

TOYO TIRES

Financial Results for 1st Quarter of FY2024

May 14, 2024

Toyo Tire Corporation

1. Financial Results for 1st Quarter of FY2024

2. Financial Forecast for FY2024

3. Topics

- Net sales decreased YoY primarily owing to a decline in tire unit sales.
- Operating income came in at **26.0 billion yen, a record high* for the first quarter**, buoyed by external factors such as ocean freight cost and forex, as well as successful sales promotion of priority products.
- Ordinary income hit **a record high* on a quarterly basis at 31.9 billion yen**, primarily owing to foreign exchange gains, while profit attributable to owners of parent set **a record high* for the first quarter of 23.1 billion yen**.
- **Earnings and dividend per share forecasts for FY2024 remain unchanged.**
 - Net sales: 560 billion yen
 - Operating income: 78.0 billion yen
 - Annual dividend per share: 105 yen

Financial Results for 1st Quarter of FY2024 (Jan-Mar)



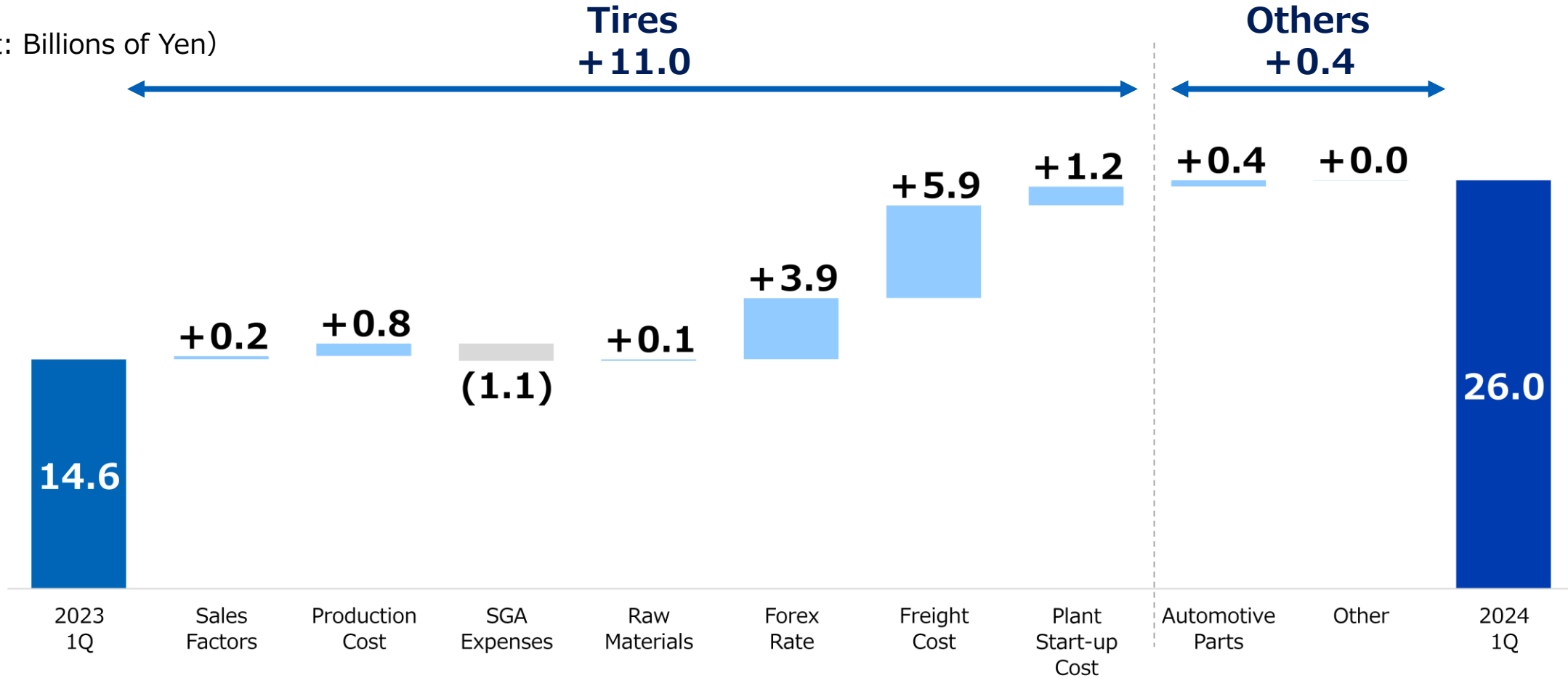
(Unit: Millions of Yen)	2024 1Q Results	2023 1Q Results	Change	Change (%)
Net Sales	127,557	129,160	(1,602)	(1.2%)
Operating Income	25,975	14,574	+11,401	+78.2%
Margin	20.4%	11.3%	–	–
Ordinary Income	31,880	15,801	+16,078	+101.8%
Profit Attributable to Owners of Parent*	23,058	10,883	+12,174	+111.9%

*Profit attributable to parent company shareholders

1 USD	146 Yen	133 Yen	+13 Yen
1 EUR	160 Yen	142 Yen	+18 Yen

Analysis of Operating Income for 1st Quarter of FY2024 (Jan-Mar) (vs 2023)

(Unit: Billions of Yen)



2022 4Q	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	2023 4Q
12.7	+2.4	+0.4	(1.2)	+2.0	+1.0	+8.1	+0.9	+0.4	(0.0)	26.6

Business Segments for 1st Quarter of FY2024 (Jan-Mar)

(Unit: Millions of Yen)

Net Sales	2024 1Q Results	2023 1Q Results	Change	Change (%)
Tires	116,566	117,955	(1,389)	(1.2%)
Automotive Parts	10,991	11,200	(208)	(1.9%)
Other	0	9	(8)	—
Adjustments	(0)	(4)	+4	—
Total	127,557	129,160	(1,602)	(1.2%)

*Net sales include intersegment internal net sales or transfers

Operating Income	2024 1Q Results	2023 1Q Results	Change	Change (%)
Tires	25,654	14,613	+11,041	+75.6%
Margin	22.0%	12.4%	—	—
Automotive Parts	314	(38)	+353	—
Margin	2.9%	(0.3%)	—	—
Other	5	0	+6	—
Adjustments	0	0	+0	—
Total	25,975	14,574	+11,401	+78.2%

*Segment profit adjustment amounts include intersegment eliminations

Geographic Area Segments for 1st Quarter of FY2024 (Jan-Mar)

(Unit: Millions of Yen)

Net Sales	2024 1Q Results	2023 1Q Results	Change	Change (%)
Japan	24,853	28,368	(3,515)	(12.4%)
N.America	85,031	81,931	+3,100	+3.8%
Other	17,673	18,860	(1,187)	(6.3%)
Eliminations or Adjustments	—	—	—	—
Total	127,557	129,160	(1,602)	(1.2%)

*Net sales do not include intersegment internal net sales or transfers

Operating Income	2024 1Q Results	2023 1Q Results	Change	Change (%)
Japan	21,674	8,651	+13,023	+150.5%
N.America	4,305	4,866	(561)	(11.5%)
Other	2,136	1,329	+807	+60.7%
Eliminations or Adjustments	(2,141)	(273)	(1,867)	—
Total	25,975	14,574	+11,401	+78.2%

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Financial Forecast for 2nd Quarter of FY2024 (Jan-Jun)

There is no change from February forecast

TOYO TIRES

(Unit: Millions of Yen)	2024 1H Forecast	2023 1H Results	Change	Change (%)
Net Sales	270,000	265,457	+4,542	+1.7%
Operating Income	40,000	26,673	+13,326	+50.0%
Margin	14.8%	10.0%	—	—
Ordinary Income	32,000	38,761	(6,761)	(17.4%)
Profit Attributable to Owners of Parent*	21,000	29,122	(8,122)	(27.9%)
*Profit attributable to parent company shareholders				
Interim Dividends per Share	50 Yen	20 Yen	+30 Yen	
1 USD	141 Yen	135 Yen	+6 Yen	
1 EUR	153 Yen	144 Yen	+9 Yen	

Financial Forecast for FY2024 (Jan-Dec)

TOYO TIRES

There is no change from February forecast

(Unit: Millions of Yen)	2024 Forecast	2023 Results	Change	Change (%)	2024 2H Forecast	Change (YoY)
Net Sales	560,000	552,825	+ 7,174	+ 1.3%	290,000	+2,631
Operating Income	78,000	76,899	+ 1,100	+ 1.4%	38,000	(12,225)
Margin	13.9%	13.9%	—	—	13.1%	—
Ordinary Income	68,000	86,047	(18,047)	(21.0%)	36,000	(11,286)
Profit Attributable to Owners of Parent*	45,000	72,273	(27,273)	(37.7%)	24,000	(19,150)

*Profit attributable to parent company shareholders

Annual Dividends per Share	105 Yen	100 Yen	+ 5 Yen	—
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1 USD	138 Yen	141 Yen	(3 Yen)
1 EUR	149 Yen	152 Yen	(3 Yen)

Mid-Term '21 Plan Key Performance Indicators

Consolidated OP margin

Over **14%**

Dividend policy (Dividend payout ratio)

30% or higher

Forex Rate Sensitivity 2024

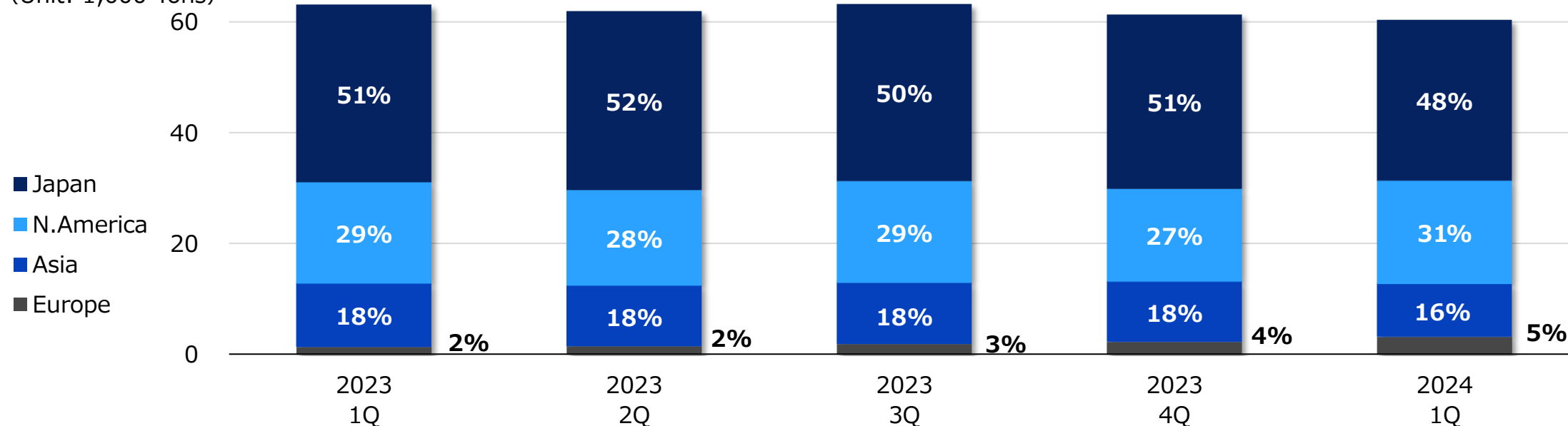
USD	0.8 Billion Yen/Year
EUR	0.1 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

Changes in Tire Production (New Rubber Volume)

Bar graph values show tire production volume composition ratio by region

(Unit: 1,000 Tons)



	2023					2024 1Q Results	2024 Forecast	2024 Previous Forecast
	1Q	2Q	3Q	4Q	Total			
Japan	32.0	32.2	31.9	31.4	127.5	28.9	123.6	125.9
N.America	18.3	17.3	18.4	16.8	70.8	18.7	75.8	76.2
Asia	11.5	11.0	11.1	10.9	44.5	9.6	41.0	42.1
Europe	1.3	1.4	1.8	2.2	6.8	3.1	15.2	15.5
Total	63.1	62.0	63.2	61.3	249.6	60.4	255.6	259.8
YoY	102%	100%	101%	100%	101%	96%	102%	104%

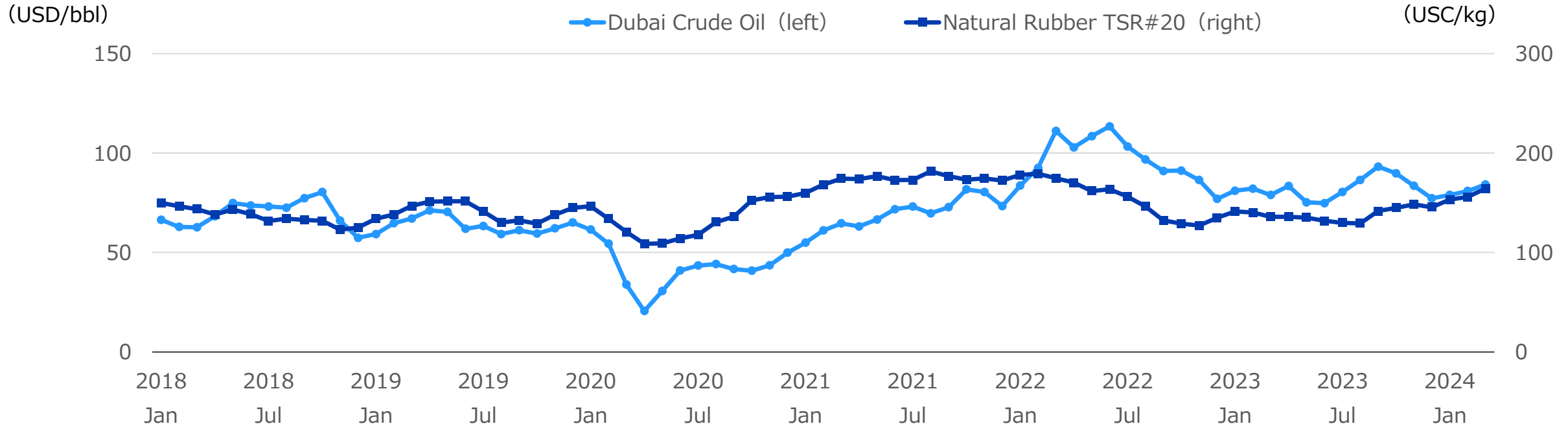
Change in Tire Sales Quantity by Region (YoY)



Year-on-Year when the same period of the previous year = 100

(%)	2023					2024 1Q Results	2024 Forecast	2024 Previous Forecast
	1Q	2Q	3Q	4Q	Total			
OE Total	120	122	108	108	114	87	104	107
RE Japan	104	102	79	81	90	77	102	107
RE Overseas	107	100	103	93	101	88	102	104
N.America	110	104	112	96	105	93	104	106
Europe	103	96	94	80	94	71	94	94
SE Asia	106	86	92	99	95	92	101	101
Total	108	103	99	93	101	86	102	105

Change in Dubai Crude Oil and Natural Rubber TSR #20 Prices (SICOM)



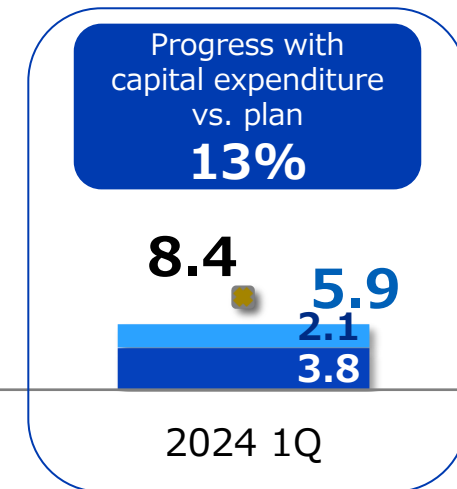
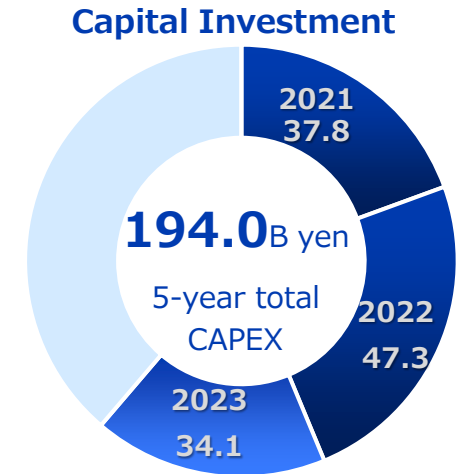
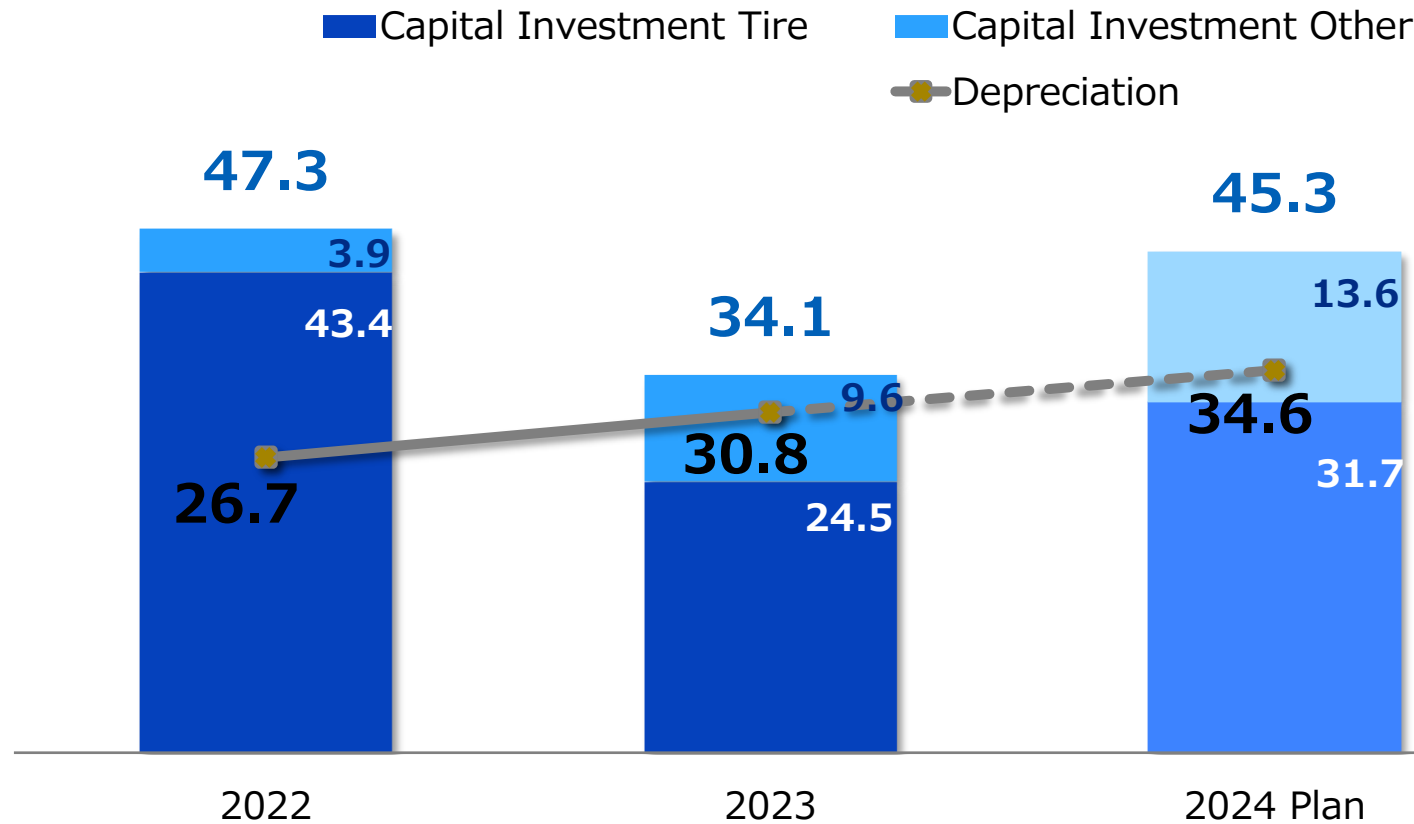
Price Changes & Impact of Raw Materials (Operating Income Basis)

(Unit: Billions of Yen)	2023					2024 1Q Results	2024 Forecast
	1Q	2Q	3Q	4Q	Total		
Natural Rubber	+0.9	+2.0	+1.0	+0.5	+4.4	(0.6)	(4.4)
Petroleum Products	(3.0)	(2.2)	+2.2	+0.8	(2.2)	+0.8	(5.7)
Other Raw Materials	(0.7)	0.0	+0.4	+0.7	+0.5	(0.2)	(1.0)
Total	(2.8)	(0.2)	+3.6	+2.0	+2.6	+0.1	(11.1)

Capital Investment and in Depreciation

(Unit: Billions of Yen)

Note) Figures for capital expenditure do not include right-of-use assets, whereas figures for depreciation do.

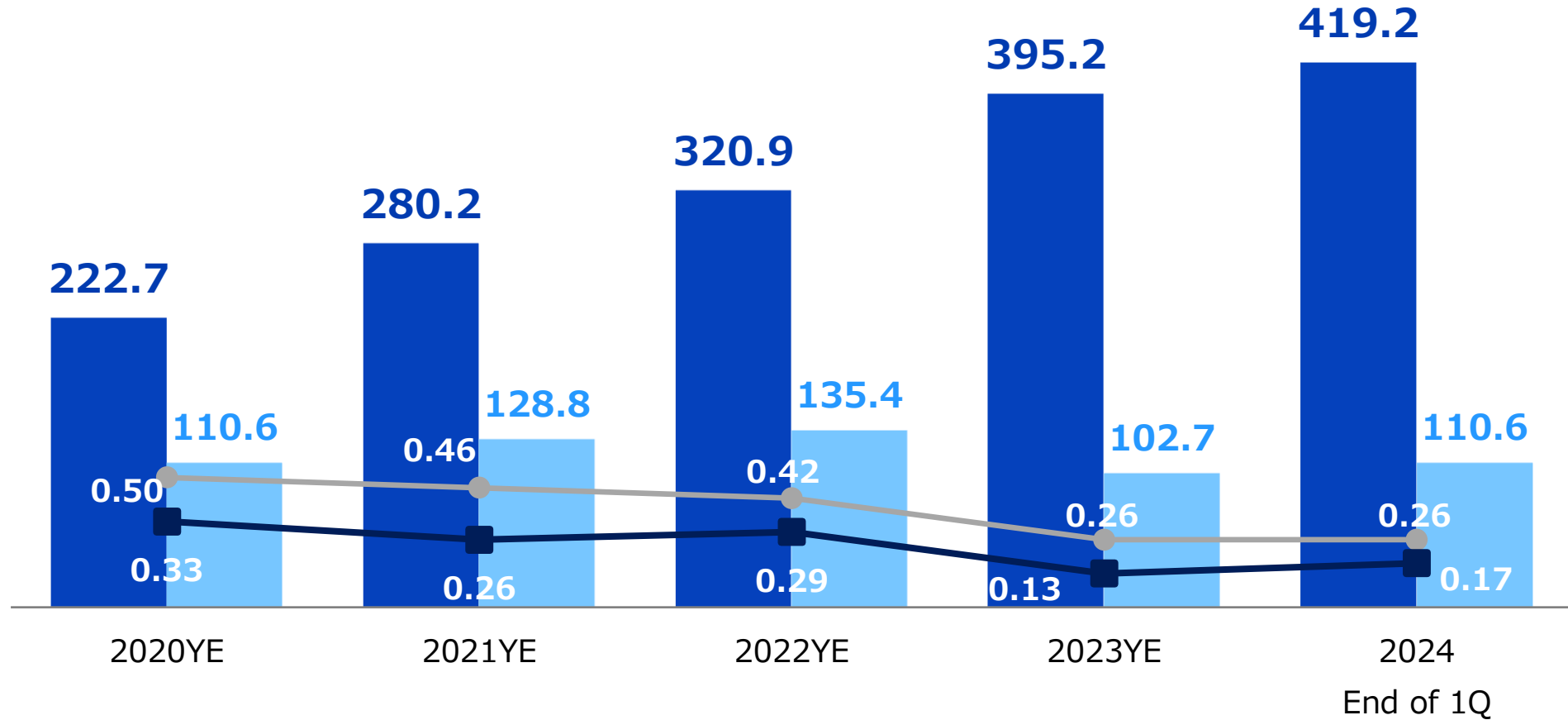


[Ref.] Capital expenditures including right-of-use assets

Year	2022	2023
Capital expenditures including right-of-use assets	48.0	50.6

Changes in Interest-Bearing Debt Balance and Capital Ratio

■ Net Assets (Billions of Yen)
 ■ Interest-Bearing Debt Balance (Billions of Yen)
 ● Debt / Equity Ratio (Ratio)
 ■ Net Debt / Equity Ratio (Ratio)



Capital Ratio

49.5%

52.7%

53.5%

61.2%

63.5%

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PROXES CF3 (Launched in Jan. '24)

Achieves a high level of low fuel consumption performance and wet grip performance



- A low fuel consumption compound with a silica dispersing agent optimizes fuel efficiency, wet grip performance, and wear resistance at a high level.
- Part of the silica dispersing agent is made from natural sustainable raw materials.

DELVEX M135 (Launch scheduled for June '24)

Supports small cargo delivery in the fast-growing e-commerce market



- Achieves superior wear resistance and wet grip performance required of tires for light trucks delivering small cargoes*
- A brand-new compound reduces rolling resistance*

*Compared to the Company's existing models (M134)

Broader Size line-up

(Starting from Apr. '24)

Our flagship brand, OPEN COUNTRY tire series for SUVs

OPEN COUNTRY A/T III

- Now available in a greater variety of sizes to meet the emerging trends of customized compact cars and business vans as well as growing demand for customizing large SUVs



OPEN COUNTRY M/T

- More size options now available to meet the customizing demand for large SUVs

OPEN COUNTRY A/T III EV

(Launched in Feb. '24 in NA)



- First commercial LTR tires for EVs
- Features market-favorite design while contributing to an extended per-charge range*

Rolling resistance

23% Lower*

Estimated per-charge range

3.9% extended*

*Compared to the Company's existing models (OPEN COUNTRY A/T III)

NANOENERGY M151 EV

(Launch scheduled for June '24)



- Developed exclusively for light EV trucks
- An asymmetrical pattern for superior traction and wear resistance

Technology

Material compounding

A compound used for the tread achieves lower rolling resistance and higher wear resistance.

Lower rolling resistance

Superior wear resistance and durability

Battery performance

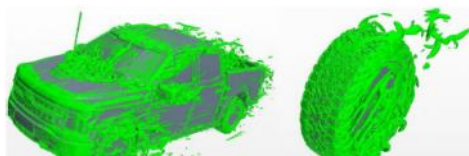
Heavier vehicle weight

EV

High torque, quick acceleration

Design

Unique aerodynamics simulation for reduced air resistance while tires rotate



Legacy design excellence

Production

Made possible by A.T.O.M.** production method



Sustainable

***Compared to the Company's existing models (M125ZB)

Longer tread life***

Higher wear resistance*** means a 21%-longer tread life***

M151EV



21% longer ↗

M125ZB



Made from sustainable materials

Recycled materials used for bead wires for the good of the environment

Achieves low power consumption

Rolling resistance reduced by 2%***

** A.T.O.M. : Advanced Tire Operation Module.

Innovative tire manufacturing technology developed independently by Toyo Tire

TOYO TIRES

**2024 ADAC 24h Nürburgring Qualifiers
1-2 Finish in the SP10 Class**



**2024 ADAC Nürburgring Langstrecken Serie
Round 1 Victory in the SP10 Class**

PROXES

TOYO TIRES

The forward-looking statements contained in these business outlooks and plans are based on information available at the current time and contain potential risks and uncertainties.

Therefore, please keep in mind that actual results may, due to a variety of factors, differ from those expressed in the forward-looking statements.