
Our “noair” airless concept tire achieves the level of durability and maneuverability close to that of pneumatic tires and can be fitted on passenger vehicles for driving. As part of the path to commercialization, we are currently trialing the *noair* tires on last-mile delivery vehicles. We are paying close attention to the legislative and regulatory direction regarding the use of airless tires on public roads while continuing our development work, taking into consideration potential use cases such as tires for future mobility vehicles and as a recycling solution.



Taking road surface measurements using mounted sensors



Application displaying visualization of tire force in a run



Airless tire development over the years



Golf cart using “noair” tires





## Domain II Foundation for value creation

# Material issues that underpin value creation

These material issues are recognized as an important foundation that supports the creation of unique value. Our focus is to continue to create value that delights our customers and society at large through the offering of unique products and services. To do that, we need to constantly strengthen the foundation for propelling and promoting the value creation and achieving sustainable development for the Toyo Tire Group.

Material issue

### 03

## Support diverse talent with motivating challenges and job satisfaction WEB



- Demonstrating ability and fostering motivation (developing talent)
- Securing diverse human resources (promoting diversity)
- Creating healthy working environments (reforming working styles)

Material issue

### 04

## Continue innovating next-generation mobility technology WEB



- Enhancing the development of materials and platform technologies for our products for a society of next-generation mobility
- Creating recycling technologies for products and raw materials
- Innovating low-impact alternatives to substances of concern

## Human resource base WEB

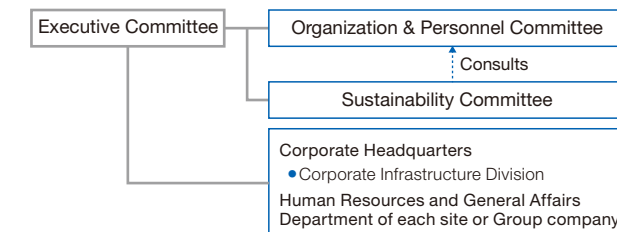
### Our policy

As part of our efforts to build a management foundation to support sustainable growth, we stipulated the development of a framework in the Medium-Term '21 Plan that would enable diverse human resources to work together organically and play an active role based on enthusiastic job satisfaction, as well as a training system that upholds individuality, quality and ability.

We conduct flat evaluations based on ability, aptitude and performance, and develop human resource base designed to ensure the best mix of human resources to enable diverse talent, regardless of their nationality, gender, age, background or other factors, to grow and flourish, and to get the right people into the right jobs. In terms of human capital investment, we inject resources into various initiatives with a view to developing talent, promoting diversity and creating healthy working environments. We aim to help create value through our business by, for example, investing in systems that promote the planned development of business managers and professional talent in each organizational function, investing in the building of office environments and human resource systems that make diverse employees feel comfortable, and creating working arrangements and tools that help improve employee performance and communication.

### Organizational responsibilities (April 2024)

The Organization & Personnel Committee, which is under the jurisdiction of Executive Committee, discusses and determines policies and important measures for strengthening the Group's human resource base, and the Corporate Headquarters is directly responsible for supervising the measure execution of these policies. The areas of activity relating to human resources that are entrusted to the Sustainability Committee are also based on these policies, and the committee will consult with the Organization & Personnel Committee when necessary.



### Demonstrating ability and fostering motivation (developing talent)

In 2021, we launched a new human resource evaluation system to define a clearer picture of the type of talent required to support sustainable growth for the Toyo Tire Group, to clarify company expectations for individual roles at different levels, and to better motivate talent to achieve results and pursue personal growth. We are building an integrated system by promoting well-balanced evaluations with an emphasis on dialogue, raising remuneration levels, and introducing training programs that help improve individual capabilities. In April 2023, we clarified our expectations regarding the ideal human resources profile and expected roles at our production sites. By conducting employee evaluations and adjusting their treatment based on such expectations, we aim to motivate employees to perform at a higher level and achieve better results. We also conduct career-building interviews with each employee and formulate human resource development plans to promote the active participation of all employees.

Having positioned talent development as the cornerstone of this new system, we have been focusing on training and development since 2022. We have added new mandatory training programs on conceptual points designed to help employees fulfill their expected roles and correctly follow company philosophy at each level, or to help our employees acquire vital basic knowledge on digital transformation (DX), ESG, or other subjects. We have also updated our training for divisional general managers and general managers to help them acquire the necessary qualities and skills for developing effective management perspectives, managing their own personal transformations, and displaying leadership on medium- to long-term issues. Furthermore, as part of our drive to train more management candidates, we are also promoting cross-border training at partner universities and other planned personnel transfers including

overseas transfer, to help build a firm pool of human resources. Periodic employee surveys have confirmed that these new personnel evaluation systems and other relevant measures have indeed helped motivate employees in the way we expected.

### Training held in FY2023 (Toyo Tire Corporation)

#### By level

Name	Eligibility	Hours to complete	No. of participants
New recruit training	New recruits with university degree or higher	93	27
Follow-up training	Second-year employees with university degree or higher	8	27
Instructor training	Instructors	7.5	24
Training for senior-level administrative staff	Newly appointed senior-level administrative staff	11	29
New assistant manager training	New assistant managers	16	43
New manager training	New managers	16	36
New general manager training	New general managers	17.5	6
New section leader/assistant supervisor/assistant manager training	New section leaders/assistant supervisors/assistant managers	14	34
Evaluator training	Primary evaluators and above	4.5	59

#### Selective training

Name	Eligibility	Hours to complete	No. of participants
Selective training I	Selected employees	40	5
Selective training II	Selected employees	48	5
Pre-assignment training (Face to face)	Employees being assigned overseas	3.5	5
Pre-assignment training (e-learning)	Employees being assigned overseas	6	3
Language training	Employees being assigned overseas	48.6	9



Securing diverse human resources (promoting diversity)

Fostering a culture of mutual respect among diverse human resources and establishing a culture of cooperation and collaboration are both important for creating unique Toyo Tire value.

We work together with universities when recruiting new graduates to ensure we secure diverse human resources, opening our doors to foreign students studying at Japanese universities and Japanese students studying at overseas universities, and actively approaching doctoral degree holders. At the same time, we are actively employing mid-career talent with experience at other companies, who can play an important role in supporting the company's growth stage. Meanwhile, we are rehiring human resources who have turned 60 and are creating mechanisms to facilitate the active participation of people with disabilities. We have also built a job evaluation structure that can respond flexibly to diverse employees' job and career preferences in both specified and general employment. In spring 2024, we introduced evaluation standards that would enable us to treat both human resources with outstanding management skills or the power to drive management strategy and personnel with specialist technological expertise or specific skills who have reached retirement age in the same way as we treat our current managers and employees under the age of 60. This move was designed to improve motivation among elder employees and encourage the nurturing of future successors. We expect these new structures and standards to have a positive internal impact and help invigorate our organization.

In the five years leading up to 2020, we doubled the

Employee diversity  
(Toyo Tire Corporation, full-time employees)

Total	3,672 (-0.5% y/y)	
By age	Under 30	18.0%
	30-50	60.7%
	Over 50	21.3%
By gender*1	Male	92.8% (-0.3 pts y/y)
	Female	7.2% (+0.3 pts y/y)
People with disabilities	64 / 2.51% (As of the end of January 2024)	
Employees from countries other than Japan*2	14	
Total management personnel*3	867	
Management by gender*1	Male	93.8% (-0.5 pts y/y)
	Female	6.2% (+0.5 pts y/y)
Employees from countries other than Japan*2 in management	0.6% (-0.1 pt y/y)	

\*1 Data by gender: Refers to data based on the sex assigned at birth. We do not have quantitative data on gender identity because it is difficult to obtain, but we aim to create workplaces where all employees can take an equal active part.  
\*2 Data on employees from countries other than Japan: Refers to data on foreign nationals as defined in the Nationality Act of Japan.  
\*3 Including assistant managers

Creating healthy working environments (reforming working styles)

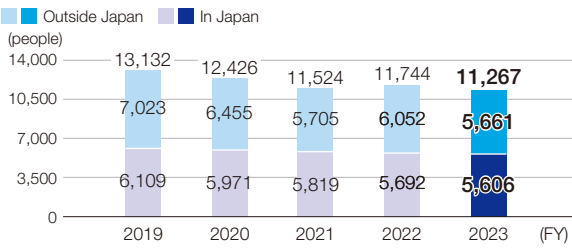
We believe that our unique work styles and working environments maximize the capabilities and vitality of diverse human resources and organizations. Following the transition to class V for the novel coronavirus in 2023, we decided to use internal transformation to

percentage of women at the assistant manager level from 2.03% to 4.65%. Now, we have set a new goal of raising the ratio of female assistant managers promoted to manager level or higher compared to the similar ratio for men to between 80% and 120% in the five years from 2021 to 2025. (End 2020: 70%, three-year average for 2021 to 2023: 75%).

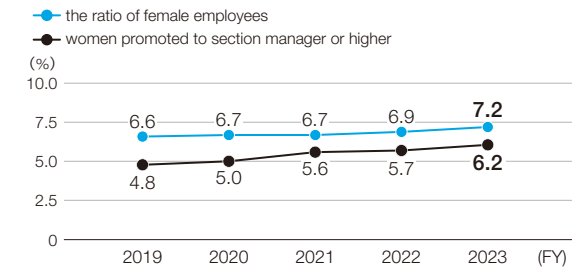
As part of our quest to empower women, we hosted an event in March 2023 for general managers and above and female employees which featured lectures by external experts and a panel discussion. Female employees exchanged opinions in workshops on any issues they have regarding the Company's current policies and work styles, and the Human Resources Department used that feedback to help compile more effective future measures. In November 2023, as part of our aim to nurture a corporate culture that embraces diversity more earnestly and fosters innovation, we conducted training sessions on unconscious bias for executives, where they deepen their understanding through case studies. We are also seeking to expand our repertoire of e-learning resources and theme-based training sessions on D&I issues such as LGBT, empowering women and harassment.

While the Group has a uniform compensation system for men and women with the same job qualifications and the same level of responsibility, our analysis shows that the differing ratios of men and women in management positions affect wage performance. We will actively promote the development and promotion of female employees to enable us to ultimately eliminate wage disparities.

Number of employees (Nonconsolidated)



the ratio of female employees / women promoted to section manager or higher\*3 (Nonconsolidated)



autonomously and independently. We introduced various work styles with remote work options and renovated our head office work spaces to satisfy various needs for cooperative, harmonious or concentrated working environments. Over 90% of employees who responded to our survey said they were satisfied with the expansion of work style options and the ability to work freely and autonomously.

Regarding the need to help employees achieve a good work-life balance, we seek to improve our understanding of any changes in our employees' lives caused by different life events and to provide ways to help them achieve a healthy work-life balance. We have set up various systems that allow employees to fulfill their childcare and nursing care responsibilities, such as mechanisms for taking leave that enable employees to concentrate on raising children up to two years of age and care for family members (for families requiring nursing care within the second degree of kinship, up to one year). We have also worked hard to establish systems and nurture a workplace environment that are more conducive to men taking childcare leave. In addition, we have established a system that allows employees to reinstate and use annual paid leave that expired from two years ago in the event of an injury or illness, childcare or nursing care,

volunteer activities, hospital visits, hospitalization, pregnancy, infertility treatment, or other reasons. Meanwhile, following labor-management consultations, our administrative and technical bases have designated several promotional days a year for encouraging employees to take their annual leave and achieve a better work-life balance. At the same time, we encourage employees at production sites to systematically take annual paid leave in line with the annual production plan. In fiscal 2023, the annual leave utilization rate stood at 64.8%, an increase of seven points over the past three years.

We achieved the targets set out in the action plan formulated based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children, and received *Kurumin* certification from the Minister of Health, Labour and Welfare in 2020. That action plan was subsequently updated in 2024 to help expand our childcare support systems and improve working environments. The revision is designed to boost childcare leave utilization rates to 100% for both men and women by, for instance, offering paid parental leave to care for a sick child and possibly expanding the number of eligible paid childcare leave days.

Childcare leave utilization update

	FY2020		FY2021		FY2022		FY2023	
	Utilization rate	Number of employees	Utilization rate	Number of employees	Utilization rate	Number of employees	Utilization rate	Number of employees
Male employees (No. of employees taking over one week's leave)	7.9%	10 (6)	16.9%	22 (7)	35.4%	34 (12)	50.5%	51 (38)
Female employees	100%	10	100%	3	100%	7	100%	12

Employee opinion survey

It is important that our employees should feel proud of what they do and are motivated to create value. We have been conducting a bi-annual employee awareness survey since 2021 to capture a snapshot of our organizational culture. The survey results and detailed analysis are shared with the Executive Committee and feedback is provided to each department. Our efforts to create and implement improvement action plans based on deep reflection are starting to bear fruit as the cycle takes hold. Each department is encouraged to implement autonomous and proactive initiatives based on their individual strengths and

weaknesses. The Human Resources Department regularly monitors the progress of each department, and incorporates common issues into the development of company-wide policies and system reviews. The 2023 survey pinpointed issues relating to shift workload in the production department so we set up a project to promote improvements together with labor and management. Linking our philosophy, systems, events, and communication will enable us to form a unique culture and increase employee job satisfaction.

Joint human resource development program with Doshisha University

In March 2024, we signed a five-year comprehensive partnership agreement with Doshisha University. The partnership seeks to promote the use of mutual high value-added resources to foster human resources who can contribute to society and realize beneficial technologies.

We will promote multi-layered collaboration on multiple different research themes, develop future technical leaders and accelerate the implementation of innovative technologies that are

useful to society. We intend to make the most of the learning opportunities and venues for recurrent employee education that the university offers to nurture corporate engineers through industry-academia collaboration. At the same time, we will work together with the university career center to offer business-focused career advice to students and help them learn how to choose their future independently and develop their work attitudes.



Platform technologies WEB

Our policy

The Toyo Tire Group believes that the value we provide through our products and services must support the evolution of mobility required for a new age. We will continue to challenge technological innovation to help build a society that exists in harmony with the environment and supports safe driving.

Organizational responsibilities (April 2024)

R&D Headquarters is responsible for promoting initiatives in this area. The Technical Committee oversees all initiatives and reports progress to the Sustainability Committee.

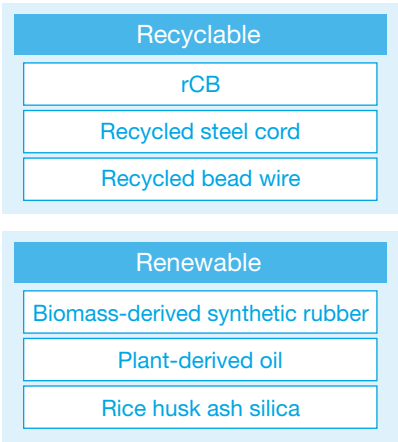
Expanding the use of sustainable raw materials

We believe it is our mission as a manufacturing company to help promote the transition from a society that consumes resources to a society that circulates resources. We conduct research and development with the aim of increasing the ratio\*1 of sustainable raw materials\*2 used in our products to 40% by 2030, and 100% by 2050. That ratio reached 26% at the end of 2023.

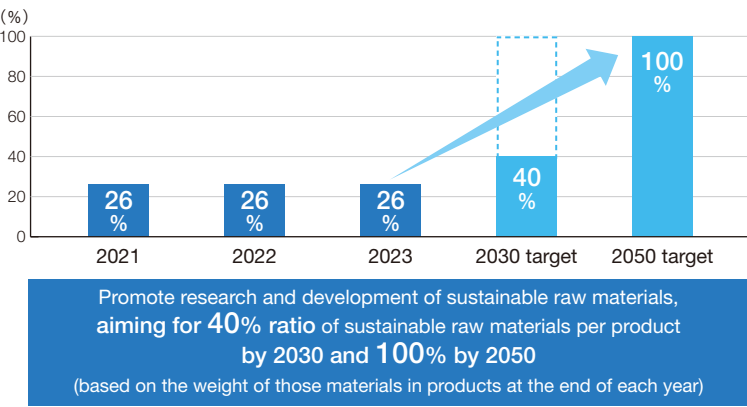
By 2025, the Group plans to gradually introduce products made from recycled raw materials, such as recycled rubber made from used tires and recovered carbon black (rCB). Furthermore, we are developing technologies to increase the use of renewable

raw materials, such as synthetic rubber made from biopolymer biomass (biomass-derived butadiene rubber and biomass-derived styrene butadiene rubber). This would lead to a reduction in the amount of petroleum-derived raw materials used, which have a large impact on climate change, and help reduce GHG emissions over the tire lifecycle.

\*1 The ratio is based on the weight of sustainable raw materials used in products at the end of each year.  
\*2 Toyo Tire Corporation defines sustainable raw materials as recycled raw materials and renewable raw materials.



Ratio of sustainable raw materials: targets and actual results



Intellectual property

We pursue technological innovation and product development designed to realize an environmentally friendly society and an era of safe mobility. However, we believe that the new technologies and products we create through these initiatives only truly acquire social value when they are delivered into the hands of our customers and put to use. We acquire the intellectual property rights that underpin the technical support required to enable the

safe use of the products that result from our research and development into recycled raw materials, renewable raw materials, fuel-efficient rubber compounds and other areas. We believe that these ongoing intellectual property initiatives will help create value for the future era of mobility, and also secure our own presence in that arena.

TOPIC / Developing concept tires made from 90% sustainable raw materials

In January 2024, the Toyo Tire Corporation developed a concept tire made from 90% sustainable raw materials. That represents a dramatic increase compared to the previous highest ratio of sustainable raw materials in our tires of 50%\*1. The concept tire was made from approximately 60% renewable raw materials, including biomass-derived butadiene rubber, biomass-derived styrene butadiene rubber, rice husk ash silica, plant-based oil, and biomass-derived polyester fiber, and roughly 30% recycled raw materials, including the butadiene rubber derived from CO<sub>2</sub> that we successfully developed together with the University of Toyama, rCB, recycled bead wire and recycled steel cord. Another impressive feature of the tire is its ability to minimize the rolling resistance co-efficient, which greatly helps reduce GHG emissions throughout the tire lifecycle and improves the cruise range of EVs. It achieved AAA-equivalent fuel efficiency, the highest level of rolling resistance in the tire labeling system\*2. Going forward, we will continue to perfect this tire's technological innovation and press for early commercialization as a product that can help realize an era of sustainable mobility.

\*1 Ratio of sustainable raw materials used in the OPEN COUNTRY M/T-R tire supplied and installed in vehicles participating in Dakar Rally 2024  
\*2 A voluntary industry standard established by the Japan Automobile Tyre Manufacturers Association, Inc.: JATMA. Tires that meet certain values on both rolling resistance and wet-grip performance are defined as "fuel-efficient tires." The system encourages a clear labeling method (display method) that ensures consumers receive the appropriate information.



Efforts to reduce TRWP

Tire and road wear particles (TRWP) are dust produced by friction between the tire and the road surface that is a mixture of tire tread and road paving materials. Since the dust is discharged into the atmosphere, tire manufacturers view the need to reduce TRWP as a key issue. Any wear on tires does impact safety, comfort and fuel efficiency, so we are always striving to improve wear resistance through materials development and improved tread design. For example, we successfully improved wear resistance by designing an optimal compound polymer nanocomposite (rubber with highly uniform carbon black dispersion). This was

achieved through advanced nanofabrication using Nano Balance Technology, our fundamental material design technology. We also actively participate in industry groups, the Tire Industry Project (TIP)\*3 and JATMA, to conduct research and study ways to mitigate the impact of TRWP since there are still many things about TRWP that have yet to be determined. We will continue to contribute to the industry's efforts in this area, while also using any knowledge we acquire through these industry-wide activities to improve our own initiatives on reducing TRWP.

\*3 One of the sector projects of the World Business Council for Sustainable Development (WBCSD)

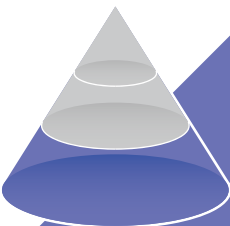
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**NANOENERGY M151 EV**

Improved wear resistance performance by **21%\*** compared to the conventional M125ZB low-maintenance ribbed tire

\*Source: Toyo Tire Corporation





Domain III Risk management

# Material issues relating to risk management

There are various social responsibilities that we must fulfill as a company and that form the premise of our business management. These material issues epitomize the solid foundation required to ensure a sound and healthy environment and enable us to create our own unique value.

Material issue  
**05**

## Pursue decarbonization in all corporate activities [WEB](#)



- Responding to climate change risks and opportunities (TCFD)
- Reducing greenhouse gas emissions
- Increasing use of clean energy

Material issue  
**06**

## Promote supply chain sustainability [WEB](#)



- Procuring sustainable natural rubber
- Implementing supplier management and responding to conflict minerals risks
- Promoting efficient logistics

Material issue  
**07**

## Ensure the fundamentals of manufacturing: quality and safety [WEB](#)



- Improving quality and increasing customer satisfaction
- Promoting improved awareness of tire safety

## Decarbonization [WEB](#)

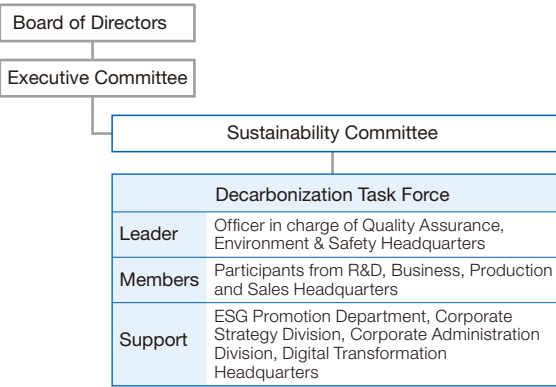
### Our policy

The impact of climate change is becoming increasingly severe and society's demands regarding mobility are increasing all the time. The mobility business lies at the very heart of the Toyo Tire Group operation and, as such, we recognize that addressing climate change is the most important issue, and one which has the power to greatly influence our growth. For that reason, we are committed to reducing greenhouse gas (GHG) emissions and expanding the use of clean energy in order to achieve the long-term goals set forth in the Paris Agreement. We also support the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and strive to disclose information based on the TCFD framework in order to stimulate dialogue, engage stakeholders and promote climate change initiatives.

### Organizational responsibilities (April 2024)

The Toyo Tire Sustainability Committee is chaired by the president and meets four times a year. The committee reports, deliberates and makes decisions on how to respond to climate-related and other sustainability issues, and what progress is being made. The Decarbonization Task Force, which sits under the Sustainability Committee, discusses climate-related activity plans, targets and KPIs, and the Sustainability Committee regularly confirms and monitors the status of those activities.

Any climate-related matters that have been debated and approved in the Sustainability Committee are then reported to or debated in the Executive Committee and reflected in the formulation or review of our annual and medium-term business plans. The developments are reported to the Board of Directors in a timely and appropriate fashion.



### Climate change risks and opportunities

We conducted scenario analysis to ascertain the impact of climate change on the Group's business activities.

#### Scenario analysis process



#### 1. Select scenarios to use and understand the outlook of each scenario

We assessed the impact of risks and opportunities in a baseline scenario (3-4°C scenario) and a transition scenario (1.5°C scenario).

Baseline scenario	Transition scenario
<b>(Scenario outlook)</b> <ul style="list-style-type: none"><li>• No new political policies or stronger regulations other than what is currently envisioned</li><li>• GHG emissions increase in some areas following economic growth</li><li>• Extreme heat, heavy rainfall and other natural disasters intensify as temperatures rise</li></ul>	<b>(Scenario outlook)</b> <ul style="list-style-type: none"><li>• New policies and stronger regulations are enacted to curb climate change</li><li>• Global GHG emissions decline to net zero by 2050</li><li>• Climate change causes sea level rises and changes in weather patterns, but they remain below those in the baseline scenario</li></ul>
<b>(Main scenarios referenced)</b> <ul style="list-style-type: none"><li>• IEA Stated Policies Scenario (STEPS)</li><li>• IPCC SSP5-8.5</li></ul>	<b>(Main scenarios referenced)</b> <ul style="list-style-type: none"><li>• IEA Sustainable Development Scenario (SDS)</li><li>• IEA Net Zero Emission Scenario by 2050 case (NZE)</li><li>• IPCC SSP1-2.6</li></ul>



2. Investigate risks and opportunities, 3. Assess significance, and 4. Calculate the financial impact of material risks and explore countermeasures

We identified climate-related risks and opportunities for each scenario and evaluated the significance of risks and opportunities based on the probability of certain events occurring that could prove to be pertinent factors in each risk and opportunity and the degree of impact on the expected costs and other factors in our business. Based on the results, we started to calculate the financial impact of risks that are expected to be significant over the medium to long term, and explore possible countermeasures.

Highly significant risks

Scenario	Type	Climate-related events	Impact on business	Main financial impact	Significance
Baseline	Chronic	Changes in climate patterns	<ul style="list-style-type: none"><li>● Migration of natural rubber tree crop zone, decline in quality</li><li>● Energy supply system instability</li><li>● Increased demand for crude oil, natural gas, etc.</li></ul>	<ul style="list-style-type: none"><li>● Increased raw material prices (natural rubber)</li><li>● Increased R&amp;D costs (alternative raw materials)</li><li>● Decreased sales, worsened profits (decreased tire production)</li></ul>	Medium to high
		Temperature rises	<ul style="list-style-type: none"><li>● Deterioration of roads</li><li>● Reduced areas of snowfall</li></ul>	<ul style="list-style-type: none"><li>● Increased R&amp;D costs (heat-resistant tires)</li><li>● Decreased sales (winter tires)</li></ul>	Medium to high
		Sea level rises	<ul style="list-style-type: none"><li>● Reduced natural rubber harvests</li><li>● Compromised ports and warehouses</li></ul>	<ul style="list-style-type: none"><li>● Increased raw material prices (natural rubber)</li><li>● Decreased sales (reduced or suspended tire production)</li><li>● Inventory/product damage (flood damage)</li></ul>	Medium to high
	Acute	Increase in extreme weather	<ul style="list-style-type: none"><li>● Compromised infrastructure networks</li></ul>	<ul style="list-style-type: none"><li>● Decreased sales and profits (overall business slowdown)</li></ul>	Medium to high
		Frequent and severe heavy rainfall	<ul style="list-style-type: none"><li>● Transport network disruption, loss of commuting options</li><li>● Flooding of natural rubber plantations</li></ul>	<ul style="list-style-type: none"><li>● Decreased sales, worsened profits (revision of production plans)</li><li>● Increased raw material prices (natural rubber)</li></ul>	Medium to high
		Increase and intensification of tropical cyclones	<ul style="list-style-type: none"><li>● Marine transport delays, accidents</li></ul>	<ul style="list-style-type: none"><li>● Increased transport costs</li><li>● Inventory/product damage</li></ul>	Medium to high
Transition	Policy	Introduction of carbon pricing	<ul style="list-style-type: none"><li>● Increased service prices as costs are passed on</li><li>● Introduction of carbon border tax</li><li>● Introduction of environmental taxes to auto-related exports</li></ul>	<ul style="list-style-type: none"><li>● Increased distribution costs</li><li>● Increased costs of R&amp;D and equipment investment (shift to low-carbon products)</li><li>● Worsened profits (tariffs)</li><li>● Increased costs for purchasing carbon credits</li></ul>	Medium to high
	Market/reputation	Increased raw material costs	<ul style="list-style-type: none"><li>● Fewer rubber plantations due to poor profitability</li></ul>	<ul style="list-style-type: none"><li>● Increased raw material prices due to decreased natural rubber production</li></ul>	Medium to high

(Financial impact and countermeasures)

1. Impact of changing climate patterns on the procurement of natural rubber [risk]

Climate-related events/ financial impact on business	Impact amount/ impact timing	Calculation method	Countermeasures
Changes in climate patterns Changing climate patterns will generate changes in the areas in which natural rubber plants can grow, a deterioration in quality and other issues, all of which could increase the cost of natural rubber procurement.	Approx. 0.7 to 9.7 billion yen (Medium-term: 2030)	(Minimum) Volume of natural rubber procurement × Increase in natural rubber prices <ul style="list-style-type: none"><li>● The estimated volume of natural rubber procurement for 2030 is calculated on past trends</li><li>● The increase in natural rubber prices is calculated by averaging out the price increase in past months of high flooding across the whole year</li></ul> (Maximum) Increase in natural rubber procurement cost × Percentage increase in natural rubber procurement volume <ul style="list-style-type: none"><li>● The increase in natural rubber procurement cost is set at the same level as the increase in procurement cost in years when large-scale flooding occurred</li><li>● The percentage increase in natural rubber procurement volume is the estimated percentage increase in procurement volume between the year when large-scale flooding occurred through to the year 2030</li></ul>	<ul style="list-style-type: none"><li>● Reduce the amount of natural rubber used in each tire by seeking to reduce tire weight while also paying due attention to reducing rolling resistance</li><li>● Continue efforts to increase the usage of sustainable raw materials and reduce consumption of natural rubber by gradually introducing products made from recycled raw materials such as recycled rubber from used tires</li><li>● Achieve stable natural rubber procurement by encouraging the entire supply chain to build solutions to issues faced by natural rubber production sites (deforestation, infringement of local residents' rights)</li></ul>

2. Carbon pricing mechanisms [risk]

Climate-related events/ financial impact on business	Impact amount/ impact timing	Calculation method	Countermeasures
Introduction of carbon pricing Introducing carbon pricing will boost the cost of CO <sub>2</sub> emissions.	Approx. 0.5 billion yen (Medium-term: 2030)	Shortfall in CO <sub>2</sub> reduction target × Carbon tax <ul style="list-style-type: none"><li>● The shortfall in CO<sub>2</sub> reduction targets is the volume outstanding supposing the Company's targeted CO<sub>2</sub> volume reduction in 2030 is lower than expected by 10%</li><li>● The carbon tax is the 2030 carbon tax for developed countries designed to help achieve the 2050 net zero emissions target announced by the IEA</li><li>● The percentage increase in natural rubber procurement volume is the estimated percentage increase in procurement volume between the year when large-scale flooding occurred through to the year 2030</li></ul>	<ul style="list-style-type: none"><li>● The Toyo Tire Group will continue to reduce CO<sub>2</sub> emissions through efficient energy use in our products and business activities inside and outside the organization</li><li>● Help reduce CO<sub>2</sub> emissions by promoting the procurement of renewable energy at production sites using internal carbon pricing (ICP), as well as fuel conversion and equipment upgrades</li></ul>
	Approx. 5.7 billion yen (Medium-term: 2030)	CO <sub>2</sub> emissions × Carbon tax <ul style="list-style-type: none"><li>● CO<sub>2</sub> emissions are the company's target for CO<sub>2</sub> emissions in 2030</li><li>● The carbon tax is the 2030 carbon tax for developed countries designed to help achieve the 2050 net zero emissions target announced by the IEA</li></ul>	

Highly significant opportunities

Scenario	Type	Changes in economy and society	Impact on business	Main financial impact	Significance
Transition	Market	Greater eco-conscious behavior by stakeholders	<ul style="list-style-type: none"><li>● Acquisition of new business partners through focus on the environment</li><li>● Increased added value of eco-conscious products</li></ul>	<ul style="list-style-type: none"><li>● Increased sales and profits (acquisition of new business partners, increased added value)</li></ul>	High
		Expansion of low-carbon product market	<ul style="list-style-type: none"><li>● Greater demand for products to go low carbon</li></ul>	<ul style="list-style-type: none"><li>● Increased sales and profits (increased added value)</li></ul>	High
	Products/services	Increased environmental awareness in customers	<ul style="list-style-type: none"><li>● Development and sales of products with low environmental impact</li></ul>	<ul style="list-style-type: none"><li>● Increased sales and profits (increased share, increased added value)</li></ul>	High
		Growth of EVs/ next-generation vehicles	<ul style="list-style-type: none"><li>● Greater demand for EV tires, early-stage development and sales</li></ul>	<ul style="list-style-type: none"><li>● Increased sales and profits (increased added value)</li></ul>	Medium to high
	Energy	Skyrocketing coal and oil prices	<ul style="list-style-type: none"><li>● Expansion of EV market</li></ul>	<ul style="list-style-type: none"><li>● Increased sales and profits (sales of EV tires)</li></ul>	High

Climate-related metrics

- Greenhouse gas (GHG) emissions (Scope 1, 2, 3)  
→2019-2023 results [WEB](#)
  - GHG emissions intensity  
→2019-2023 results [WEB](#)
- Introduction of an internal carbon pricing system  
Used to evaluate decarbonization-related projects and other investment initiatives.  
Following a trial operation in fiscal 2023, the system was officially launched in fiscal 2024 with a set carbon price\* of 10,000 yen/ton.  
  
\*The appropriateness of the carbon price will be assessed each year and revised if necessary.



Climate-related targets

● GHG emissions reduction targets

\*Decided by the Sustainability Committee in November 2021 and approved by the Executive Committee in December 2021

\*Announced on February 15, 2022

Scope1, 2	GHG emissions: Reduce GHG emission by 46% by 2030 compared to 2019 and aim to achieve carbon neutrality by 2050.
Scope3	GHG emission per unit: Aim to help reduce GHG emissions per tire in 2030 by 20% compared to 2019.

One of our milestones is to aim to reduce Scope 1, 2 GHG emissions by 25% by 2025 compared to fiscal 2019

Reducing greenhouse gas (GHG) emissions

Greenhouse gas emissions are seen as a major cause of climate change so the Toyo Tire Group is working to reduce GHG emissions through its products and business activities inside and outside the organization.

Scope 1, 2 initiatives

The amount of energy consumed increases in line with increases in production volume. However, as a means of addressing Scope 1, 2 emissions, we are seeking to reduce energy consumption at our production bases by repairing process pipelines and introducing highly efficient equipment to improve energy efficiency, and also by encouraging automation and improving the usage of air-conditioning and lighting. In addition, we are switching to fuels that emit lower greenhouse gases. We have reduced CO<sub>2</sub> emissions from the Sendai Plant by 500 tons a year in 2023 by strengthening the insulation of the plant's vulcanizers and pipelines and thereby reducing energy consumption. Furthermore, we converted the boilers at the Kuwana Plant to natural gas, reducing CO<sub>2</sub> emissions by 1,400 tons. By introducing nitrogen vulcanization and installing inverters on vacuum pumps at tire manufacturing subsidiaries in China, we have reduced CO<sub>2</sub> emissions by 1,600 tons annually.

Meanwhile, our plants in Japan are promoting the use of electric forklifts. Purchased electricity at our Japanese plants is being replaced by electricity derived from renewable sources in, and the electrification of 17 forklifts in 2023 helped reduce CO<sub>2</sub> emissions by 400 tons.

Expanding the use of clean energy

From the second half of 2022, the Toyo Tire Group began switching electricity purchased primarily at production sites to power derived from renewable sources. By the end of 2023, 100% of the electricity purchased at the Sendai Plant, the Kuwana Plant and our tire plant in the United States had been converted to renewables, along with our administrative and technical bases in Japan. We will systematically promote efforts to achieve a global 90% renewable energy usage ratio by 2030. That ratio stood at 71.14% at the end of 2023.

We are also actively introducing photovoltaic (PV) power generation systems for in-house use. The largest PV power generation system in Serbia (power generation capacity: 8.4 MW)

was installed on the premises of our Serbia Factory, which launched operations in 2022. The system's annual generation of 10,150 MWh of electricity is helping reduce CO<sub>2</sub> emission by 7,100 tons a year. By the end of 2023, a large-scale PV power generation system with a generating capacity of 14.0 MW installed on a 96,000 square meter rooftop space in our tire plant in Malaysia was fully operational. The system is expected to generate 19,000MWh and reduce CO<sub>2</sub> emissions by approximately 12,000 tons per year.

Meanwhile in Japan, at the end of 2023, we introduced a solar power generation system at our Corporate Technology Center. The system generates approximately 419 MWh each year, which is more than any other system at any other base in Japan, and is equivalent to approximately 12% of the electricity used at the Center. The system is expected to reduce CO<sub>2</sub> emissions by approximately 128 tons per year.



Tire plant in Malaysia



Corporate Technology Center

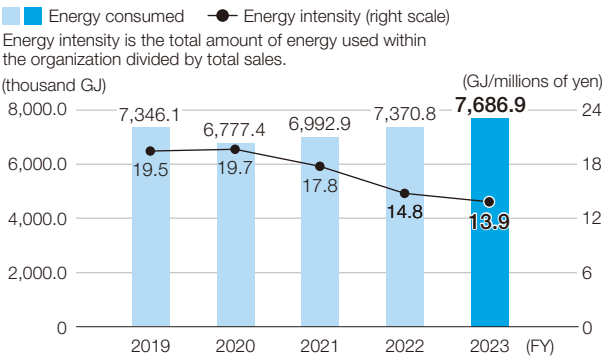
Scope 3 initiatives

The Toyo Tire Group aims to contribute to a 20% reduction in Scope 3 GHG emissions per tire by 2030 compared to 2019. A calculation of GHG emissions throughout the Group's value chain based on the Japan Automobile Tyre Manufacturers Association's (JATMA) Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 3.0.1 revealed that emissions from the Category 11 product use phase account for at least 80% of overall GHG emitted. According to the guidelines, fuel-efficient tires can reduce CO<sub>2</sub> emissions during use (during vehicle driving) by 95.4 kg CO<sub>2</sub>e per tire for passenger car radial (PCR) and 879.0 kg CO<sub>2</sub>e per tire for truck and bus radial (TBR) compared to standard tires. Our technical division is working to develop technologies to enhance fuel efficiency of tires by reducing their rolling resistance and weight. Over the medium to long term, the Group is planning to enlist the help of the Product Planning Division in

upgrading fuel efficiency performance each time we change a tire model. As of 2023, emissions from PCR had been reduced due to reduced rolling resistance by 1.5%\*1 compared to 2019, which is a reduction of 94.8 thousand tons-CO<sub>2</sub>e.

\*1 Calculation method: The weighted average RRC for each business year is calculated from PCR sales and the RRC for each product, and CO<sub>2</sub> emissions are estimated based on JATMA's Tyre LCCO<sub>2</sub> Calculation Guidelines Ver. 3.0.1.

Energy consumed



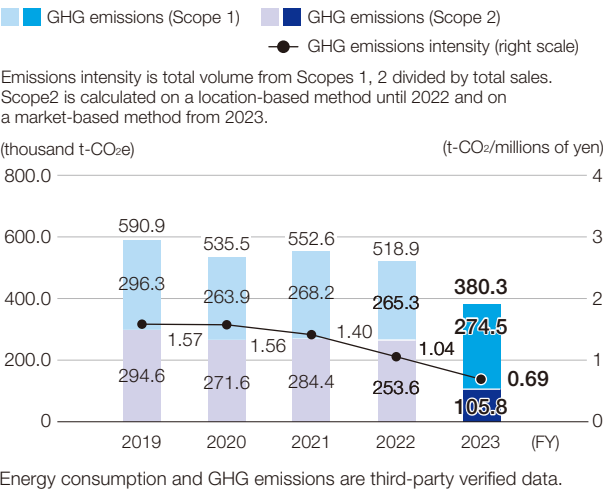
Energy consumed by source

	2021	2022	2023
Consumption of fuel from non-renewable energy	4,735.7	5,130.8	5,302.7
Purchased electricity consumption	1,944.2	1,923.5	2,027.6
Consumption of purchased electricity from renewable energy sources, consumption equivalent to procurement of non-fossil certificates	0.0	114.2	1,442.5
Percentage of purchased electricity with a renewable energy certificate	0.00%	5.94%	71.14%
Consumption of fuel from renewable energy sources (photovoltaics)	0.8	0.7	41.1
Purchased steam consumption	312.2	315.8	315.4

Greenhouse Gas (GHG) emissions

[Scope1, 2] (thousand t-CO<sub>2</sub>e)

	2021	2022	2023
Total Scope1 GHG emissions	268.2	265.3	274.5
Total Scope2 GHG emissions (location-based)	284.4	253.6	280.5
Total Scope2 GHG emissions (market-based)	-	-	105.8



Energy consumption and GHG emissions are third-party verified data.

SBTi\*2 initiatives

In May 2024, Toyo Tire Corporation submitted a letter of commitment to SBTi stating its intention to seek SBT certification. We have already set targets for reducing GHG emissions as the Toyo Tire Group and are currently working to achieve them. We will now strengthen our efforts across the entire supply chain by setting GHG reduction targets for the periods five to 10 years ahead, that comply with the levels required by the Paris Agreement\*\*3.

\*2 SBTi: The Science Based Targets Initiative is designed to achieve a goal of limiting any rise in average global temperatures to 1.5°C.

\*3 Paris Agreement: An international agreement formed at the Conference of the Parties to the United Nations Framework Convention on Climate Change held in Paris in 2015. The long-term goal of this agreement is to keep any rise in average global temperatures to well below 2°C compared to pre-industrial levels, and strive to limit that increase to 1.5°C.



Supply chain

Our policy

The Toyo Tire Group has established the Toyo Tire Group Basic Purchasing Policies and seeks to secure appropriate product quality and price through fair transactions.

We also formulated the Toyo Tire Group CSR Procurement Guidelines and the Sustainable Natural Rubber Procurement Policy. We work with our suppliers to further promote sustainable procurement that aims to mitigate, prevent and minimize the negative impact of our corporate activities on the environment and society and to improve our corporate value and competitiveness.

We also support sustainable logistics by improving the productivity and efficiency of truck transportation and ensuring safe cargo handling operations.

Organizational responsibilities (April 2024)

We established the Supply Chain Task Force under the jurisdiction of the Sustainability Committee to discuss activity themes, targets and KPIs in relation to ESG issues in the supply chain. The Sustainability Committee regularly confirms and monitors the status of these activities.



Procuring sustainable natural rubber

The securing of a stable natural rubber supply into the future is an important management issue for a business group like ours that uses natural rubber as the main raw material. The natural rubber industry is facing issues relating to deforestation at production sites and the infringement of local residents’ rights. We recognize the importance of striving to solve these problems across the entire supply chain from production through consumption.

International cooperation for building a sustainable supply chain

Toyo Tire Corporation is a member of the Global Platform for Sustainable Natural Rubber (GPSNR)\* launched in 2018 under the leadership of the Tire Industry Project (TIP), which is part of the World Business Council for Sustainable Development (WBCSD). As a member, we participate in discussions designed to solve relevant issues. We are working to prevent deforestation, conserve biodiversity and water resources, uphold human rights and support local communities, improve the productivity of natural rubber and make our supply chain more transparent. We also exchange information with the civil society sector, which includes NGOs and other groupings that have specialized knowledge of environmental and social issues at natural rubber production sites.

Our aim going forward is to continue to cooperate with international initiatives and stakeholders and to build a sustainable natural rubber supply chain across our whole value chain.

Global Platform for Sustainable Natural Rubber

\*A platform that seeks to transcend industrial boundaries and ensure that the production and use of the world's natural rubber is carried out in a way that is more conscious of the natural environment and social issues.

Promoting sustainable procurement

Following the guidance provided by GPSNR encouraging tire manufacturers to incorporate the platform’s Principles of Sustainable Natural Rubber into their business activities, we conducted a thorough review of the items related to natural rubber procurement that were determined as part of our CSR Procurement Guidelines. Then, from 2021, we strengthened our system based on the separate Sustainable Natural Rubber Procurement Policy. That policy is designed to improve the effectiveness of initiatives relating to healthy ecosystems, human rights, communities and other issues. Currently, in addition to conveying this policy to suppliers and asking for their cooperation, we are promoting activities that ensure traceability and protect the environment in accordance with the medium- to long-term action plan stipulated by our Supply Chain Task Force. In 2023, we made a donation to an international environmental organization to help protect forests. We have also set up a dedicated contact point specifically for the natural rubber supply chain. We received no reports in 2023.

Supplier management

Using guidelines to engage suppliers

We have formulated the Toyo Tire Group CSR Procurement Guidelines and request suppliers to pursue activities in accordance with these guidelines to help address environmental and social issues across our entire supply chain. We also appeal to our suppliers to help convey the purpose and nature of these guidelines further up the supply chain. The guidelines are reviewed whenever there is change in social demands or the business environment. The guidelines have been published in Japanese, English and Chinese.

To ensure the fair and objective assessment of supply chain risks, we formed a contract with EcoVadis, a third-party organization that conducts CSR assessments, and commissioned sustainability assessments of our suppliers from an environmental and social perspective from 2022. By the end of 2025, we aim to have fully audited suppliers accounting for 95% or more of the total transaction value of our tire-related raw materials. At the end of 2023, we had finished evaluating suppliers that account for approximately 70% of that total transaction value, including natural rubber suppliers.

Going forward, we will promote engagement with suppliers based on the results of the EcoVadis assessments and work together to solve supply chain issues.

With regard to our decarbonization initiatives, we have been surveying existing suppliers since 2021 and are tackling any issues that emerge to help reduce the environmental impact of our supply chain activities.

Fair and transparent transactions

We declared our commitment to free competition and fair trading in each market in the Toyo Tire Group Code of Conduct. We conduct our activities in compliance with antimonopoly and subcontracting law, pursue fair procurement activities, comply with import and export-related laws and regulations, and ensure appropriate labeling and product explanations.

For instance, the Group seeks to ensure business activities are based on fair and free competition by establishing purchasing regulations that stipulate the thorough implementation of fair and non-discriminatory business dealings and prohibit the development of personal interests with suppliers. At Toyo Tire Corporation, we have established anti-cartel regulations to prevent cartels and bid-rigging activities. In addition, we continuously perform self-inspections regarding compliance with subcontracting law and implement e-learning programs on the law.

Responding to conflict minerals risks

Conflict minerals response

In Europe and the United States, manufacturers are legally obliged to conduct due diligence when purchasing conflict minerals (tin, tantalum, tungsten and gold) and cobalt mined in conflict and high risk areas in light of the fact that the money from such purchases may be used to fund local armed groups and promote corrupt practices, such as human rights infringements, bribery and money laundering. When procuring minerals and raw

materials mined and manufactured in such areas, the Group’s policy is to ensure those materials are not linked to human rights violations, environmental destruction, conflict, or corruption, and we enlist the cooperation of suppliers to trace back to the smelters and confirm that the raw materials purchased by the Group are not linked to any such inhumane acts. We would request remediation through our suppliers if any such concerns were to emerge.

Efficient logistics

As the shortage of truck drivers grows ever more serious in Japan, the Ministry of Land, Infrastructure, Transport and Tourism is developing initiatives to improve the productivity and efficiency of truck transportation and create more comfortable working environments.

To promote efficient logistics, Toyo Tire Corporation is instigating a modal shift to ships and national railways for the long-distance transportation of goods in Japan dispatched from our factories. We have already shifted over 50% of transportation to these new modes, and, ten years from now, we aim to have reduced long-distance truck transportation to roughly half of 2022 levels. Furthermore, ensuring safer and more efficient cargo handling operations will not only reduce the burden on drivers, but will also fuel economic growth and create higher levels of job satisfaction.

Specific initiatives

- Introduced and expanded large container transportation by Japan Freight Railway Company for shipments from Sendai Logistics Center and Kuwana Logistics Center, and introduced coastal vessel transportation using shipping containers from the Kuwana Logistics Center
- Installed safety fences in warehouses at our Sendai and Kuwana Logistics Centers following a risk assessment (to prevent tire racks from toppling or items from falling in the event of an earthquake)
- Installed monitoring cameras at logistics centers in each plant and distribution centers in Japan to ensure safe operation; installed monitoring cameras to ensure safe forklift operation



Our policy

Our principle for manufacturing is to provide high-quality and safe products and services that are useful to society, and we state our basic policy for product quality and code of conduct in the Toyo Tire Group Global Product Safety Policy. The policy clearly states that product safety and global environmental protection must be taken into consideration throughout the value chain, from the product planning, development and design stages to production, sales, use and after-use.

We operate a quality management system based on IATF 16949 (or ISO 9001 at some production sites) predominantly at our production bases, and take measures against risk.

—ISO 9001 certification (as of the end of March 2024)

Production bases: 13 sites (3 Toyo Tire Corporation sites\*, 10 affiliated company sites)

Sales bases (affiliated companies): 2 sites

\*The Kuwana Plant has independently acquired certification at two sites: its tire production plant and automobile parts plant.

—IATF 16949 certification (as of the end of March 2024)

Production bases: 9 sites (3 Toyo Tire Corporation sites, 6 affiliated company sites)

Organizational responsibilities (April 2024)

Quality Assurance, Environment & Safety Headquarters is responsible for promoting initiatives in this area, and reports progress to the Sustainability Committee.



Improving product quality

Meeting the quality standards of each country

In the face of factors such as greater climate change risks, many countries are rapidly introducing new regulations related to the environmental performance and quality of vehicles to promote higher fuel efficiency and reduce the CO<sub>2</sub> emissions. We are working to strengthen our response to quality standards

throughout the Group to ensure we comply with the increasingly complex quality-related regulations in each country.

Our tire and automotive parts businesses each hold annual Global Quality Management Committee (Global QMC) meetings, bringing together quality assurance managers and relevant representatives from manufacturing bases worldwide to share and discuss each site's initiatives related to product quality, improvement of quality assurance systems for production, and quality-related demand of our business partners.

In addition, at the four tire testing and evaluation sites in Japan, we test our tires in compliance with ISO/IEC 17025 (general requirements for the competence of testing and calibration laboratories) since our initial certification in 2013, and have been working to improve test accuracy and reliability to continue conducting tests in accordance with standard requirements.



Example Efforts to Meet Quality Standards

- Collecting information locally
- Making recommendations by participating in industry groups
- Exchanging opinions with regulatory institutions
- Sharing information on the latest legal and regulatory trends
- Giving presentations on legal and regulatory matters

Increasing customer satisfaction

Improving quality and customer satisfaction

As a manufacturer, we understand that our products and services link us to both our customers and society, and we are working to improve quality throughout the entire value chain. Our production bases are constantly searching for ways to maintain and improve product quality while our technical service departments continuously investigate product satisfaction levels in the market and relay customer requests as feedback to our design and production bases. Our Customer Relations Department analyzes the opinions and inquiries received from customers on a day-to-day basis and makes recommendations to the relevant departments in order to improve our products and services. Other workplaces also strive to provide services and improve the quality of our operations from a customer perspective. Such activities reflect the spirit of our Company Philosophy of continuously improving our products and creating value for everyone who we work with.

For more than 50 years, the Group has continuously held quality control (QC) circle activities to proactively raise quality control standards using employee insight from the frontlines. QC circle activities began at production sites and have now spread to sales divisions, with about 300 circles currently running within the Group. In each circle, members pool their experience and knowledge in order to solve problems, and work to improve quality by grasping the current conditions, setting goals, developing action plans, and analyzing issues. Each year, we run a Toyo Tire QC Circle Convention, at which circle representatives from Japan and overseas come together to learn from each other by giving presentations on not only quality improvement initiatives but also their day-to-day efforts to eliminate workplace waste and loss. Moving forward, we will continue supporting QC circle activities to further improve worksite autonomy and customer satisfaction.

Visualizing manufacturing quality using manufacturing execution systems (MES)

The Toyo Tire Group aims to build a quality assurance system that can predict and prevent issues from occurring in the manufacturing process. We have introduced automatic measuring instruments into the tire manufacturing process, and are launching a system that digitally collects and visualizes quality- and production-related information from production equipment. This will ensure quality in each manufacturing process, and make

it possible to analyze and monitor collected data to detect changes in process trends. At the Serbia Factory, MES will be put into operation in the second half of 2024 and expanded to the quality area. Analyzing the results, we are working to introduce MES at other production bases, as well as foster data-centric talent and corporate culture.

Improving service quality at sales companies

The Group's tire sales subsidiaries are striving to improve the job skills of tire technicians and the level of service provided by sales associates and front office staff. Sales companies provide job-specific training to sales associates and front office staff to equip them with the awareness required to convey product value to customers clearly and correctly on a day-to-day basis and to develop the skills required for their respective roles.

We also hold a Truck and Bus Tire Servicing Contest for technicians, at which technicians selected from all over Japan compete with each other to demonstrate their skills. The primary

goal of the contest is to improve the skills and service level of technicians responsible for exchanging tires, performing inspections, and providing after-sales services. This contest illustrates to staff how their own jobs contribute to the safety of our customers, which in turn fosters a sense of duty and motivation toward their work.



Tire safety awareness activities

We believe that one of our most important duties is to help drivers learn how to use tires appropriately. Using our proprietary driving simulator, we offer a workshop for driver to experience the difference between worn and new tires when breaking on wet roads or getting a puncture, and maneuverability under different tire pressures. During the 2023 spring and autumn National Traffic Safety Campaigns, we ran a workshop in collaboration with the police station nearest the venue. Approximately 4,200 people

have taken part in the workshop over the five-year period starting in 2019. We confirmed the effectiveness of the workshop with 97% of post-workshop questionnaire respondents indicating that their awareness of tire safety has increased.



A participant using the driving simulator

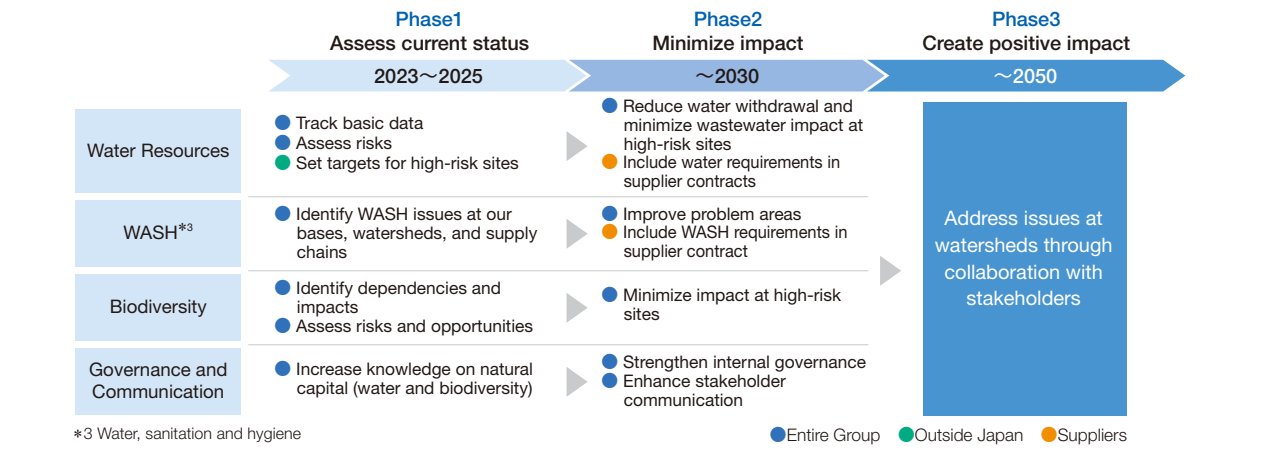


Taskforce on Nature-related Financial Disclosures (TNFD)

**Our policy**

In 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published version 1.0 of its recommendations and the Science Based Targets Network (SBTN) published version 1.0 of its guidance for setting Science Based Targets for Nature (SBTs for Nature). These two documents clarify the role of companies in avoiding, reducing and restoring the impact of their business activities on nature, increasing the demand on companies to take initiatives and disclose information. As a company that relies on natural capital in our business, we developed a long-term roadmap in 2023 that recognizes nature and natural capital. Going forward, we will implement initiatives at each phase in accordance with the roadmap and we will gradually disclose information in line with the TNFD recommendations.

\*Taskforce on Nature-related Financial Disclosure  
\*Science Based Targets for Nature



Addressing nature-related risks and opportunities

In 2023, we implemented Phase 1 (assess current status) with respect to water resources, which are essential to our business activities.

Water risk assessment

- Assessment indicators:  
Of the two Aqueduct water resource risk assessment indicators, Water Stress and Water Depletion, Toyo Tire Corporation uses Water Depletion to conduct its risk assessments because that is a more pertinent representation of the water resource situation in the basin.

Water Depletion =  $\frac{\text{Total water consumption in the basin}^{*4}}{\text{Volume of usable water in the basin}^{*5}}$

\*4 Water consumption: The amount of water withdrawn that cannot be reused  
\*5 Volume of usable water = Volume of water resources in the basin – Volume of water consumption from the basin

- Assessed areas: 12 areas where the Group has manufacturing bases
- Assessment period: April 2023
- Assessment results  
One high risk area in China (Zhucheng City). One medium-high risk area in Thailand. All the other areas were low risk.

Water risk targets and indicators

- Targets:**
- Reduce water withdrawal by 10% compared to 2023 levels by 2030 at our bases in China which have been assessed as high risk in terms of water depletion by Aqueduct.
  - Manage factors affecting increases and decreases in water withdrawal and continue to assess risks.
  - Enhance data collection on water discharge volume and quality and continue to assess risks.

Reducing water risks

The Group mainly uses municipal or other public and private water supply facilities as well as groundwater for our boiler equipment and parts processing facilities, the cooling of production parts, cooling towers and welfare facilities at our manufacturing bases. For water withdrawal and discharge, we are working on proper water-resource management throughout the Group using efforts such as improving equipment to reuse water as much as possible in each production process.

As a result of our efforts over a five-year period (2019–2023) to reduce water withdrawal at our bases in Japan by 10% compared to 2018 levels, we reduced our water withdrawal in 2023 by 19%, thereby achieving our target. Moving ahead, we will follow the long-term roadmap and continue working on our targets of reducing water withdrawals at high-risk sites as well as minimizing wastewater impacts. We will maintain appropriate water usage at major domestic and overseas bases other than high-risk bases by managing changes in water withdrawals per unit of production.

Human Rights

**Our policy**

The Global Human Rights & Labor Policy introduced in January 2019 sets out our clear commitment that, as our business globalizes and our stakeholders diversify, the Toyo Tire Group strives to carry out its business in a way that respects the human rights of everyone involved in our corporate activities, including those in our workplaces, at our suppliers, and within the communities where we operate, contributing to creating an inclusive society.

We also engage with our suppliers to ensure that they understand our policy and encourage them to work with us to fulfill our common corporate responsibility to uphold human rights.

Organizational responsibilities (April 2024)

The Corporate Headquarters takes the lead in driving activities and holding discussions relating to the promotion of human rights, as well as maintaining a robust system for preventing human rights violations in day-to-day operations. Human rights-related activities are subject to the Sustainability Committee's oversight through progress reporting, review and approval.

Human rights due diligence

In 2023, we identified and assessed which human rights risks are relevant throughout all of our Group business activities and the supply chain, then went further to identify which risks are the most important for us to take action on. In order to ensure objectivity, this process was conducted with the help of external experts in business and human rights.

Identifying important risks

1. Identifying human rights risks

We identified relevant human rights risks by surveying each of our division headquarters to understand the business characteristics that are linked to risks, and comparing these with risks considered inherent to our industry based on reports and recommendations of prominent international institutions and organizations, as well as actual cases of risk that have manifested within the industry.

2. Assessing the significance of human rights risks

The identified relevant human rights risks were scored by severity (the level of harm should an incident occur) and likelihood (the ease of manifestation within the Group). The significance of each risk was then assessed, with more weight given to severity in accordance with the UN Guiding Principles on Business and Human Rights.

3. Identifying important human rights risks

The relevant human rights risks were assessed according to the type of rights holders (those who have the human rights that are at risk of being adversely impacted), which led to identification of important risks.

Prevention & mitigation measures for Identified important risks

To prevent and mitigate these important risks, we will both continue and strengthen our existing measures while constructing and enhancing management schemes.

Rights holders	Important risks	Prevention & mitigation measures
Group employees, job applicants	Lack of health & safety at workplaces	Strengthen occupational health & safety management
	Forced/compulsory or child labor	Discover any current forced/ compulsory or child labor, build systems to eliminate
	Power harassment or discrimination	Enhance training on preventing harassment and discrimination
	Discrimination against candidates in hiring interviews	Review materials for employees in charge of interviews
	Long working hours, excessively strenuous work	Strengthen efforts to secure necessary personnel and improve productivity
Manufacturing contractors, distributors	Lack of workplace health & safety at manufacturing sites	Accelerate efficient logistics initiatives (distributors)
	Forced/compulsory or child labor, long working hours, excessively strenuous work at manufacturing sites	Strengthen manufacturing contractor/ distributor management scheme
Raw material suppliers	Forced/compulsory or child labor at raw material production sites	Enhance sustainable procurement
		Strengthen raw material supplier management scheme
Sales partners, consumers, indigenous and other local communities	Indirect complicity in wars of aggression through sourcing of conflict minerals and other materials	Enhance surveying of smelters about parts potentially using conflict minerals
	Indirect complicity in conflict through sales practices	Strengthen sales partner management scheme
	Adverse impact on local communities through production or disposal of our products	Further improve wastewater management, noise control
	Infringement on consumer health and safety through defective products	Accelerate initiatives based on quality management system operation

Raising awareness of respect for human rights

We work continuously to raise awareness of the company's responsibility to respect human rights through e-learning sessions on our Corporate Code of Conduct as well as level-specific and other training. We also participate in human rights awareness activities at every region where our business sites are located, and strive to respect the human rights of everyone related to our business operations, including those at our suppliers and within the communities where we operate.

On Human Rights Day, the President of Toyo Tire Corporation sends a message to all Group employees, stressing the importance of having a foundation of deeply diverse talent to generate value through our business, and of demonstrating sincerity with all stakeholders.

Grievance mechanism

The Toyo Tire Group has established an internal reporting system for all compliance issues, including human rights. When consulted or a report is received, we conduct an internal investigation as needed and take corrective action. There were no cases of human rights violations in 2023.



# Pursuing sound governance

- Challenge
- Engage in corporate management that meets societal needs and has a lasting positive reputation for value
  - Instill a healthy corporate culture and business practices
- Initiatives
- Deepening understanding of our corporate philosophy among executives and employees
  - Regular dialogue with shareholders and investors
  - Improving awareness of the Toyo Tire Group Charter of Corporate Behavior and Code of Conduct

## Sound governance

### Our policy

The Toyo Tire Group practices the principles of Japan’s Corporate Governance Code in an appropriate fashion to ensure effective corporate governance. We seek to ensure the rights and equal treatment of shareholders and to appropriately cooperate and engage in dialogue with our other stakeholders. We strive to make appropriate information disclosure and ensure transparency to help achieve those aims. The Board of Directors is accountable to the Company’s shareholders and, as such, strives to appropriately execute its roles and responsibilities in order to enhance profitability and capital efficiency and, by extension, achieve the Company’s sustainable growth and increase corporate value over the medium to long term.

We practice the ideals set forth in our Company Philosophy, Mission, Vision, and Fundamental Values, which together make up our philosophy framework. In order to meet the expectations of our stakeholders and improve our corporate value, we seek to ensure management transparency and efficiency, work to maintain and build appropriate management systems, and endeavor to further strengthen our corporate governance, internal control systems, and compliance.

As part of our efforts to strengthen compliance, which we consider to be the essential element that embodies our philosophy, we established the Toyo Tire Group Charter of Corporate Behavior as a set of common principles to help all Group companies conduct sincere business activities. We also formulated the Toyo Tire Group Code of Conduct to assist all executives and employees in implementing the Charter of Corporate Behavior, and seek to instill that code across the whole Group. The Charter of Corporate Behavior and the Code of Conduct are reviewed when appropriate and any necessary revisions are resolved upon by the Board of Directors.

### Governance structure

Our corporate governance system consists of the Board of Directors, which is responsible for decision-making and supervisory functions, and, under that, the Nomination & Compensation Committee, which acts as an advisory body to the Board of Directors on personnel affairs, compensation and other matters pertaining to directors.

We also have an Executive Committee that makes decisions on business execution, various special committees that deliberate and consult on individual fields, and an Audit & Supervisory

Board, a body that audits the Board of Directors and the execution of directors’ duties. This system enables all these functions to be fully exercised.

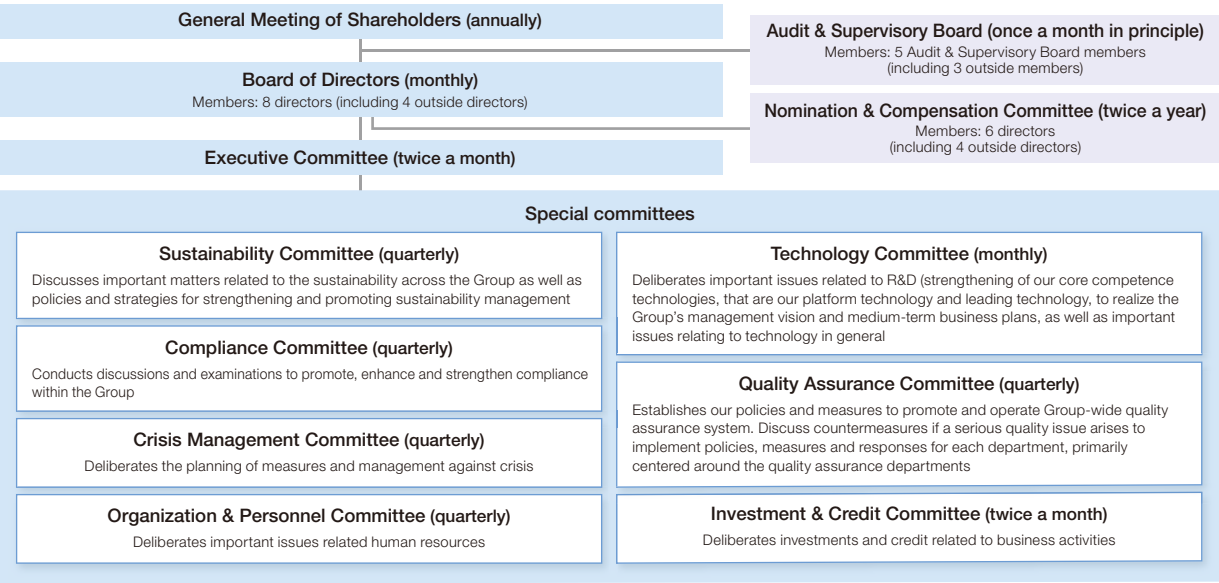
The Board of Directors meets, in principle, once a month to supervise the execution of duties by directors and decide important matters, including the appointment of the representative director and executive directors, determination of basic management policies, approval of important investment plans, determination or approval of the convening of general meetings of shareholders, agenda items to be presented and the proposals and documents to be submitted (including financial statements and supplementary statements) at the general meeting of

shareholders, and to hear reports on the status of business execution. Outside directors attend Board meetings, where they actively exchange opinions, and monitor and supervise management. The Board of Directors also receives regular reports on important management risks debated in the Executive Committee and the Sustainability Committee, supervises risk

management and assesses its effectiveness.

The Nomination & Compensation Committee, which acts as an advisory body to the Board of Directors, met twice in fiscal 2023 to discuss executive candidates, executive compensation policies, and the amount of executive compensation, and to give advice, recommendations, and reports to the Board of Directors.

### Governance structure (As of March 27, 2024)



### Governance overview

• Organizational format Company with an Audit & Supervisory Board	• Directors 8 • (outside directors: 4) • (female directors: 1)	• Audit & Supervisory Board members 5 • (outside members 3)	• Independent officers (including Audit & Supervisory Board members) 7	• Number of Board of Directors' meetings (FY2023) 17	• Attendance of outside directors at Board meetings (FY2023) 100%
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### Appropriate composition of Board of Directors

In our medium-term business plan, we have set the goal of bolstering our ability to flexibly respond to changes, and we are working to achieve this goal through the coordination of all our functions on a global scale. In our value creation processes too, we recognize that our strength lies in inter-functional collaboration in business processes, and plan to achieve outputs and outcomes through our business activities. We believe that the governance structure to achieve such outputs and outcomes requires members of the Board of Directors to have knowledge and experience of “corporate management,” “finance and

accounting,” and “legal and risk management.” We have therefore positioned these areas of expertise as core qualities for ensuring the effectiveness of management oversight and decision-making functions. Moreover, in order to deepen discussions on growth strategies, we have worked to ensure that the Board of Directors is well balanced overall, by appointing one or more persons with expert knowledge and experience in the areas of “sales and marketing,” “research and development,” “manufacturing and quality assurance,” “experience outside Japan,” “digital transformation,” and “sustainability.”

→ See p.70 for details of skill matrix.

### Assessing the effectiveness of the Board

As part of our effort to promote sustainable growth and improve corporate value in the medium to long term, we have been conducting an annual analysis and assessment of the operation, composition and activities of the Board of Directors since 2017, with the aim of improving the Board’s functionality. In order to ensure fairness, we use a third-party body to aggregate and evaluate survey results.



The main changes made this year are the assessment criteria. In previous years, the key focus areas were the composition and operation of the Board and the substantiveness of the discussions at Board meetings. This year, we have added questions related to sustainability, a new perspective required to ensure sound corporate governance.

Overview of assessment

Assessment subject	Self-assessment by directors and auditors, with third-party evaluation	Assessment criteria	<div>① Composition and operation of Board of Directors → Board size, composition, operational status, quality of information provided, etc.</div> <div>② Management strategy &amp; management planning → Discussions during the development stage, decision-making on strategic directions, level of contribution, etc.</div> <div>③ Risk management → Oversight of management, sustainability actions based on risks and opportunities, etc.</div> <div>④ Overall assessment</div>
Methodology	Questionnaire (18 questions)		
Questionnaire design	Five-point scale scoring with comment field for each question		

Assessment process

Previous year	Around December	<div>Review</div>	Review assessment methodology
This year	Early February	<div>Survey</div>	Survey directors and auditors
	Early March	<div>Analysis</div>	Aggregation and feedback of evaluation results by third-party body
	Late March	<div>Report</div>	Report to Board of Directors and consider next course of action

Overview of FY2023 assessment results and next course of action

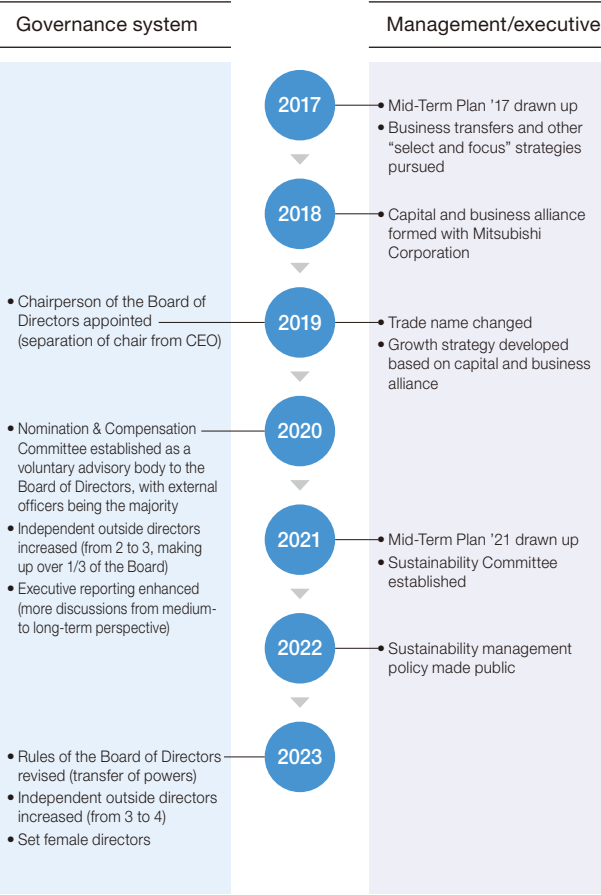
Most of the assessment results have been positive, and improvements have been made in areas where issues were raised in the last year, which suggest that the Board of Directors as a whole is functioning effectively. The third-party evaluation has also confirmed that our Board of Directors is functioning properly in general, and that it is structured in a way that assures effectiveness. Among the assessment criteria, management supervision was once again highly evaluated. Since improvements have also been made to issues, we believe that the effectiveness of the Board of Directors as a whole has been ensured.

Improving the quality and timing of information provision to ensure time to review information before meetings is an ongoing issue. While we received positive feedback on the quality of the information we provide in response to the improvements we made to optimize the volume of information, we believe that further improvements are necessary, including further enhancements to information. With regard to the timing of information provision, although we make sure we distribute materials in advance, we will consider distributing materials even earlier and will review the mechanism we use to provide information, so that we can provide it as quickly as possible and ensure Board members have sufficient time to consider important matters before meetings.

With regard to the newly added questions on sustainability initiatives, our current initiatives and stance were positively evaluated, to some extent. However, we recognize the need to integrate initiatives for a number of topics into our business and instill them throughout the organization. We will expand opportunities for deliberation at Board meetings and consider appropriate responses while keeping a close eye on trends around the world.

Progress in governance

We have been strengthening our corporate governance system on an ongoing basis. We will continue reviewing our governance arrangements based on the results of the annual effectiveness assessments and take the necessary measures to improve the effectiveness of the Board of Directors.



Engaging in dialogue with shareholders and investors

Toyo Tire Corporation holds an annual general meeting of shareholders, and quarterly financial results briefings. Top management conveys its opinions on performance trends, business environments and future outlook for the Group to institutional investors and securities analysts when we announce interim and full-year business results. In addition to these activities, we also seek to promote understanding of Group strategy by creating multiple opportunities for the company president and other senior executives to engage in a dialogue on the issues that interest institutional investors and securities analysts, and providing quarterly opportunities (individual interviews) for investors to communicate and ask questions of IR staff. We also respond proactively to dialogue requests from

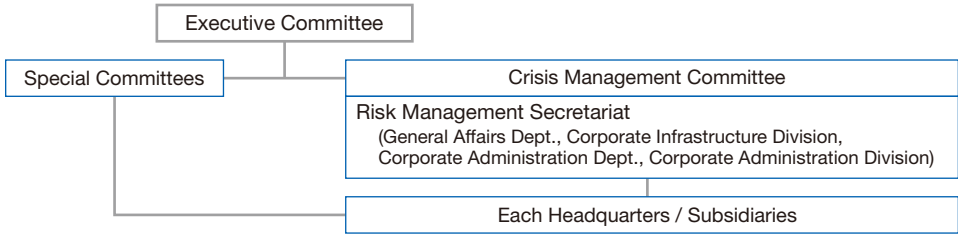
institutional investors around the world either in the form of individual interviews or conferences. In 2023, senior executives engaged with investors through small meetings on 10 occasions (89 attendees from 82 institutions) and IR staff handled 348 interviews for shareholders and investors from 231 institutions. Our Shareholder Relations (SR) staff continues to engage in dialogue with shareholders, including institutional investors in Japan, focusing on topics such as our governance structure and sustainability initiatives. Opinions and requests obtained through such dialogue are promptly fed back to the company, leading to improvements, such as the enhancement of disclosed information.

Company-wide risk management system

Our policy

We will manage any risks that might affect the Group's business activities on a company-wide basis through our basic approach set out in the Risk Management Policy and Risk Management Rules. We will thus strive to promote sustainable growth, uphold our corporate value and fulfil our responsibilities to our stakeholders.

Organizational responsibilities (April 2024)



Risk management initiatives

The risks that are expected to have an impact on the Group's business activities are managed by the organization function or meeting body responsible for each risk. We recognize that, as the Group's business activities and supply chain expand globally, a wide variety of risks become more intricately linked and complex. For that reason, in 2023, we decided to restructure our company-wide risk management system to enable us to position risks that would have a significant impact on management if they were to occur or materialize as "significant risks," and prioritize the forming of concentrated and strategic measures to counter these risks.

For example, the Corporate Headquarters identifies risks associated with climate change and human rights risks in all our business activities, including our supply chain, and assesses their significance, formulates countermeasures in cooperation with relevant divisions and reports on such activities to the Sustainability Committee. The Crisis Management Committee, which oversees company-wide risk management, investigates and

confirms the effectiveness of the risk management activities conducted by various special committees and organizational functions within the Company, including any measures taken to counter the above-mentioned type of ESG risks, on a quarterly basis. The Crisis Management Committee regularly reports the results of its investigations to the Executive Committee and the Board of Directors.

Material risks will be reviewed when deemed necessary in light of changes in the external environment and the Group's business environment.

Significant risks

- Risk of wind, snow or water-related disaster

• Risk of earthquake, volcanic eruption or tsunami

• Risk of supply chain disruption

• Risk of information system failure

• Risk of infectious disease
- Risk of contingent liability related to product compensation

• Risk of changes in the consumer market

• Risk of changes in the competitive environment

• Risk of climate change

• Human rights risks in the supply chain

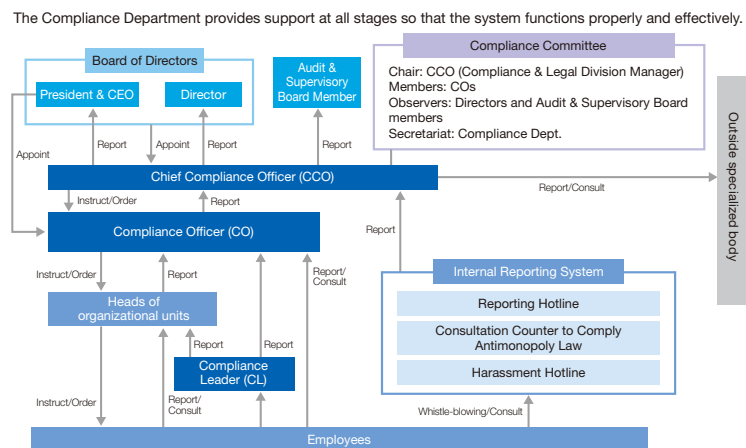


**WEB**

We ensure that all executives and employees within the Group prioritize compliance in their day-to-day operations.

We set up the Compliance Committee as one of the special committees under the jurisdiction of the Executive Committee to consult and investigate ways to promote compliance. The Chief Compliance Officer (CCO), compliance officers (CO) and compliance leaders (CL) play a key role in promoting compliance under our compliance officer system.

- CCO: Investigates, gives instructions and orders (including the suspension of operations and shipments, etc.) and makes suggestions on compliance matters for the entire Group
- CO: Investigates, gives instructions and orders (including suspension of operations and shipments, etc.) and makes suggestions on compliance matters in their department
- CL: Assists COs and reports to department managers and COs upon becoming aware of a compliance incident when promoting compliance activities in the workplace



We instill awareness in each and every Group employee and work to strengthen compliance by creating the Global Code of Conduct Handbook (available in ten languages: Japanese, English, Russian, German, Italian, Chinese, Thai, Malay, Portuguese and Serbian) as a guide for putting the Toyo Tire Group Charter of Corporate

In Japan, we conduct read-along training sessions for all executives and employees, including Group companies, of the Code of Conduct Handbook or the Supplementary Reader with familiar and specific examples for manufacturing or sales sites. Upon completing the training, each participant submits a written pledge to promote compliance.

We conduct annual compliance awareness surveys to ascertain the degree of compliance-related awareness among employees and aid our future endeavors.



The Toyo Tire Group has been operating a whistleblowing system since 2006. As part of the system, we have established a hotline mechanism for employees to directly report or seek advice on compliance matters and other concerns that they fear could develop into a crisis event. The hotline can be accessed through multiple channels and accepts anonymous reporting from both inside and outside the company so that necessary information can be conveyed easily and smoothly to governance bodies. To detect and solve harassment incidents in the workplace at an early stage, we have set up harassment advice desks for employees and assigned counselors at each of our business sites in Japan. We have also set up a customer service center and web-based inquiry form for consumers, local communities, and other members of the general public.

Yoon Chul  
Chairman of the Board of Directors

## Chairman of the Board

I define the Board of Directors as a body that oversees and advises the Company by applying the unique perspectives and abilities of its members and, ultimately, acts as a manager tasked with generating long-term value for shareholders and stakeholders to make the Company globally competitive. It often seems almost inevitable that companies, under pressures from the capital and consumer markets and faced with the need to meet the level of discipline as high as that required in the US and Europe, become obsessed with annual results. In order to avoid a myopic focus on short-term results in visible aspects, the Board of Directors is required to assume the role of being the force that guides the Company to create value from a medium- to long-term perspective. To fulfill this function, the Board must do more than simply taking the outward form required by the code. It must embody within it an intrinsic culture that can be formed only when it runs on two wheels working together: the quality of outside directors and their sense of responsibility on one side, and the commitment of the executive officers on the other.

In addition to agenda items to discuss, the Board of Directors has made executive reporting a regular feature, where members are able to share issues on the factory floor as well as ideas for

In order to enable these uncompromising interactions to take place and suggestions and ideas gained from them to be incorporated into operations, the effectiveness of the Board of Directors must be guaranteed. Although the evaluation of board effectiveness tends to become all about improving indicator scores, I believe that the more important point is whether or not the management of the Company is based on identifying issues in board discussions and making improvements. It is only natural for an asymmetry of information to exist between outside directors and executive members. In order to enable discussions to take place on an equal footing, the executive side is working to fill the information gap and will proactively continue this effort and improve the quality of information.

The next year is the final year of Medium-Term '21 Plan. In order to raise our baseline performance level, it is important not to obsess over external factors, whether good or bad, and focus on how we manage internal challenges. In the meantime, the executives have already started reviewing and drafting the outline of the next medium-term plan. The Board of Directors will, as a manager that oversees and advises the Company and generates long-term value, also be involved in the development of the plan as a responsible manager with a good understanding of the Company's medium-term issues, advising on the appropriateness of policies, strategies and resource allocations as required. I will continue doing my best to improve the quality of the Company's governance in order to increase its corporate value.



Messages from the Outside Directors



In fiscal 2023, we achieved the business plan with the highest profit ever, albeit, we must admit, with the help of some external factors. The purpose of a business plan is to set out a clear and unambiguous policy direction that shows what the company wants to be and to put forward the technology development, production capacity and sales strategy needed to achieve the vision while looking squarely at the company's actual ability. In our case, however, the correlation between the target figures and the actual ability seems rather tenuous, which means it is not very clear how we managed to achieve these figures.

A company blindly chasing numbers can lose sight of what truly matters as the social conditions change around it, so I hope that the next medium-term plan will include a more concrete set of figures based on a clear vision as well as a thorough analysis of the actual state of the Company, and that a business strategy will be developed to achieve those targets.

Firstly, a key consideration in technology development is the linking of elemental technologies to technologies for commercialization. For a manufacturer, everything starts from a medium- to long-term development road map that interlock the two together and a product strategy that makes the best use of the technological seeds we have.

The role of technology development is to contribute to the future of the company while addressing today's challenges. Those who are engaged in this mission must have a mindset that enables them to pursue the quest to the end. In the development of elemental technologies, in particular, it is not good to be too preoccupied with getting results in the individual tasks in front of you if that means you just give up when you fail. What the people working in development need is stubborn perseverance and the determination to keep trying no matter what. For the management, the most important thing is to allow the R&D teams to keep on dreaming, and this requires patience and commitment. It is often the case that a technology that does not seem immediately useful may still sow many seeds of other technologies in the development process. It is the companies that keep trying until these seeds grow, blossom and bear fruits that find new paths to success and win out. I believe that the conviction and commitment to see the process through will give the Company flexibility to respond to the future we are yet to see.

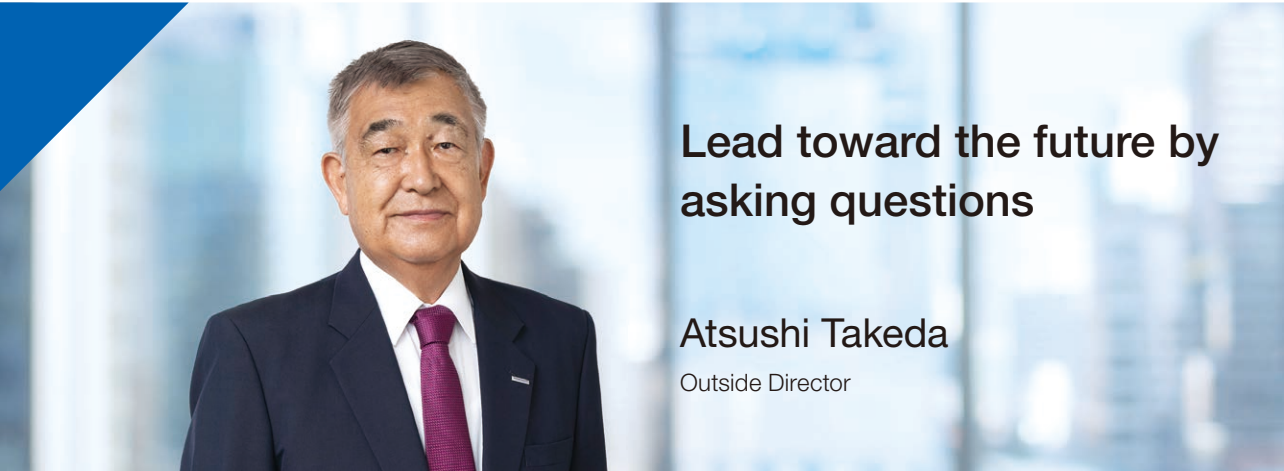
Honest planning, strategic investment, and stubborn determination

Ken Morita  
Outside Director

The same principle applies to production, where the key is to have a production plan based on the reality of the actual production capacity. Instead of simply using the estimated maximum plant capacity, the plan must take honest account of possible negative factors that may occur; otherwise, targets may be missed, and that can affect the morale of frontline workers. In manufacturing, every problem, from material supplies and facility maintenance to changeover losses and the number and standard of operators, translates straight to the output. Therefore, the most important prerequisite is to consider all risk factors and develop a production plan that allows sufficient leeway.

Another issue I would like to highlight is system development for digital transformation, to which the Company has been spending a considerable amount of money and time. As time goes by, however, approach to these things change, and so does the world in which we operate. Rather than aiming to create a perfect system at the first go, it may be necessary to accept a compromise and be willing to improve the system while using it. The key is to complete a system that is simple, uncomplicated and flexible without delay. One of the basic rules of management is not to waste resources such as time and money, and by following this rule and setting up a system quickly, the team will get a sense of achievement and be able to enjoy the result, which will energize the organization.

In everything from the core functions such as technology, production and sales to more novel requirements of our times such as digital transformation and ESG, it is critically important that the Company draws up implementation plans that are based on its management philosophy and vision and yet rooted firmly in reality, and choose where to invest the resources it has earned from a medium- to long-term perspective. I look forward to seeing the quality of the Company's management continue to improve.



Lead toward the future by asking questions

Atsushi Takeda  
Outside Director

Some say that the good fiscal 2023 results came with the help of favorable external factors, but my take is more positive; other than exchange gains, even those helpful factors such material procurement costs and sea freight and other delivery costs were obtained through careful negotiations with our suppliers and were therefore the fruit of the Company's own efforts. Also, the marketing strategy that saw an expansion of channels in the North American market and increase in high value-added product sales contributed significantly to the results. These low-key but persistent efforts all added up to offset the increased start-up costs of the Serbia Factory and the unstable operations of the U.S. plant. I believe, therefore, that the best ever performance we have recorded in the Company's history has been won by the collective strength of the Company.

We have already achieved most of the Medium-Term '21 Plan's quantitative targets ahead of schedule, but slip-ups happen when the going looks easy. It is important to tighten our grip on the reins at this point.

I think the crucial period is from this summer until autumn 2025, when the Medium-Term '21 Plan reaches the end of the road. It is essential that the Sales Division in particular take a good look at the market conditions and review the overall product portfolio, including the lineup of models on offer and optimal pricing, and devise a marketing strategy that strikes a good overall balance.

Production sites also need to adjust their operations in response to fluctuating demands. The Serbia Factory is operating more stably now with better training on the factory floor, but many obstacles remain before it can start a vertical take-off toward full-scale operation. For the Sales Division, it is more important than ever to monitor the operating levels of production sites constantly and draw up sales policy and sales plans that take account of the supply and demand balance constantly. To do this, good communication throughout the value chain along the core functions of production, sales and R&D is essential. I would like to see the digital transformation system currently in development implemented and fully leveraged to enable the use of real-time information for this purpose.

Another key is to decide what leads our next medium-term business plan. What should be our goals in a tumultuous period

for the automotive industry as it goes through a major transformation? How should we be involved in the lifestyle changes that will come with the expansion and embedding of car sharing and autonomous driving, and the creation of new cityscapes and downtown revitalization they will bring? These are some of the questions we need to answer. For example, our sensing technology and airless tire technology may be able to address some of the challenges. For this to happen, the R&D Division needs to have a wider perspective that takes in possible future business models as it develops the seeds of new technologies and, most importantly, have a vision to match such seeds with societal needs. Think, for example, what sort of world is possible with our airless tire technology? How can we contribute to the society of the future through our core business? This way of thinking is what sustainability is about.

We changed our company name in 2019, which marked our transition from a rubber product manufacturer to a tire manufacturer. Depending on how we proceed, we may well need to explore new ways of contributing to society through our tire business. We may, if our future vision calls for it, also need to look to collaborating with other companies or partnering with the public sector or academia. In order to explore these possibilities, we need people who can rise above the daily demands of work, look at the big picture from a wider perspective and bring a fresh outlook to business concept development. In order to ensure future competitiveness, a good recruitment strategy is crucial.

Attracting talent is a challenge not only for us but for the whole manufacturing sector. I believe that the key is to communicate our way of working and our belief in what we do, not just attractive terms and conditions.

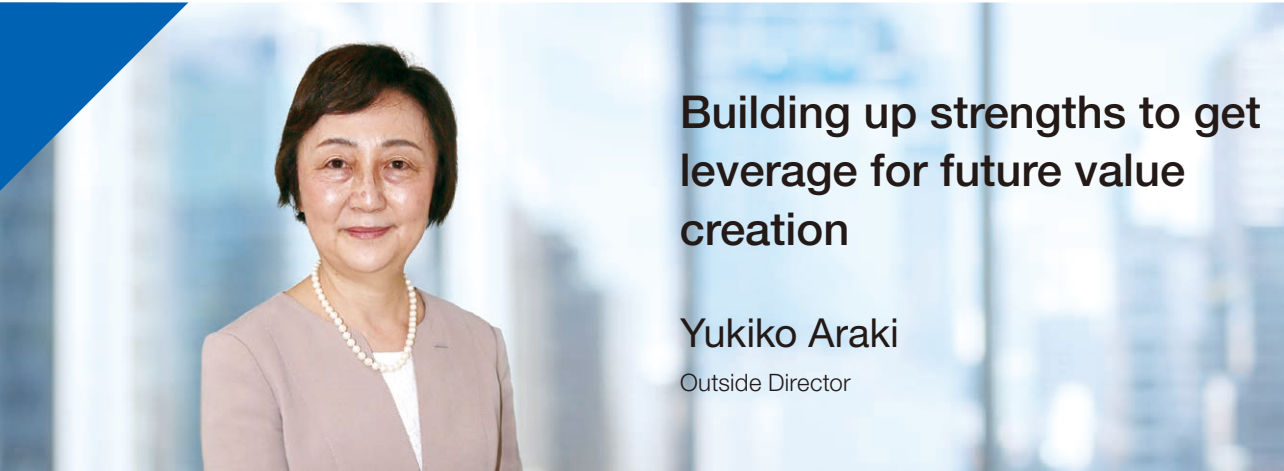
The Company's executive members and outside directors are engaging in highly active discussions at board meetings, skillfully facilitated by the chairperson, on a wide range of topics from immediate financial results to medium- to long-term issues. I am committed to playing my part in the sustainable growth of the Company through my role on the Board of Directors as well as by visiting the frontline workplaces that support our business operations.





Build Your Own Foundation:  
A Critical Juncture

Michio Yoneda  
Outside Director



Building up strengths to get  
leverage for future value  
creation

Yukiko Araki  
Outside Director

I believe the record high corporate performance achieved in fiscal 2023 resulted from the steady establishment of efficiency-oriented measures stipulated in the Medium-Term '21 Plan, but it also undoubtedly benefited from what you might call tailwind assistance in the form of declining ocean freight rates and a depreciating Japanese currency. I would like to see the Company maintain and improve its earning power while continuously increasing resilience in the face of change so that it can still enjoy a steady increase in profits when any tailwinds turn into headwinds.

One essential factor here is a high degree of sensitivity to risk. Company-related risks are becoming increasingly diverse and frequent. In addition to geopolitical factors and climate change, the inherent dangers from cyber risks and other risk areas have grown rapidly more intense in recent years. The impact of these risks on companies operating on the global stage is immeasurable, so I think management needs to be conscious of these risks at all times and work hard to control them without ever taking their eyes off the ball. Having introduced a stronger risk management system, the Toyo Tire Group now needs not only to identify important risks in a timely manner, but also to analyze each risk in detail from multiple perspectives and determine how best to manage it. For instance, the Group's business strategy involves concentrating management resources in specific areas both in terms of products and geographical regions. That is one of the Group's strengths, but it comes with its own risks. Furthermore, certification issues have taken center stage in the manufacturing industry in Japan in recent years. The impact of reputational risk on a company's brand value can be enormous. Yes, it is important to manage any crisis that might arise when risks surface, but it is equally important for the entire organization, including the Board of Directors, to discuss ways of preventing those business risks and explore the best direction to be taken in terms of risk management.

The current management challenge for the Group is to stabilize its two main production bases in the United States and Europe. Capacity utilization at the main U.S. plant needs to be improved. Full production systems are scheduled to be up and running at the Serbia Factory within the current business year. However, the plant needs to be able to respond more flexibly to

demand fluctuation due to various environmental changes by revising its enterprise resource planning (ERP) and organically linking business functions, such as production, sales, and inventory. In other words, it needs to promote data-driven management.

Digital technology is not a panacea and should not be treated as such. Before systemizing a business process, you have to take stock of the process itself. Don't rely too much on external experts, but do the business process reengineering (BPR) yourselves because you are the ones that understand your business the best. The Toyo Tire Group, like many other companies, have to deal with a lack of IT-savvy human resources. The Board of Directors must supervise the execution of digital transformation (DX) initiatives, including cost aspects, and decide for itself whether it is possible to build a particular system that incorporates the Group's policies and needs or not, rather than leaving it up to consulting companies and IT systems vendors.

Meanwhile, looking at the financial base, the Group has made some progress over the past few years on improving earning power, which is the main premise of the medium-term plan, and achieved a high level of return on equity (ROE). The capital adequacy ratio is currently sitting above 60%, which could be considered ideal, but the price to book value ratio (PBR) is lagging behind. The market is probably assessing the sustainability of these earnings and financial strengths. In that sense, the Group's commitment to effective growth investment and expansion of shareholder returns are important financial strategies.

Our debates in the Board of Directors have always been vigorous, and I feel that the Board's business execution capabilities have also improved. To further enhance the effectiveness of the Board, I believe it is necessary to stimulate even more debate of medium- to long-term issues and further strengthen the Board's supervisory function. I believe the role of an outside director is to serve as both a management supervisor and a catalyst for astute action. If we outside directors fulfill these designated roles, we can create effective chemical reactions that help propel Toyo Tire management to even greater heights and achievements.

In 2023, a number of factors such as the weakening of yen and a drop in ocean freight rates helped to boost our profitability, but we can also attribute the positive results to the embedding of the management policy to actively pursue profits, which has enabled us to leverage our strengths. Although we are already building up profits in 2024, there are many uncertainties facing us in the external environment. In order to further bolster our strengths, we must differentiate ourselves against our competitors in key markets outside North America, and generate profits through business strategies that reflect the TOYO TIRE culture and identity.

In terms of production and supply, the key to supporting the business strategies will be how we utilize the Serbia Factory, which came into operation in 2022. In the tire business, which is our core business, production technologies are the critical foundation, which are so important that one might say that the tire business is a process industry. For this reason, I believe that it will become important for the Company to make production technologies more efficient and advanced so that more value can be added to products to meet the needs and expectations of different markets and to roll out the latest technologies available at the Serbia Factory strategically on a global scale. We will need to review our strategies for investing into production facilities and technological development toward the next medium-term plan.

We must also bear in mind that society is rightly calling on companies to make efforts to reduce the environmental impact of their business activities, and that we need to include a long-term perspective of environmental value creation in our decision-making. As the global competition heats up, however, some may view this from a short-term outlook and fear that actions and investments that look to the future may impact revenues negatively. Adverse factors such as the politically motivated backlash against ESG and, in the automotive industry, the slowing down of policies to accelerate EV adoption may also complicate medium-to-long-term management decision-making.

However, these factors do not change the medium-to-long-term trend that requires businesses to be responsible for and play an active role in the environmental conservation and climate action. It is important that we do not allow the vagaries of fashion to sway us, and instead run our business with a firm focus on the

big picture, always considering how we as a manufacturer create value for society through our products, services and technologies. Naturally, any environmental value we create will be underpinned by the unique added value we can offer such as the joy of driving and comfort. Technological development work is what secures our values and outlook as a company, and I feel that we can be much more open to the outside world about the work we do, not only regarding the current product development pipeline but also our diverse initiatives to sow and nurture the seeds of the future.

I would like to see the management team to present a clear vision of a sustainable mobility that the Company is trying to achieve, share this future vision across the workforce, and lead from the front on this journey. I strongly believe that employees will feel motivated and fulfilled if they can tangibly feel that the work they do make a positive contribution to society.

With a view to increasing corporate value, I would like to see the Company redouble its public relations efforts, proactively communicating to our broad range of external stakeholders on our visions, goals and day-to-day achievements. It is often said that Japanese companies in general, not just our Company, are poor at appealing to the outside world compared to companies in other countries, but the metrics by which stakeholders assess companies are changing. Good disclosure practices enable fair assessments and can also lead to opportunities to collaborate with companies from other industries as well as academic institutions that share the same vision and aspirations to create social value together.

As a director, I am committed to playing my part in the Company's growth and its endeavor to make a sustainable society a reality through its business.



Directors, Audit & Supervisory Board Members and Corporate Officers

Directors



Director, Chairman of the Board  
**Yasuhiro Yamada**  
(Date of birth: April 8, 1958)  
Number of shares of the Company held  
5,073

Career summary, positions, assignment and significant concurrent positions

- Apr. 1983 Joined Mitsubishi Corporation
- Jun. 2007 Director, Hokuetsu Paper Mills, Ltd. (currently, Hokuetsu Corporation)
- Apr. 2013 General Manager, Paper & Packaging Dept., Mitsubishi Corporation
- Apr. 2015 Senior Vice President; Division COO, Living Essential Products Division, Mitsubishi Corporation
- Apr. 2018 Adviser (full-time), Toyo Tire Corporation
- Mar. 2019 Director, Chairman of the Board (current position)



Director, Corporate Officer  
**Tatsuo Mitsuata**  
(Date of birth: December 13, 1964)  
Number of shares of the Company held  
14,062

Career summary, positions, assignment and significant concurrent positions

- Apr. 1988 Joined Toyo Tire Corporation
- Jan. 2012 President, Toyo Tire U.S.A. Corp.
- Jul. 2014 General Manager, Europe Business Unit, Tire Business Group Headquarters, Toyo Tire Corporation
- Jan. 2016 Corporate Officer; Division General Manager, Tire Planning Division, Tire Business Group Headquarters
- Jan. 2017 Corporate Officer; Vice President, North American Business Development Division
- Jan. 2019 Corporate Officer; Vice President, Sales Headquarters
- Mar. 2019 Director; Corporate Officer; Vice President, Sales Headquarters (current position)



Outside Director  
**Ken Morita**  
(Date of birth: October 24, 1948)  
Number of shares of the Company held  
0

Career summary, positions, assignment and significant concurrent positions

- Apr. 1971 Joined Matsushita Electric Industrial Co., Ltd. (currently, Panasonic Holdings Corporation)
- Oct. 2000 Representative Director and President, Matsushita Plasma Display Co., Ltd.
- Apr. 2006 Senior Vice President, Panasonic AVC Networks Company (currently, Panasonic Connect Co., Ltd.), Matsushita Electric Industrial Co., Ltd.
- Jun. 2009 Representative Director and Senior Managing Executive Officer, Panasonic Corporation (currently, Panasonic Holdings Corporation)
- Jun. 2012 Adviser, Panasonic Corporation (currently, Panasonic Holdings Corporation)
- Nov. 2015 Outside Director, the Company (current position)



Representative Director, President & CEO  
**Takashi Shimizu**  
(Date of birth: April 2, 1961)  
Number of shares of the Company held  
32,192

Career summary, positions, assignment and significant concurrent positions

- Apr. 1985 Joined Toyo Tire Corporation
- Apr. 2010 President, Toyo Tire Holdings of Americas Inc.
- Jan. 2013 Division General Manager, Tire Planning Division, Toyo Tire Corporation
- Mar. 2014 Corporate Officer; Division General Manager, Tire Planning Division, Tire Business Group Headquarters; General Manager, Europe Business Unit
- Jul. 2015 Senior Corporate Officer; Division General Manager, Tire Planning Division, Tire Business Group Headquarters; General Manager, North America Business Unit
- Nov. 2015 Representative Director, President & CEO (current position)



Director, Corporate Officer  
**Satoru Moriya**  
(Date of birth: December 23, 1965)  
Number of shares of the Company held  
10,843

Career summary, positions, assignment and significant concurrent positions

- Apr. 1989 Joined Toyo Tire Corporation
- Nov. 2014 General Manager, O.E. Tire Development Dept.
- Apr. 2015 General Manager, O.E. Tire Development Dept.; General Manager, O.E. Tire Technical Service Dept.
- Jan. 2017 Division General Manager, R&D Division No. 1
- Feb. 2018 Corporate Officer; Division General Manager, R&D Division No. 1, R&D Headquarters
- Jan. 2019 Corporate Officer; Division General Manager, Technology Development Division, R&D Headquarters; Division General Manager, Product Development Division
- Feb. 2020 Corporate Officer; Vice President, R&D Headquarters
- Mar. 2021 Director; Corporate Officer; Vice President, R&D Headquarters (current position)



Outside Director  
**Atsushi Takeda**  
(Date of birth: February 27, 1947)  
Number of shares of the Company held  
0

Career summary, positions, assignment and significant concurrent positions

- May 1970 Joined Nippon Steel Corporation
- Jun. 2002 Director, Nippon Steel Corporation
- Apr. 2006 President and Representative Director, Nippon Steel Coated Sheet Corporation
- Jun. 2014 Director and Advisor, Nippon Steel Coated Sheet Corporation
- Mar. 2016 Outside Director, Toyo Tire Corporation (current position)



Outside Director  
**Michio Yoneda**  
(Date of birth: June 14, 1949)  
Number of shares of the Company held  
0

Career summary, positions, assignment and significant concurrent positions

- Apr. 1973 Joined Bank of Japan
- Dec. 2003 President & CEO, Osaka Securities Exchange Co., Ltd. (currently, Osaka Exchange, Inc.)
- Jan. 2013 Director & Representative Executive Officer, Group COO, Japan Exchange Group, Inc.
- Dec. 2016 Special Advisor (part-time), Toyo Tire Corporation
- Jun. 2018 Outside Director, Asahi Broadcasting Group Holdings Corporation (current position)
- Jun. 2018 Outside Corporate Auditor, Sumitomo Chemical Company, Limited (current position)
- Mar. 2020 Outside Director, Toyo Tire Corporation (current position)
- Significant concurrent positions Outside Director, Asahi Broadcasting Group Holdings Corporation; Outside Corporate Auditor, Sumitomo Chemical Company, Limited



Outside Director  
**Yukiko Araki**  
(Date of birth: December 13, 1960)  
Number of shares of the Company held  
0

Career summary, positions, assignment and significant concurrent positions

- Apr. 1983 Joined Japan's Ministry of International Trade and Industry (currently, Ministry of Economy, Trade and Industry)
- Jul. 2006 Director, Tourism Economy and International Affairs Division, Policy Bureau of Japan's Ministry of Land, Infrastructure and Transport (currently, Ministry of Land, Infrastructure, Transport and Tourism)
- Jul. 2008 Deputy Governor, Yamagata Prefecture
- Dec. 2012 Joined Hitachi, Ltd.; General Manager, CSR Division, Legal and Communications Group; Member, Environmental Strategy Office
- Apr. 2018 Corporate Officer; Executive General Manager, Sustainability Promotion Division, Government & External Relations Group, Hitachi, Ltd.
- Dec. 2020 Outside Director, Fuji Pharma Co., Ltd. (current position)
- Mar. 2021 Outside Director, Nakanishi Inc. (current position)
- Mar. 2023 Outside Director, Toyo Tire Corporation (current position)
- Jun. 2023 Outside Director, Hirose Electric Co., Ltd. (current position)
- Significant concurrent positions Outside Director, Fuji Pharma Co., Ltd.; Outside Director, Nakanishi Inc.; Outside Director, Hirose Electric Co., Ltd.

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member	Mitsunobu Kohno
Standing Audit & Supervisory Board Member	Satoshi Takashina
Audit & Supervisory Board Member	Tomoyuki Matsuba
Audit & Supervisory Board Member	Yasuhiro Kitao
Audit & Supervisory Board Member	Tsukasa Takahashi

Tomoyuki Matsuba, Yasuhiro Kitao and Tsukasa Takahashi are outside auditors.

Corporate Officers

President & CEO	Takashi Shimizu*	Corporate Officer	Masami Miyamori
Executive Corporate Officer	Tomoshige Mizutani	Corporate Officer	Yoji Imura
Senior Corporate Officer	Masayuki Kanai	Corporate Officer	Kenta Kuribayashi
Corporate Officer	Tatsuo Mitsuata*	Corporate Officer	Yuji Miyazaki
Corporate Officer	Satoru Moriya*	Corporate Officer	Tamotsu Mizutani
Corporate Officer	Kiyohito Hasumi	Corporate Officer	Ichiro Shima
Corporate Officer	Hideaki Takahashi	Corporate Officer	Junichi Uda
Corporate Officer	Hiroshi Nobuzawa	Corporate Officer	Haruhiko Kitagawa

\*Indicates post held concurrently with that of director

Skill matrix

Name	Officer category	Outside	Area able to exhibit particular expertise									Nomination and Compensation Committee
			Corporate management	Sales and marketing	Research and development	Manufacturing and quality assurance	Finance and accounting	Legal and risk management	Experience outside Japan	Digital transformation	Sustainability	
Yasuhiro Yamada	Director, Chairman of the Board		○	●				●	○			●
Takashi Shimizu	Representative Director, President & CEO		○	○	●	●	○	○	○	○	○	●
Tatsuo Mitsuata	Director, Corporate Officer		●	○					○	●		
Satoru Moriya	Director, Corporate Officer		●	●	○	●				●		
Ken Morita	Director	●	○		●	●						●
Atsushi Takeda	Director	●	○	●				●				●
Michio Yoneda	Director	●	○				●	●				●
Yukiko Araki	Director	●	●						●		○	●



Financial Summary (11 years)

	FY2013	FY2014	FY2015	FY2016		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Year-end consolidated financial position (millions of yen)												
Net sales	370,218	393,782	407,789	381,635		404,999	393,220	377,457	343,764	393,647	497,213	552,825
Gross profit	115,810	132,911	153,500	136,267		136,982	134,169	130,822	123,239	161,041	197,976	216,511
Selling, general and administrative expenses	78,569	85,401	90,119	86,952		91,674	91,779	92,374	86,911	107,960	153,930	139,612
Operating income	37,240	47,510	63,381	49,315		45,308	42,390	38,447	36,328	53,080	44,046	76,899
Profit (loss) attributable to owners of parent	11,596	31,240	1,674	(12,260)		15,476	10,553	24,482	11,682	41,350	47,956	72,273
Capital expenditure	28,999	40,711	48,338	23,930		22,381	29,722	42,633	26,967	37,766	47,303	34,102
Depreciation and amortization	19,511	21,858	24,828	24,856		25,538	25,795	25,162	21,005	21,468	26,748	30,772
Net cash provided by (used in) operating activities	41,558	37,789	41,305	38,865		13,430	19,063	11,229	53,796	34,465	15,172	86,503
Net cash provided by (used in) investing activities	(22,504)	(30,122)	(46,009)	(13,785)		(10,633)	(28,428)	(38,271)	(27,856)	(37,538)	(16,712)	(14,661)
Net cash provided by (used in) financing activities	(5,095)	(12,680)	19,051	(31,317)		(13,513)	12,829	20,732	(12,638)	11,697	(16,231)	(62,894)
Year-end consolidated financial position (millions of yen)												
Total assets	433,327	481,966	522,937	491,088		473,876	469,377	468,746	445,579	531,229	598,889	645,480
Total liabilities	291,817	297,327	347,572	345,466		310,061	312,130	244,237	222,885	251,073	277,974	250,281
Interest-bearing debt	129,849	131,780	162,035	132,930		119,963	137,327	118,545	110,578	128,784	135,436	102,714
Net assets	141,510	184,638	175,364	145,621		163,815	157,251	224,509	222,694	280,155	320,915	395,199
Non-controlling interests	3,793	4,062	3,513	4,043		4,735	4,511	1,747	1,918	201	231	—
Equity capital	137,716	180,576	171,851	141,578		159,079	152,739	222,761	220,776	279,954	320,683	395,199
Data per share (yen)												
Earnings per share (EPS)	45.65	245.97	13.19	(96.54)		121.87	83.11	161.41	75.89	268.62	311.51	469.42
Cash dividends per share (annual)	12	45	45	45		45	45	45	45	76	80	100
Net assets per share (BPS)	542.15	1,421.84	1,353.19	1,114.82		1,252.66	1,202.75	1,447.23	1,434.23	1,818.60	2,083.00	2,566.76
Financial ratio (%)												
Operating income margin	10.06	12.07	15.54	12.92		11.19	10.78	10.19	10.57	13.48	8.86	13.91
Gross profit margin	31.28	33.75	37.64	35.71		33.82	34.12	34.66	35.85	40.91	39.82	39.16
Selling, general and administrative expenses margin (%)	21.22	21.69	22.10	22.78		22.64	23.34	24.47	25.28	27.43	30.96	25.25
Return on equity (ROE) (%)	9.60	19.63	0.95	(7.82)		10.30	6.77	13.04	5.27	16.52	15.97	20.19
Return on assets (ROA) (%)	9.72	10.17	11.31	8.70		8.33	8.14	7.81	6.76	11.45	9.03	13.83
Capital ratio	31.78	37.47	32.86	28.83		33.57	32.54	47.52	49.55	52.70	53.55	61.23
Debt / equity ratio (Times)	0.94	0.73	0.94	0.94		0.75	0.90	0.53	0.50	0.46	0.42	0.26
Payout ratio	26.29	18.29	341.26	—		36.92	54.15	27.88	59.30	28.29	25.68	21.30



Consolidated Balance Sheets

Millions of yen

	Previous fiscal year (As of December 31, 2022)	Current fiscal year (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	41,601	52,879
Notes and accounts receivable – trade	109,468	107,794
Merchandise and finished goods	78,315	77,465
Work in process	5,091	5,060
Raw materials and supplies	29,477	24,536
Other	25,952	31,504
Allowance for doubtful accounts	(328)	(269)
Total current assets	289,579	298,972
Fixed assets		
Property, plant and equipment		
Buildings and structures	140,461	150,674
Accumulated depreciation	(58,960)	(63,878)
Buildings and structures, net	81,501	86,796
Machinery, equipment and vehicles	380,917	407,350
Accumulated depreciation	(264,069)	(280,329)
Machinery, equipment and vehicles, net	116,847	127,020
Tools, furniture and fixtures	73,487	78,975
Accumulated depreciation	(63,610)	(65,417)
Tools, furniture and fixtures, net	9,876	13,557
Land	17,972	17,862
Lease assets	1,445	1,434
Accumulated depreciation	(1,001)	(938)
Lease assets, net	443	496
Right-of-use assets	13,256	30,694
Accumulated depreciation	(5,273)	(9,549)
Right of use assets, net	7,983	21,145
Construction in progress	30,426	19,911
Total property, plant and equipment	265,051	286,790
Intangible assets		
Software	8,144	15,515
Other	384	287
Total intangible assets	8,529	15,802
Investments and other assets		
Investment securities	27,204	17,750
Long-term loans receivable	142	118
Retirement benefit asset	1,993	10,936
Deferred tax assets	2,847	7,601
Other	3,643	7,610
Allowance for doubtful accounts	(102)	(102)
Total investments and other assets	35,729	43,915
Total fixed assets	309,310	346,508
Total assets	598,889	645,480

Millions of yen

	Previous fiscal year (As of December 31, 2022)	Current fiscal year (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	42,577	38,262
Commercial papers	43,000	–
Short-term loans payable	24,780	11,653
Accounts payable – other	31,225	32,527
Income taxes payable	11,816	18,783
Provision for directors’ bonuses	110	85
Provision for product compensation	4,820	456
Provision for loss on liquidation of subsidiaries and associates	–	1,997
Other	32,716	39,055
Total current liabilities	191,048	142,822
Non-current liabilities		
Bonds payable	10,000	25,000
Long-term loans payable	51,366	45,992
Provision for directors’ retirement benefits	10	6
Provision for environmental measures	86	86
Provision for product compensation	1,380	928
Provision for loss on litigation	1,340	1,432
Retirement benefit liability	3,523	3,524
Deferred tax liabilities	10,478	8,138
Other	8,740	22,351
Total non-current liabilities	86,926	107,459
Total liabilities	277,974	250,281
Net assets		
Shareholders’ equity		
Common stock	55,935	55,935
Capital surplus	54,341	54,197
Retained earnings	159,837	221,333
Treasury stock	(132)	(120)
Total shareholders’ equity	269,981	331,344
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,743	6,812
Deferred gains or losses on hedges	58	103
Foreign currency translation adjustments	32,359	45,170
Remeasurements of defined benefit plans	5,541	11,767
Total accumulated other comprehensive income	50,702	63,854
Non-controlling interests	231	–
Total net assets	320,915	395,199
Total liabilities and net assets	598,889	645,480



Consolidated Statements of Income

Millions of yen		
	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Net sales	497,213	552,825
Cost of sales	299,237	336,314
Gross profit	197,976	216,511
Selling, general and administrative expenses	153,930	139,612
Operating income	44,046	76,899
Non-operating income		
Interest income	523	883
Dividends income	1,084	868
Foreign exchange gains	7,736	8,620
Equity in earnings of affiliates	199	–
Other	1,741	1,866
Total non-operating income	11,286	12,239
Non-operating expenses		
Interest expenses	1,278	1,068
Loss in earnings of affiliates	–	30
Other	3,018	1,991
Total non-operating expenses	4,297	3,090
Ordinary income	51,035	86,047
Extraordinary income		
Gain on sale of non-current assets	299	–
Gain on sale of investment securities	18,252	15,106
Gain on sale of shares of subsidiaries and associates	32	–
Total extraordinary income	18,583	15,106
Extraordinary losses		
Loss on retirement of non-current assets	395	620
Loss on sale of investment securities	7	–
Impairment losses	736	2,051
Loss on liquidation of subsidiaries and associates	–	2,166
Loss on product compensation	456	230
Provision for loss on litigation	1,340	–
Loss on COVID-19	58	–
Total extraordinary losses	2,994	5,069
Profit before income taxes	66,624	96,084
Income taxes - current	20,452	31,292
Income taxes - deferred	(1,783)	(7,394)
Total income taxes	18,668	23,898
Profit	47,956	72,186
Loss attributable to non-controlling interests	0	(87)
Profit attributable to owners of parent	47,956	72,273

Consolidated Statements of Comprehensive Income

Millions of yen		
	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Profit	47,956	72,186
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,706)	(5,930)
Deferred gains or losses on hedges	75	45
Foreign currency translation adjustment	20,912	12,706
Remeasurements of defined benefit plans, net of tax	(1,309)	6,226
Share of other comprehensive income of associates accounted for using equity method		
	48	119
Total other comprehensive income	6,020	13,166
Comprehensive income	53,977	85,352
(Comprehensive income attributable to)		
Owners of the parent	53,946	85,425
Non-controlling interests	30	(72)

Consolidated Statements of Cash Flows

Millions of yen		
	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Income before income taxes	66,624	96,084
Depreciation and amortization	26,748	30,772
Increase (decrease) in retirement benefit liability	(390)	(4)
Decrease (increase) in retirement benefit asset	4,476	(151)
Interest and dividend income	(1,608)	(1,752)
Interest expenses	1,278	1,068
Foreign exchange losses (gains)	(4,438)	(5,998)
Equity in losses (earnings) of affiliates	(199)	30
Loss (gain) on sale of non-current assets	(299)	–
Loss (gain) on sale of investment securities	(18,245)	(15,106)
Loss (gain) on sale of shares of subsidiaries and associates	(32)	–
Loss on retirement of non-current assets	395	620
Impairment losses	736	2,051
Loss on liquidation of subsidiaries and associates	–	2,166
Loss on product compensation	456	230
Provision for loss on litigation	1,340	–
Decrease (increase) in notes and accounts receivable-trade	(17,887)	7,484
Decrease (increase) in inventories	(23,794)	11,909
Increase (decrease) in notes and accounts payable-trade	7,573	(4,999)
Other, net	(9,172)	(10,141)
Subtotal	33,563	114,265
Interest and dividends income received	1,528	1,820
Interest expense paid	(1,292)	(1,187)
Payments of product compensation	(3,086)	(4,705)
Income taxes paid	(16,067)	(24,407)
Income taxes refunded	527	717
Net cash provided by (used in) operating activities	15,172	86,503

Millions of yen		
	Previous fiscal year (From January 1, 2022 to December 31, 2022)	Current fiscal year (From January 1, 2023 to December 31, 2023)
Cash flows from investing activities		
Purchase of property, plant and equipment	(43,030)	(22,664)
Proceeds from sale of property, plant and equipment	6,135	119
Purchase of intangible assets	(3,360)	(8,039)
Purchase of investments in securities	(16)	(14)
Proceeds from sale and redemption of investment securities	21,623	15,998
Proceeds from sale of shares of subsidiaries and associates	86	–
Other, net	1,849	(61)
Net cash provided by (used in) investing activities	(16,712)	(14,661)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	7,159	(4,401)
Net increase (decrease) in commercial papers	16,000	(43,000)
Proceeds from long-term debt	10,400	400
Payments of long-term debt	(32,562)	(15,905)
Purchase of repayment of lease obligations	(4,023)	(3,926)
Proceeds from issuance of bonds	–	15,000
Cash dividends paid	(13,228)	(10,768)
Payments from changes in investments in capital of subsidiaries that do not result in change in scope of consolidation	–	(313)
Other, net	22	22
Net cash provided by (used in) financing activities	(16,231)	(62,894)
Effect of exchange rate on cash and cash equivalents	5,779	2,249
Net increase (decrease) in cash and cash equivalents	(11,992)	11,197
Cash and cash equivalents at beginning of the year	53,592	41,600
Cash and cash equivalents at end of the year	41,600	52,798



Investor Information

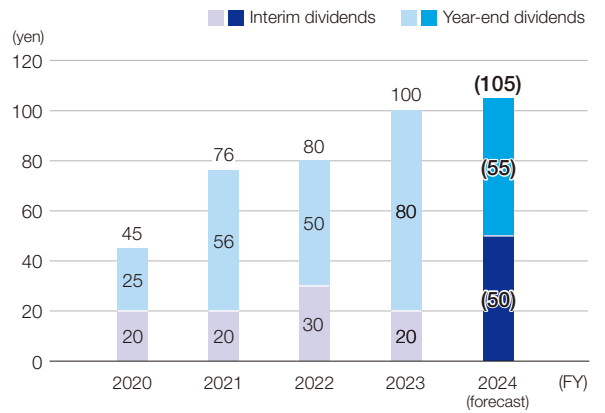
Stock information (As of December 31, 2023)

Total number of issued shares:	154,111,029
Number of shareholders:	28,225
Stock exchange listing:	Tokyo Stock Exchange
Shareholder register administrator and account management institution for special account:	Mitsubishi UFJ Trust and Banking Corporation
Independent auditor:	KPMG AZSA LLC
Fiscal year:	January 1 – December 31
Annual general meeting of shareholders:	March

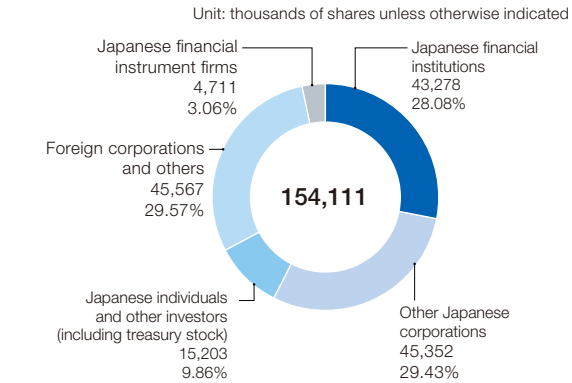
Shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
Mitsubishi Corporation	30,822	20.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,745	14.77
Custody Bank of Japan, Ltd. (Trust Account)	10,600	6.88
Bridgestone Corporation	5,000	3.24
Toyota Motor Corporation	4,774	3.10
JP MORGAN CHASE BANK 385632	4,748	3.08
CEP LUX—ORBIS SICAV	3,446	2.23
STATE STREET BANK AND TRUST COMPANY 505223	2,928	1.90
BBH (LUX) FOR FIDELITY FUNDS—JAPAN ADVANTAGE POOL	1,947	1.26
THE BANK OF NEW YORK MELLON 140044	1,879	1.22

\*The shareholding ratio is calculated excluding treasury stock (142,724 shares).

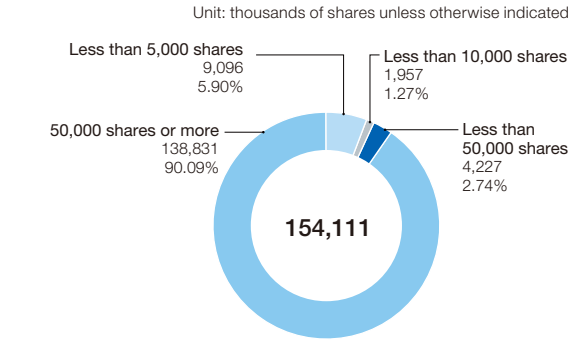
Changes in dividends per share



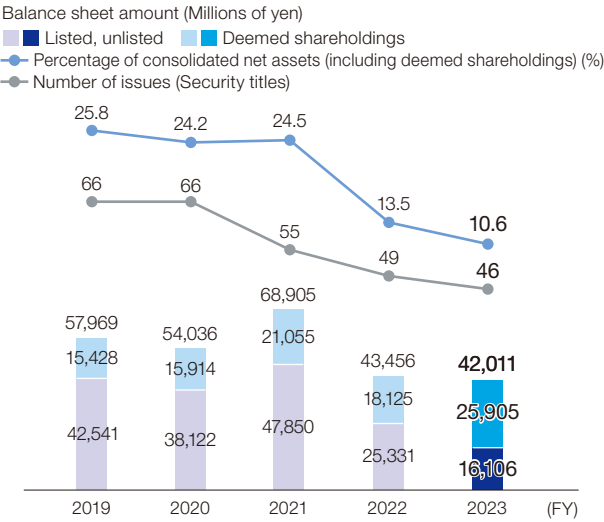
Breakdown by shareholder type



Breakdown by number of shares held



Changes (Reduction) of Strategic shareholdings



Category		2019	2020	2021	2022	2023
Number of issues (Security titles)	Listed	28	28	18	13	12
	Unlisted	38	38	37	36	34
	Total	66	66	55	49	46
Balance sheet amount (Millions of yen)	① Listed	42,187	37,770	47,499	24,983	15,764
	② Unlisted	354	352	350	347	342
	③ Deemed shareholdings	15,428	15,914	21,055	18,125	25,905
Percentage of consolidated net assets	①+②	18.9%	17.1%	17.0%	7.8%	4.1%
	①+②+③	25.8%	24.2%	24.5%	13.5%	10.6%

Corporate Data

Overview

Trade name	Toyo Tire Corporation
Established	August 1, 1945
Paid-in capital	55,935 million yen
Number of employees	11,267 (consolidated, including temporary employees) *As of December 31, 2023
Headquarters	2-2-13 Fujinoki, Itami City, Hyogo 664-0847, Japan Phone: +81-72-789-9100
Plants	Sendai Plant / Kuwana Plant, others
Lines of business	[Tire Business] Tires (for passenger vehicles, light trucks, trucks & buses) [Automotive Parts Business] Automotive anti-vibration rubber

Network in Japan

Office	Address
Headquarters	2-2-13 Fujinoki, Itami City, Hyogo 664-0847
Tokyo Office	19F Shinagawa Seaside Park Tower, 4-12-4 Higashishinagawa, Shinagawa-ku, Tokyo 140-0002
Nagoya Office	3 Syogayama, Uchikoshi-cho, Miyoshi City, Aichi 470-0213
Hiroshima Office	13-20 Hikari machi 1-chome, Higashi-Ku, Hiroshima City, Hiroshima 732-0052
Sendai Plant	3-5-1 Fukiage, Iwanuma City, Miyagi 989-2484
Kuwana Plant	2400 Oaza Nakagami, Toin-cho, Inabe-gun, Mie 511-0294
Hyogo Manufacturing Complex	1183 Rokubuichi, Inami-cho, Kako-gun, Hyogo 675-1112
Corporate Technology Center	3-10-1 Yato, Kawanishi, Hyogo 666-0131
Tire Technical Center	2-2-13 Fujinoki, Itami City, Hyogo 664-0847
Automotive Parts Technical Center	3 Syogayama, Uchikoshi-cho, Miyoshi City, Aichi 470-0213
Miyazaki Tire Proving Ground	2318 Kawakita, Tsuno-cho, Koyu-gun, Miyazaki 889-1201
Saroma Tire Proving Ground	Nishitomi, Saroma-cho, Tokoro-gun, Hokkaido 093-0504

Consolidated subsidiaries	Address
Toyo Tire Japan Co., Ltd.	2-2-13 Fujinoki, Itami City, Hyogo 664-0847
Toyo Tires Logistics Co., Ltd.	2-2-13 Fujinoki, Itami City, Hyogo 664-0847
Orient Machinery Co., Ltd.	2-3-6 Fujinoki, Itami City, Hyogo 664-0847
Toyo Chemical Industrial Products Co., Ltd.	1183 Rokubuichi, Inami-cho, Kako-gun, Hyogo 675-1112
Fukushima Rubber Co., Ltd.	28 Aza Domae, Miyashiro, Fukushima City, Fukushima 960-0116
Ayabe Toyo Rubber Co., Ltd.	115 Kuri-cho, Sawa, Ayabe City, Kyoto 623-0222
Toyo Tire Refine Corporation	2-2-13 Fujinoki, Itami City, Hyogo 664-0847

Global network

Consolidated subsidiaries	Country
North America	
TOYO TIRE HOLDINGS OF AMERICAS INC.	U.S.A
TOYO TIRE U. S. A. CORP.	U.S.A
NITTO TIRE U. S. A. INC.	U.S.A
TOYO TIRE NORTH AMERICA OE SALES LLC	U.S.A
TOYO TIRE NORTH AMERICA MANUFACTURING INC.	U.S.A
TOYO AUTOMOTIVE PARTS (USA), INC.	U.S.A
TMM (USA), INC.	U.S.A
TOYO TIRE CANADA INC.	Canada
Central & South America	
NT MEXICO S. DE R. L. DE C. V.	Mexico
TOYO AUTOMOTIVE PARTS DE MEXICO, S. A. DE C. V.	Mexico
Europe	
TOYO TIRE HOLDINGS OF EUROPE GMBH	Germany
TOYO TIRE DEUTSCHLAND GMBH	Germany
TOYO TYRE (UK) LTD.	U.K.
TOYO TIRE BENELUX B. V.	Netherlands
TOYO TIRE ITALIA S. P. A.	Italy
TOYO TIRE RUS LLC	Russia
TOYO TIRE SERBIA D. O. O.	Serbia
Oceania	
TOYO TYRE AUSTRALIA PTY LTD	Australia
Asia	
SILVERSTONE BERHAD	Malaysia
SILVERSTONE MARKETING SDN BHD	Malaysia
SILVERSTONE POLYMER INDUSTRIES SDN BHD	Malaysia
TOYO TYRE MALAYSIA SDN BHD	Malaysia
TOYO TYRE SALES AND MARKETING MALAYSIA SDN.BHD.	Malaysia
TOYO RUBBER CHEMICAL PRODUCTS (THAILAND) LIMITED	Thailand
TOYO TIRE (THAILAND) CO., LTD.	Thailand
TOYO TIRE (SHANGHAI) CO., LTD.	China
TOYO TIRE ZHANGJIAGANG CO., LTD.	China
TOYO TIRE (ZHUCHENG) CO., LTD.	China
TOYO AUTOMOTIVE PARTS (GUANGZHOU) CO., LTD	China