

Summary Report of Consolidated Business Performance
for the First Quarter of Fiscal Year 2024
(January 1, 2024 – December 31, 2024)

HYOGO, JAPAN – May 14, 2024 - Toyo Tire Corporation (“the Company”; President & CEO: Takashi Shimizu) announces its consolidated business performance for the first quarter of fiscal year 2024 (January 1, 2024 through December 31, 2024) as follows:

Quantitative information concerning the quarterly financial results

(1) Business Results

●Net Sales:	127,557 million yen (a decrease of 1,602 million yen, or 1.2% from the same period in FY2023)
●Operating Income:	25,975 million yen (an increase of 11,401 million yen, or 78.2% from the same period in FY2023)
●Ordinary Income:	31,880 million yen (an increase of 16,078 million yen, or 101.8% from the same period in FY2023)
●Profit Attributable to Owners of Parent:	23,058 million yen (an increase of 12,174 million yen, or 111.9% from the same period in FY2023)

(2) Results by Business Unit

The Tire Business Unit posted net sales of 116,566 million yen (a decrease of 1,389 million yen, or 1.2% from the same period in FY2023) and an operating income of 25,654 million yen (an increase of 11,041 million yen, or 75.6% from the same period in FY2023).

The Automotive Parts Business Unit posted net sales of 10,991 million yen (a decrease of 208 million yen, or 1.9% from the same period in FY2023) and an operating income of 314 million yen (an increase of 353 million yen from the same period in FY2023).

(3) Explanation of financial situation

Total assets at the end of the first quarter of FY2024 of the consolidated accounting period were 660,455 million yen, an increase of 14,974 million yen compared to the end of the previous consolidated accounting period.

Liabilities were 241,230 million yen, a decrease of 9,051 million yen compared to the end of the previous consolidated accounting period.

Interest-bearing liabilities were 110,637 million yen, an increase of 7,923 million yen compared to the end of the previous consolidated accounting period.

Net assets as of the end of the first quarter of FY2024 of the consolidated accounting period were 419,224 million yen, an increase of 24,025 million yen compared to the end of the previous consolidated accounting period.

As a result, the capital ratio increased by 2.3 points compared to the end of the previous consolidated accounting period to 63.5 %.

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	52,879	41,124
Notes and accounts receivable - trade	107,794	109,671
Merchandise and finished goods	77,465	95,297
Work in process	5,060	5,350
Raw materials and supplies	24,536	25,568
Other	31,504	26,176
Allowance for doubtful accounts	(269)	(286)
Total current assets	298,972	302,902
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	86,796	89,177
Machinery, equipment and vehicles, net	127,020	138,273
Other, net	72,973	67,480
Total property, plant and equipment	286,790	294,930
Intangible assets	15,802	17,319
Investments and other assets		
Investment securities	17,750	19,370
Other	26,268	26,036
Allowance for doubtful accounts	(102)	(104)
Total investments and other assets	43,915	45,302
Total non-current assets	346,508	357,552
Total assets	645,480	660,455

Consolidated Balance Sheets

(Millions of yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	38,262	37,598
Short-term borrowings	11,653	18,311
Accounts payable - other	32,527	21,386
Income taxes payable	18,783	10,680
Provision for product compensation	456	324
Provision for loss on liquidation of subsidiaries and associates	1,997	1,868
Other	39,141	42,466
Total current liabilities	142,822	132,636
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term borrowings	45,992	45,783
Retirement benefit liability	3,524	3,510
Provision for product compensation	928	914
Provision for loss on litigation	1,432	1,432
Other provisions	92	93
Other	30,489	31,859
Total non-current liabilities	107,459	108,594
Total liabilities	250,281	241,230
Net assets		
Shareholders' equity		
Share capital	55,935	55,935
Capital surplus	54,197	54,197
Retained earnings	221,333	232,074
Treasury shares	(120)	(121)
Total shareholders' equity	331,344	342,085
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,812	7,925
Deferred gains or losses on hedges	103	(70)
Foreign currency translation adjustment	45,170	57,747
Remeasurements of defined benefit plans	11,767	11,536
Total accumulated other comprehensive income	63,854	77,139
Total net assets	395,199	419,224
Total liabilities and net assets	645,480	660,455

Consolidated Statements of Income

(Millions of yen)

	FY2023 (From January 1, 2023 to March 31, 2023)	FY2024 (From January 1, 2024 to March 31, 2024)
Net sales	129,160	127,557
Cost of sales	76,808	69,786
Gross profit	52,351	57,770
Selling, general and administrative expenses	37,777	31,795
Operating profit	14,574	25,975
Non-operating income		
Interest income	176	259
Dividend income	185	202
Foreign exchange gains	1,269	5,528
Share of profit of entities accounted for using equity method	5	—
Other	259	559
Total non-operating income	1,896	6,550
Non-operating expenses		
Interest expenses	267	257
Share of loss of entities accounted for using equity method	—	6
Other	401	381
Total non-operating expenses	669	645
Ordinary profit	15,801	31,880
Extraordinary income		
Gain on sale of non-current assets	—	555
Gain on sale of investment securities	—	148
Total extraordinary income	—	703
Extraordinary losses		
Loss on retirement of non-current assets	101	79
Impairment losses	464	74
Loss on liquidation of subsidiaries and associates	247	—
Loss on product compensation	78	—
Total extraordinary losses	891	153
Profit before income taxes	14,909	32,430
Income taxes	4,167	9,371
Profit	10,742	23,058
Loss attributable to non-controlling interests	(140)	—
Profit attributable to owners of parent	10,883	23,058

Consolidated Statements of comprehensive income

(Millions of yen)

	FY2023 (From January 1, 2023 to March 31, 2023)	FY2024 (From January 1, 2024 to March 31, 2024)
Profit	10,742	23,058
Other comprehensive income		
Valuation difference on available-for-sale securities	1,716	1,113
Deferred gains or losses on hedges	(46)	(174)
Foreign currency translation adjustment	1,867	12,493
Remeasurements of defined benefit plans, net of tax	(89)	(231)
Share of other comprehensive income of entities accounted for using equity method	41	83
Total other comprehensive income	3,490	13,285
Comprehensive income	14,233	36,343
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,372	36,343
Comprehensive income attributable to non-controlling interests	(139)	—