

TOYO TIRES

Financial Results for 2nd Quarter of FY2024

August 9, 2024

Toyo Tire Corporation

- 1. Financial Results for 2nd Quarter (1st Half) of FY2024**
2. Financial Forecast for FY2024
3. Topics

- Net sales amounted to **273.5 billion yen, a record high*** for the second quarter.
- Operating income came in at **47.6 billion yen, a record high*** for the second quarter, buoyed by external factors such as ocean freight cost and forex, as well as successful sales promotion of priority products.
- Ordinary profit reached **59.8 billion yen**, primarily owing to foreign exchange gains, while profit attributable to owners of parent amounted to **42.0 billion yen**, both of which set **a record high*** for the second quarter.
- Given the performance up to the end of the second quarter, **earnings forecasts for FY2024 have been revised upward.**
 - Operating income: **81.0 billion yen** (previous forecast: 78.0 billion yen)

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



(Unit: Millions of Yen)	2024 1H Results	2023 1H Results	Change	Change (%)	2024 1H Forecast	Change	2024 Apr-Jun Results	Change (YoY)
Net Sales	273,501	265,457	+8,044	+3.0%	270,000	+3,501	145,944	+9,647
Operating Income	47,569	26,673	+20,895	+78.3%	40,000	+7,569	21,594	+9,494
Margin	17.4%	10.0%	—	—	14.8%	—	14.8%	—
Ordinary Income	59,770	38,761	+21,009	+54.2%	32,000	+27,770	27,889	+4,931
Profit Attributable to Owners of Parent*	42,005	29,122	+12,882	+44.2%	21,000	+21,005	18,946	+708

*Profit attributable to parent company shareholders

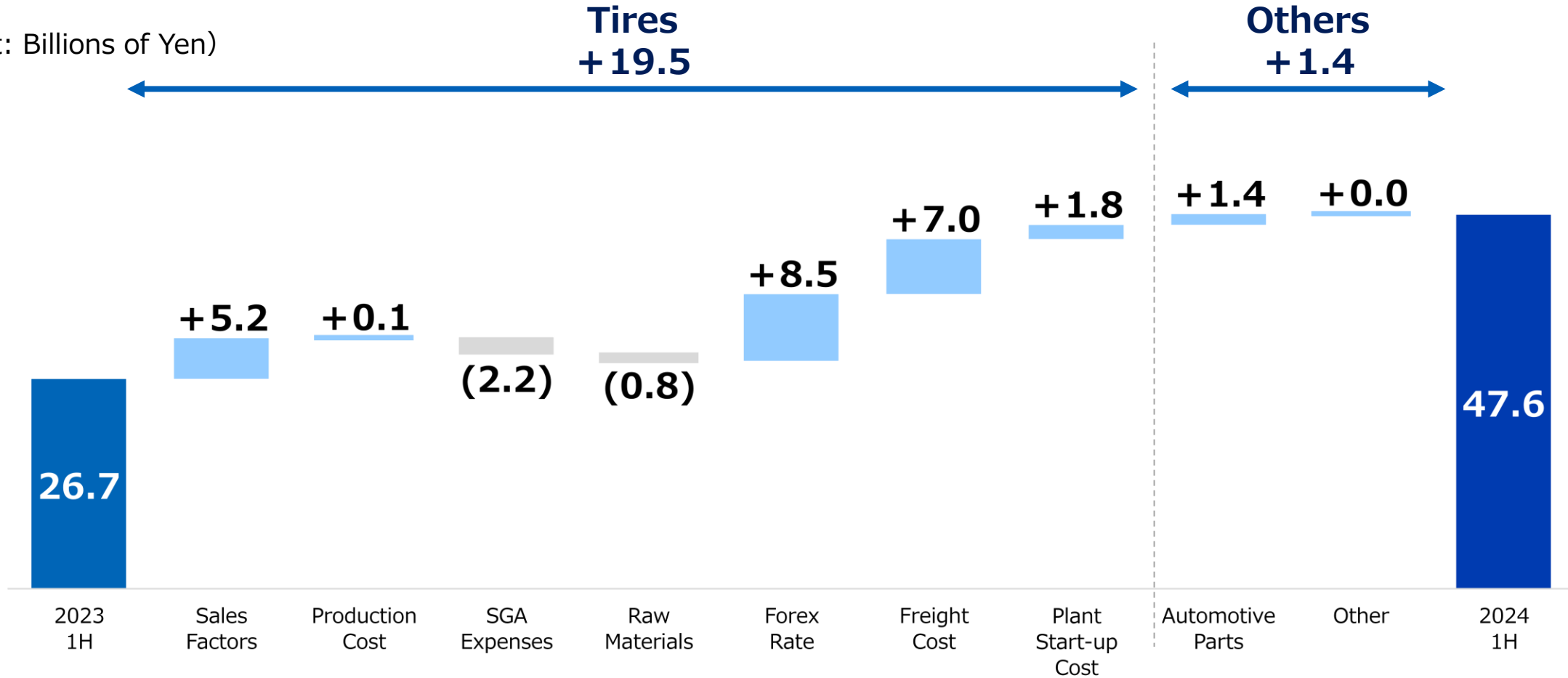
Interim Dividends per Share	50 Yen	20 Yen	+30 Yen	—
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1 USD	150 Yen	135 Yen	+15 Yen
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1 EUR	163 Yen	144 Yen	+19 Yen
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Analysis of Operating Income for 2nd Quarter of FY2024 (Jan-Jun) (vs 2023)

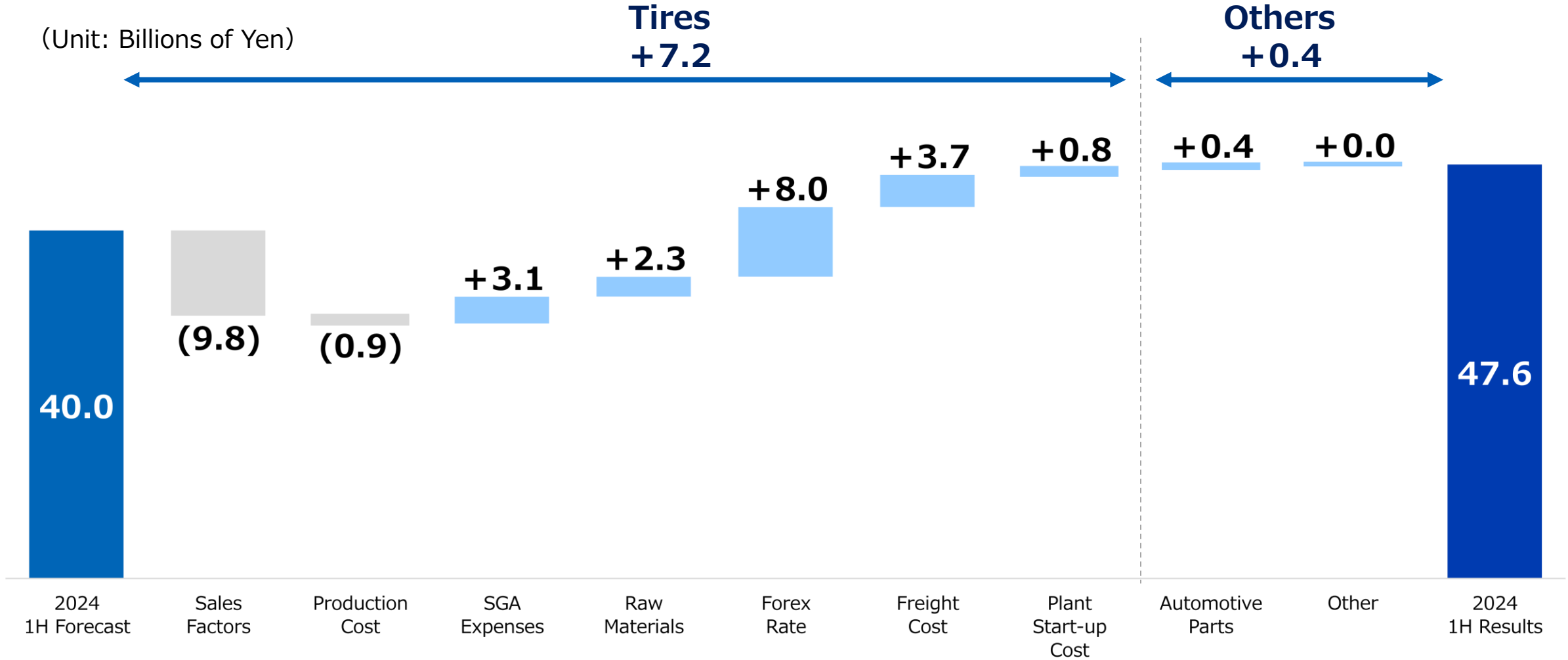
(Unit: Billions of Yen)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	合計
Jan-Mar	+0.2	+0.8	(1.1)	+0.1	+3.9	+5.9	+1.2	+0.4	+0.0	+11.4
Apr-Jun	+5.1	(0.7)	(1.2)	(0.9)	+4.6	+1.1	+0.6	+1.0	+0.0	+9.5

Analysis of Operating Income for 2nd Quarter of FY2024 (Jan-Jun) (vs Previous Forecast)

(Unit: Billions of Yen)



Business Segments for 2nd Quarter of FY2024 (Jan-Jun)

(Unit: Millions of Yen)

Net Sales	2024 1H Results	2023 1H Results	Change	Change (%)	2024 1H Forecast	Change	2024 Apr-Jun Results	Change (YoY)
Tires	251,291	242,523	+8,768	+3.6%	249,000	+2,291	134,725	+10,158
Automotive Parts	22,209	22,925	(715)	(3.1%)	21,000	+1,209	11,218	(506)
Other	0	18	(17)	(100.0%)	0	—	0	(9)
Adjustments	(0)	(9)	+8	—	—	—	0	+4
Total	273,501	265,457	+8,044	+3.0%	270,000	+3,501	145,944	+9,647

*Net sales include intersegment internal net sales or transfers

Operating Income	2024 1H Results	2023 1H Results	Change	Change (%)	2024 1H Forecast	Change	2024 Apr-Jun Results	Change (YoY)
Tires	46,898	27,400	+19,498	+71.2%	39,700	+7,198	21,244	+8,457
Margin	18.7%	11.3%	—	—	15.9%	—	15.8%	—
Automotive Parts	660	(728)	+1,388	—	300	+360	346	+1,034
Margin	3.0%	(3.2%)	—	—	1.4%	—	3.1%	—
Other	10	1	+8	+900.0%	0	+10	4	+2
Adjustments	0	0	—	—	—	—	0	—
Total	47,569	26,673	+20,895	+78.3%	40,000	+7,569	21,594	+9,494

*Segment profit adjustment amounts include intersegment eliminations

Geographic Area Segments for 2nd Quarter of FY2024 (Jan-Jun)



(Unit: Millions of Yen)

Net Sales	2024 1H Results	2023 1H Results	Change	Change (%)	2024 1H Forecast	Change	2024 Apr-Jun Results	Change (YoY)
Japan	51,745	55,744	(3,998)	(7.2%)	55,300	(3,555)	26,892	(482)
N.America	185,775	174,316	+11,458	+6.6%	178,700	+7,075	100,744	+8,358
Other	35,980	35,396	+584	+1.6%	36,000	(20)	18,307	+1,771
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	273,501	265,457	+8,044	+3.0%	270,000	+3,501	145,944	+9,647

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

Operating Income	2024 1H Results	2023 1H Results	Change	Change (%)	2024 1H Forecast	Change	2024 Apr-Jun Results	Change (YoY)
Japan	35,607	22,909	+12,698	+55.4%	26,300	+9,307	13,933	(325)
N.America	8,521	9,968	(1,447)	(14.5%)	7,900	+621	4,215	(885)
Other	3,457	2,033	+1,424	+70.0%	5,600	(2,143)	1,321	+617
Eliminations or Adjustments	(17)	(8,237)	+8,220	—	200	(217)	2,124	+10,088
Total	47,569	26,673	+20,895	+78.3%	40,000	+7,569	21,594	+9,494

1. Financial Results for 2nd Quarter (1st Half) of FY2024
- 2. Financial Forecast for FY2024**
3. Topics

Financial Forecast for FY2024 (Jan-Dec)

TOYO TIRES

(Unit: Millions of Yen)	2024 Forecast	2023 Results	Change	Change (%)	2024 Previous Forecast	Change	2024 2H Forecast	Change (YoY)
Net Sales	560,000	552,825	+7,175	+1.3%	560,000	±0	286,498	(870)
Operating Income	81,000	76,899	+4,101	+5.3%	78,000	+3,000	33,430	(16,795)
Margin	14.5%	13.9%	—	—	13.9%	—	11.7%	—
Ordinary Income	76,000	86,047	(10,047)	(11.7%)	68,000	+8,000	16,229	(31,058)
Profit Attributable to Owners of Parent*	50,000	72,273	(22,273)	(30.8%)	45,000	+5,000	7,994	(35,157)

*Profit attributable to parent company shareholders

Annual Dividends per Share	105 Yen	100 Yen	+5 Yen	—	105 Yen	±0
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1 USD	147 Yen	141 Yen	+6 Yen
1 EUR	159 Yen	152 Yen	+7 Yen

Mid-Term '21 Plan Key Performance Indicators

Consolidated OP margin

Over **14%**

Dividend policy (Dividend payout ratio)

30% or higher

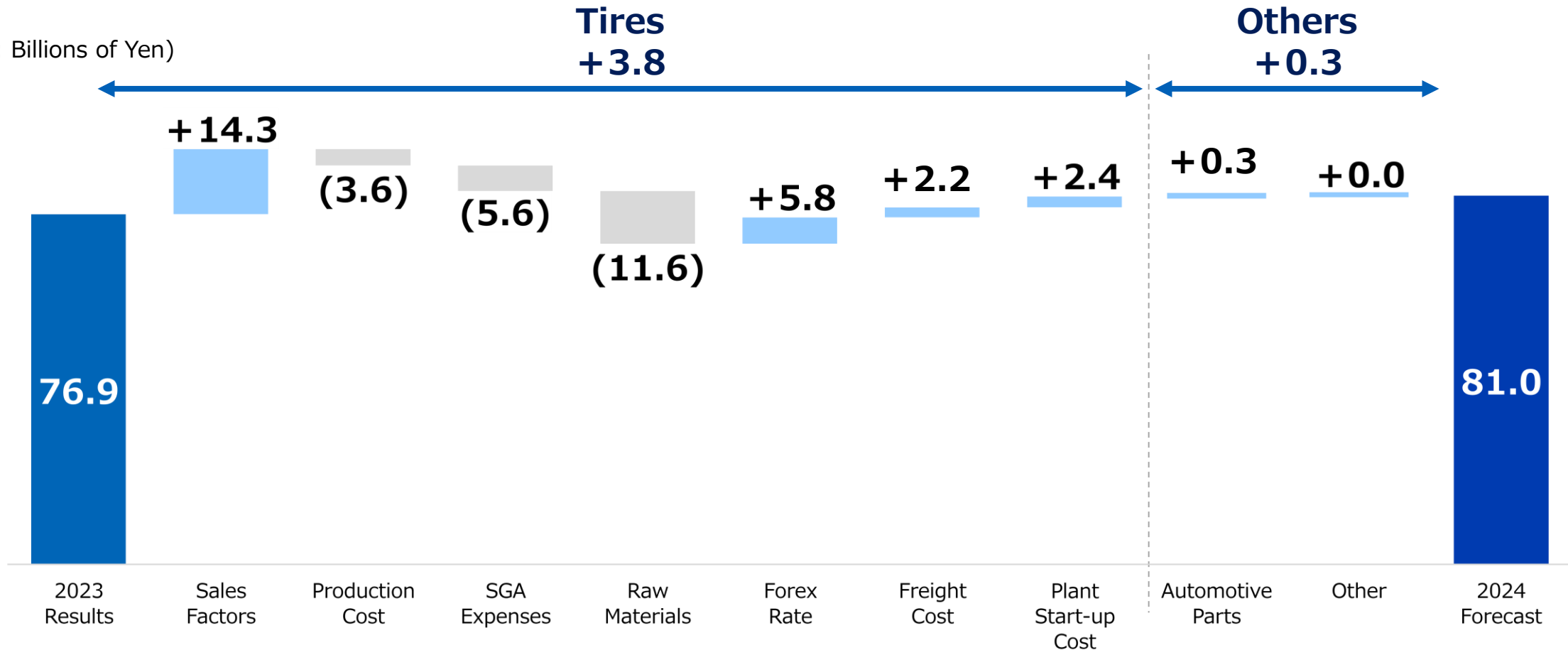
Forex Rate Sensitivity 2024

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

Impact of 1 yen fluctuation on operating income

Analysis of Operating Income for FY2024 (Jan-Dec) (vs 2023)

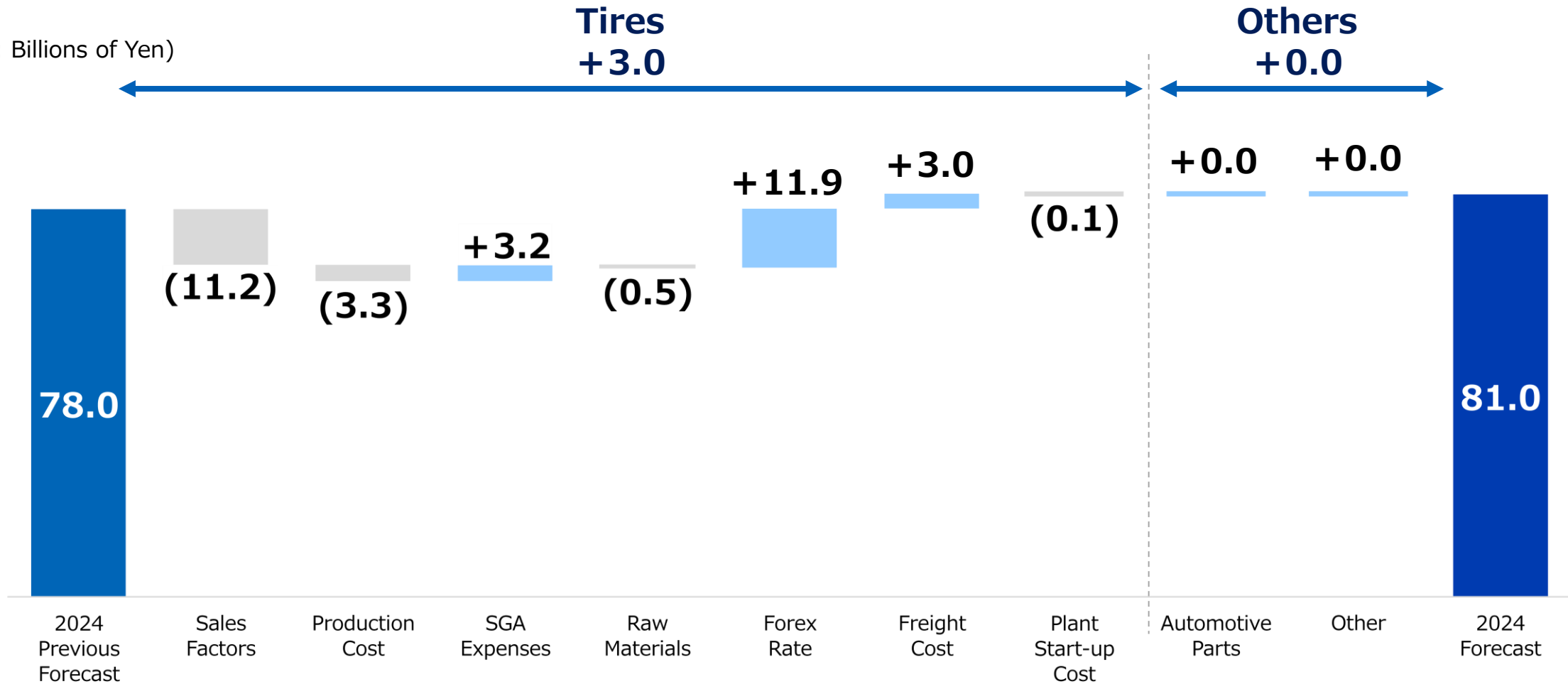
(Unit: Billions of Yen)



	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	Total
Jan-Jun Results	+5.2	+1.0	(2.2)	(0.8)	+8.5	+7.0	+1.8	+1.4	+0.0	+20.9
Jul-Dec Forecast	+9.0	(3.7)	(3.4)	(10.9)	(2.7)	(4.7)	+0.6	(1.1)	(0.0)	(16.8)

Analysis of Operating Income for FY2024 (Jan-Dec) (vs Previous Forecast)

(Unit: Billions of Yen)



2024 2H Previous Forecast	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Freight Cost	Plant Start-up Cost	Automotive Parts	Other	2024 2H Forecast
38.0	(1.4)	(2.4)	+0.1	(2.9)	+3.9	(0.8)	(0.9)	(0.4)	+0.0	33.4

Business Segments for FY2024 (Jan-Dec)

(Unit: Millions of Yen)

Net Sales	2024 Forecast	2023 Results	Change	Change (%)	2024 Previous Forecast	Change	2024 2H Forecast	Change (YoY)
Tires	515,000	505,438	+9,561	+1.9%	517,000	(2,000)	263,708	+792
Automotive Parts	45,000	47,374	(2,374)	(5.0%)	43,000	+2,000	22,790	(1,659)
Other	0	25	(25)	–	0	±0	0	(6)
Adjustments	0	(13)	+13	–	0	±0	0	+3
Total	560,000	552,825	+7,175	+1.3%	560,000	±0	286,498	(870)

*Net sales include intersegment internal net sales or transfers

Operating Income	2024 Forecast	2023 Results	Change	Change (%)	2024 Previous Forecast	Change	2024 2H Forecast	Change (YoY)
Tires	80,500	76,725	+3,774	+4.9%	77,500	+3,000	33,601	(15,724)
Margin	15.6%	15.2%	–	–	15.0%	–	12.7%	–
Automotive Parts	500	178	+321	–	500	±0	(160)	(1,066)
Margin	1.1%	0.4%	–	–	1.2%	–	(0.7%)	–
Other	0	(4)	+4	–	0	±0	(10)	(4)
Adjustments	0	0	+0	–	0	±0	0	±0
Total	81,000	76,899	+4,101	+5.3%	78,000	+3,000	33,430	(16,795)

*Segment profit adjustment amounts include intersegment eliminations

Geographic Area Segments for FY2024 (Jan-Dec)

(Unit: Millions of Yen)

Net Sales	2024 Forecast	2023 Results	Change	Change (%)	2024 Previous Forecast	Change	2024 2H Forecast	Change (YoY)
Japan	118,900	122,206	(3,306)	(2.7%)	123,300	(4,400)	67,154	+692
N.America	368,400	357,801	+10,599	+3.0%	363,300	+5,100	182,625	(859)
Other	72,700	72,817	(117)	(0.2%)	73,400	(700)	36,719	(701)
Eliminations or Adjustments	—	—	—	—	—	—	—	—
Total	560,000	552,825	+7,175	+1.3%	560,000	±0	286,498	(870)

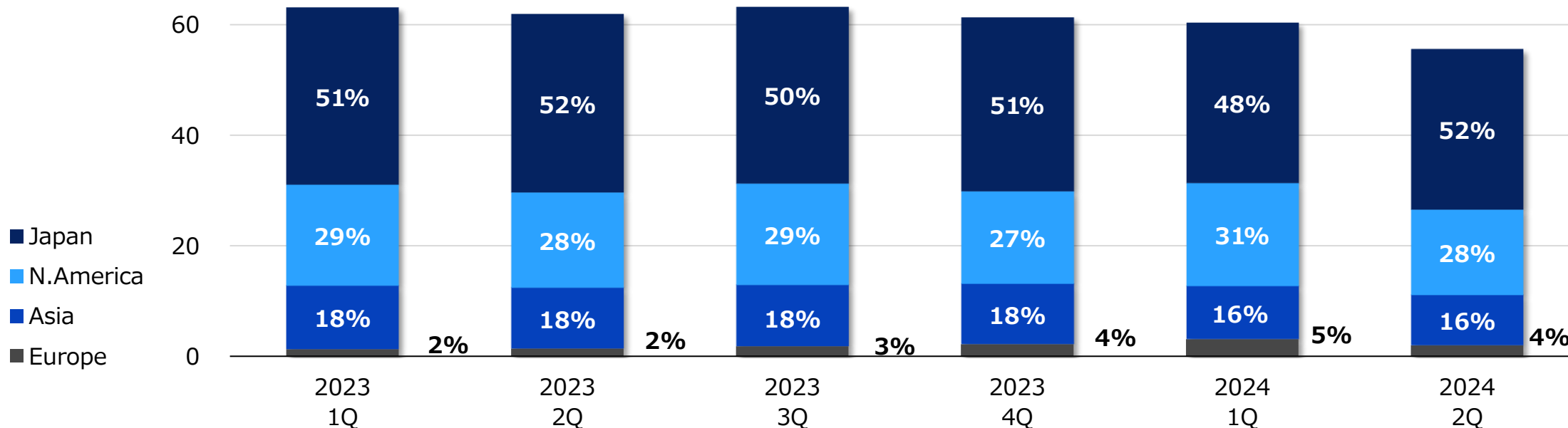
*Net sales do not include intersegment internal net sales or transfers

Operating Income	2024 Forecast	2023 Results	Change	Change (%)	2024 Previous Forecast	Change	2024 2H Forecast	Change (YoY)
Japan	47,400	67,047	(19,647)	(29.3%)	48,900	(1,500)	11,792	(32,346)
N.America	20,600	17,589	+3,011	+17.1%	16,800	+3,800	12,079	+4,458
Other	6,400	3,323	+3,077	+92.6%	10,800	(4,400)	2,942	+1,653
Eliminations or Adjustments	6,600	(11,061)	+17,661	—	1,500	+5,100	6,617	+9,440
Total	81,000	76,899	+4,101	+5.3%	78,000	+3,000	33,430	(16,795)

Changes in Tire Production (New Rubber Volume)

Bar graph values show tire production volume composition ratio by region

(Unit: 1,000 Tons)



	2023					2024			2024 Forecast	2024 Previous Forecast
	1Q	2Q	3Q	4Q	Total	1Q	2Q	1H		
Japan	32.0	32.2	31.9	31.4	127.5	28.9	29.0	58.0	118.9	123.6
N.America	18.3	17.3	18.4	16.8	70.8	18.7	15.5	34.2	70.8	75.8
Asia	11.5	11.0	11.1	10.9	44.5	9.6	9.1	18.7	37.0	41.0
Europe	1.3	1.4	1.8	2.2	6.8	3.1	2.0	5.1	12.0	15.2
Total	63.1	62.0	63.2	61.3	249.6	60.4	55.6	116.0	238.8	255.6
YoY	102%	100%	101%	100%	101%	96%	90%	93%	96%	102%

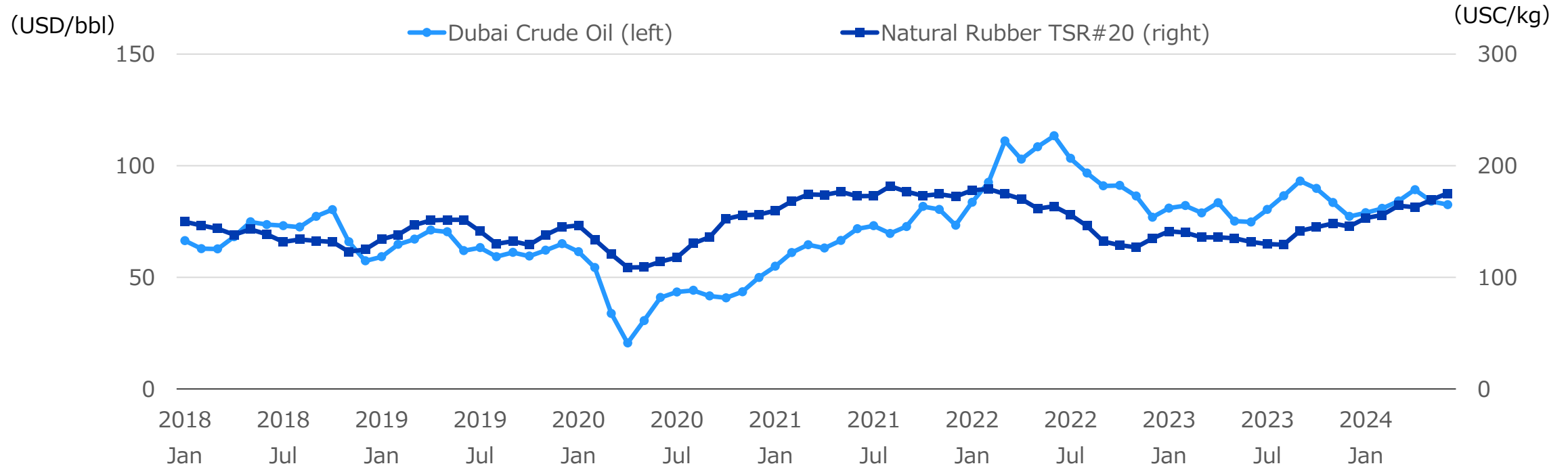
Change in Tire Sales Quantity by Region (YoY)



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

	(%)	2023				Total	2024			2024 Forecast	2024 Previous Forecast
		1Q	2Q	3Q	4Q		1Q	2Q	1H		
OE Total		120	122	108	108	114	87	97	92	95	104
RE Japan		104	102	79	81	90	77	85	81	94	102
RE Overseas		107	100	103	93	101	88	99	94	98	102
	N.America	110	104	112	96	105	93	100	97	101	104
	Europe	103	96	94	80	94	71	85	77	82	94
	SE Asia	106	86	92	99	95	92	101	96	98	101
Total		108	103	99	93	101	86	97	91	97	102

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)

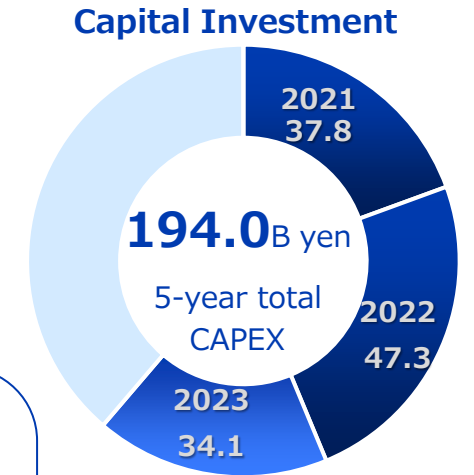
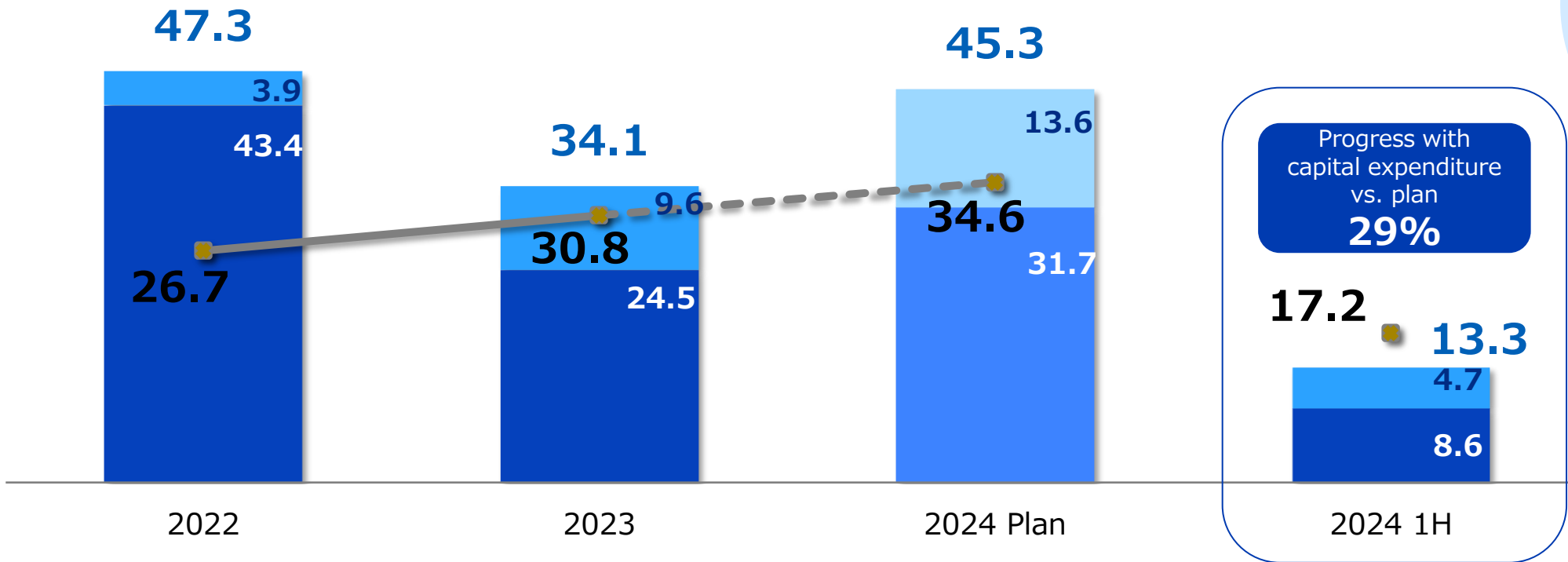
	2023					2024			2024 Forecast
	1Q	2Q	3Q	4Q	Total	1Q	2Q	1H	
Natural Rubber	+0.9	+2.0	+1.0	+0.5	+4.4	(0.6)	(0.7)	(1.2)	(5.1)
Petroleum Products	(3.0)	(2.2)	+2.2	+0.8	(2.2)	+0.8	(0.3)	+0.6	(5.8)
Other Raw Materials	(0.7)	0.0	+0.4	+0.7	+0.5	(0.2)	+0.1	(0.1)	(0.8)
Total	(2.8)	(0.2)	+3.6	+2.0	+2.6	+0.1	(0.9)	(0.8)	(11.6)

Capital Investment and in Depreciation

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

(Unit: Billions of Yen)

■ Capital Investment Tire ■ Capital Investment Other
 —●— Depreciation



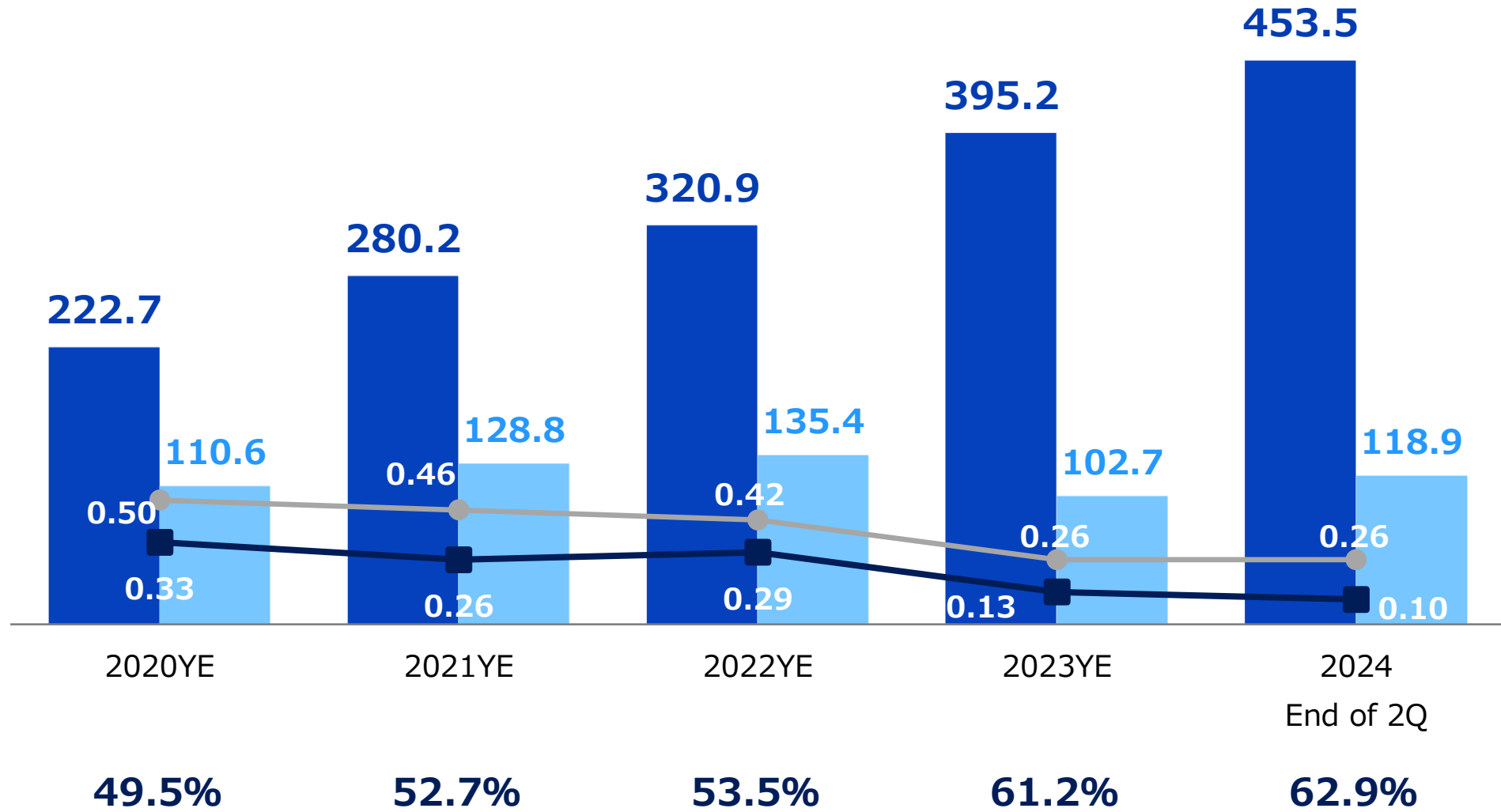
Progress with capital expenditure vs. plan
29%

[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)



1. Financial Results for 2nd Quarter (1st Half) of FY2024
2. Financial Forecast for FY2024

3. Topics

Sustainability Management Progress Report (FY2024)



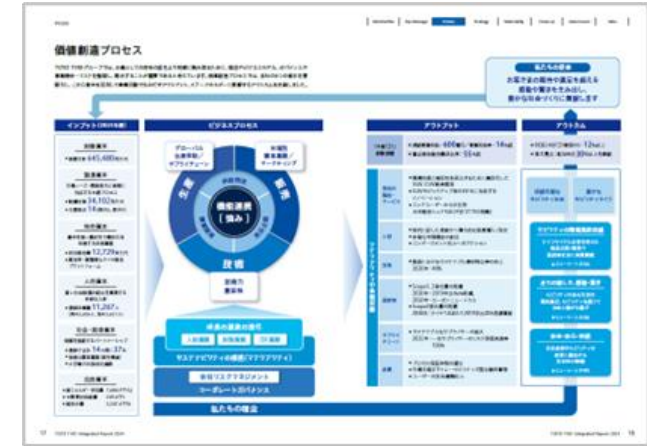
Value Creation	Sustainable mobility in society	▶ Reducing environmental impact of mobility	Developed products for commercial EVs whose demand is expected to increase in line with the revised Energy Conservation Act. *NANOENERGY M151 EV ribbed tire for light EV trucks
		▶ Safe and secure mobility	Supported working style reforms in the distribution industry, developed products with strong wear & service life and excellent safety performance. *DELVEX M135 ribbed tire for light trucks
Foundation for value creation	Challenging and satisfying jobs for diverse talent	▶ Talent development	Formed a comprehensive partnership agreement with Doshisha University that seeks to promote the use of mutual high value-added resources to foster human resources who can contribute to society and realize beneficial technologies.
		▶ Industry-academia partnerships	
	Innovating next-generation mobility technology	▶ Expanding the use of sustainable raw materials	Applied data and expertise acquired through motorsports activities to product development. *A vehicle equipped with PROXES tires made from sustainable materials participated in and won the NLS3 endurance series.
		▶ Enhancing tire design platform technologies	Adopted the latest high-performance computing (HPC) system as a way of addressing the development of next-generation technologies more firmly. *Increased the number of large-scale simulations and improved the predictive accuracy of “inverse problem” of deriving design specifications from performance values.
Managing risk to protect the value creation process	Pursuing decarbonization in all corporate activities	▶ SBT certification	Submitted the commitment letter as part of the process for acquiring SBT certification.
	Promoting supply chain sustainability	▶ Responsible raw materials procurement	Ongoing assessment of supply chain environmental and social risks. *Completed assessment of suppliers accounting for 70% of total transaction amount of tire raw materials, including natural rubber.
	Quality and safety	▶ Raising awareness of tire safety	Continued to raise awareness of tire safety using our proprietary driving simulator. *Surveyed 4,300 people over the past five years to confirm change (improvement) in tire safety awareness.



Updated report content based on stakeholder dialogue and subsequent evaluation

Introduction	The origin of our philosophy / Relevance to the sustainability debate / Instilling the philosophy
Top Message	Business management and value creation / Evaluation of the progress of Medium-Term '21 Plan / Evaluation of our sustainability management
Vision	<p>Value creation process</p> <p>Toyo Tire's strengths / Risk and opportunities / Materiality</p>
Strategy	Financial policy and targets & KPI management / Approach to investment and shareholder returns / Medium-Term '21 Plan progress
Materiality	<p>Initiatives in each domain of value creation, foundation for value creation, and risk management</p> <ul style="list-style-type: none"> Value creation story linking outcomes (Mobility with reduced impact on the environment / The ultimate enjoyment, excitement, and surprise of driving / Safety, peace of mind, and comfort) Human resource base (developing talent, promoting diversity, reforming working styles) Technological base (sustainable raw materials, reducing tire wear) Progress made on medium- to long-term CO₂ reduction targets / Supply chain sustainability / Product safety in each value chain
Close-up	Response to Taskforce on Nature-related Financial Disclosures (TNFD) / Human right-related measures
Governance	Governance structure / Evaluation of the effectiveness of the Board of Directors / Company-wide risk management / Promoting compliance / Message from the Chairman / Messages from Outside Directors

Value Creation Story



*Set up jump functions linking the Integrated Report 2024 to the Toyo Tire sustainability website (html) for more convenient access to detailed information

Mid-Term '21 Plan Key Performance Indicator

Operating Income
60.0 billion yen

Operating Margin
14% or over

% of sales from priority products
55% or over

ROE 12% or over

Dividend Payout Ratio
Policy 30% or over

5-year total CAPEX
194.0 billion yen

FY2023 Results

↗ **76.9_B yen**

→ **13.9%**

↗ **62.9%**

↗ **20.2%**

→ **30.0%**
3-year average

→ **61.4%**
Progress over the past 3 years

Actions in progress

- Greater focus on sales promotion of priority products
- Make Serbia Plant fully operational → Establish an optimized supply system

Prioritized launch of products where our strengths lie

Build a cost-competitive production/supply system

Maintain high earning power
Further enhance profitability

Continue allocating cash in a way that balances shareholder returns and growth investment



Next Phase
(Next medium-term business plan)

OBSERVE GIZ3

(Launched in August)

Made from sustainable materials, a brand new studless tire with advanced braking performance on icy surfaces



- Significantly upgrades braking performance in icy conditions and traction during acceleration
- Improves braking performance on icy surfaces by 22% (compared with the Company's existing model [OBSERVE GIZ2])
- Eco-friendly with its reduced performance degradation due to aging and use of nature-based sustainable materials

"OPEN COUNTRY" selected for new SUVs

OPEN COUNTRY A/T III



LEXUS GX (in NA etc.)



- Designs patterns by T-MODE, our proprietary tire design base technologies

Toyota LAND CRUISER "250" (in Middle East etc.)



- Reduces air resistance while tires rotate, achieving improved fuel efficiency
- Delivers superior off-road driving performance over rough terrain. Reduces noise and ensures handling stability on-road

TOYO TIRES

OPEN COUNTRY



**2024 FIA World Bajas Cup Baja Greece
Victory in the ULTIMATE Class**

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.