

TOYO TIRES

CSR Report 2020

TOYO TIRES

Toyo Tire Corporation

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This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Publishing date: July 2020*
*It is English version published.
Japanese version was published in June 2020.



TOYO TIRE

will Shape the Future

On August 1, 2020, TOYO TIRE will mark the 75th anniversary of its foundation. We will take this opportunity to expand the reach of our unique presence over the next 25 years as we move toward our centennial anniversary, with each and every employee continuing to challenge themselves.

Philosophy

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.

Editorial Policy

When confirming the content and quality of this report, some of the GRI Standards, established by the Global Reporting Initiative (GRI) and published in 2016 or 2018, were used as reference. And we have finalized the boundaries of the content and the items in this report, taking into consideration factors including the organization’s activities, their impact, and substantial expectations and interest of stakeholders.

Items that are thought to have a substantial impact on the economy, the environment, and society and could have a practical impact on the evaluation and decision-making of stakeholders have been positioned as the “material aspect (materiality)” and are reported under the title “TOPIC.”

- Topic Boundaries: 38 Group Companies* (as of the end of April 2020)
*Toyo Tire Corporation and the group companies (consolidated subsidiaries)
- Setting the Organizations Name in This Report: Toyo Tire Corporation → “Toyo Tire Corporation”, all group companies → “TOYO TIRE” or “the group”, the each company of the group → each company name, all group companies affiliated with TOYO TIRE HOLDINGS OF AMERICAS INC. → “TTHA group”, all group companies affiliated with TOYO TIRE EUROPE GMBH→ “TTE group”
- Reporting Period: From January 2019 to December 2019
*More recent information is included in some parts of the report.
- Reporting Cycle: Once a year (Previous Publish: June 2019)
- Approve the Report by the governance body: Executive Committee approved the report in June 2020
- Contact Point for Questions Regarding the Report: Toyo Tire Corporation General Affairs Dept., Corporate Infrastructure Division

* This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

** Information may differ from that previously announced as changes have been made to the scope of some of the data collected.

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The website version provides the details of this PDF version.

WEBSITE

<https://www.toyotires-global.com/csr/>

<GRI Content Index>
https://www.toyotires-global.com/csr/pdf/gristd_en.pdf

Bringing a New Way of Driving from TOYO TIRE to the World

Business Impact of TOYO TIRE

Business Profile

Our primary business, which accounts for more than 80% of net sales, is the production of automotive tires in Japan, the U.S., Malaysia, and China.

With the aim of optimizing operations in the tire production system in the future, we have plans to reinforce production capacity and construct new production bases in the U.S. and Malaysia, and reinforce production facilities for truck and bus tires in Japan.

<Business Strategic Brands> TOYO TIRE, NITTO, SILVERSTONE

In addition, we manufacture automotive parts that make use of our proprietary vibration control technology, such as automobile anti-vibration rubber, in Japan, the U.S., China, and Thailand.

Company Outline (As of the end of 2019)

Company Name: Toyo Tire Corporation
Headquarters: 2-2-13, Fujinoki, Itami City, Hyogo, 664-0847, Japan
Paid-in capital: 55,935 million yen
Number of Employees*: 11,840 (1,292)
Number of Employees by Geographic Segment:

Japan	5,201 (908)
Americas	2,125 (381)
Asia/Oceania	4,391 (2)
Europe	123 (1)

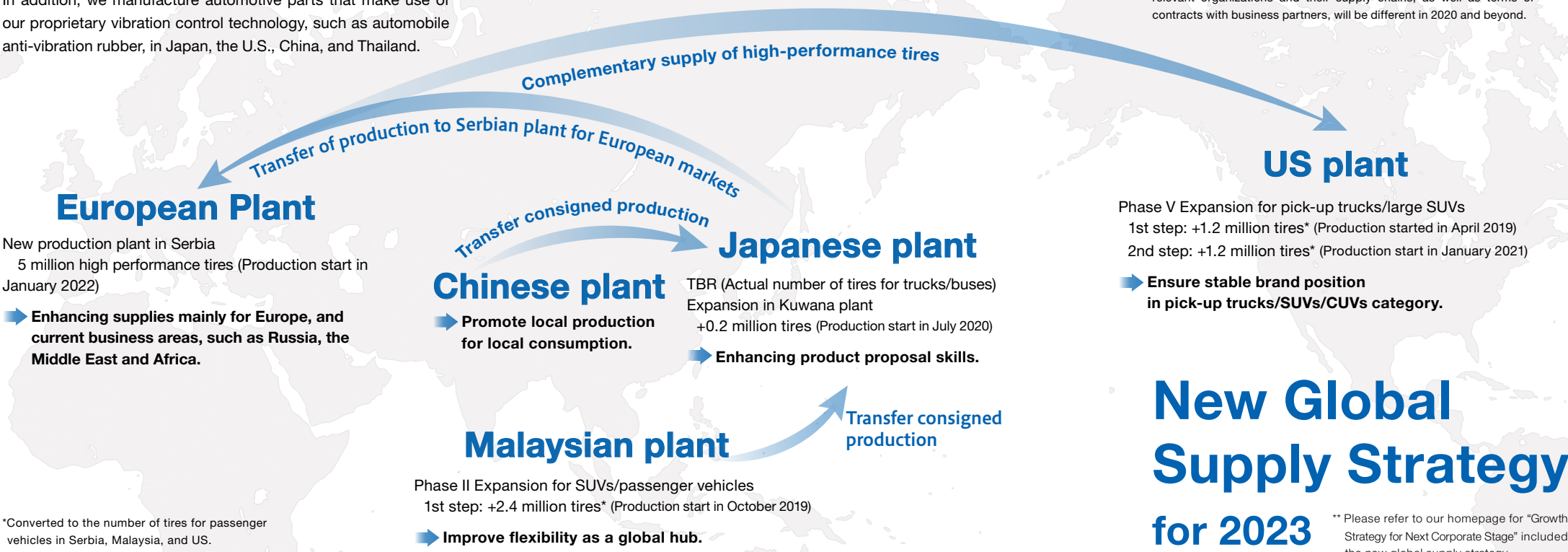
* The information of entities included in the consolidated financial statements
** Number of people in parentheses is Temporary Employees

Toyo Tire has deployed its mobility business in over 100 countries and regions, including North America, Asia, and Europe.

With our eyes on the “mobility society” of the future, we are aiming to further strengthen our global network.

The bases that have significant impact on the local area (Manufacturing/R&D)

Japan	
Toyo Tire Corporation (Headquarters)	
Manufacturing base Sendai Plant, Kuwana Plant, Hyogo Manufacturing Complex	R&D base Corporate Technology Center Tire Technical Center Automotive Parts Technical Center
Consolidated Subsidiaries (Manufacturing base) Fukushima Rubber Co., Ltd., Toyo Soflan Co., Ltd., Ayabe Toyo Rubber Co., Ltd	
Americas	
Country where group companies are established America, Canada, Mexico	
Americas Tire Business Management TOYO TIRE HOLDINGS OF AMERICAS INC.	
Manufacturing base TOYO TIRE NORTH AMERICA MANUFACTURING INC. TOYO AUTOMOTIVE PARTS (USA), INC. TMM (USA), INC.	R&D base North America R&D Center
Asia/Oceania	
Country where group companies are established China, Malaysia, Thailand, Australia	
Manufacturing base TOYO TIRE ZHANGJIAGANG CO., LTD. (China) TOYO TIRE (ZHUCHENG) CO., LTD. (China) TOYO AUTOMOTIVE PARTS (GUANGZHOU) CO., LTD. (China) TOYO TYRE MALAYSIA SDN BHD SILVERSTONE BERHAD TOYO RUBBER CHEMICAL PRODUCTS (THAILAND) LIMITED	
R&D base TOYO TYRE MALAYSIA SDN BHD	
Europe	
Country where group companies are established Germany, UK, Netherlands, Italy, Russia	
European Tire Business Management TOYO TIRE EUROPE GMBH (Germany)	
Manufacturing base TOYO TIRE SERBIA D.O.O BEOGRAD	R&D base European R&D Center



Consolidated Subsidiaries:
Toyo Tire Corp., 43 subsidiaries, 11 affiliated companies, and 1 other affiliated company.

* Entities subject to consolidated financial statements: 41 consolidated subsidiaries, 4 Affiliates accounted for by the equity method
** Please refer to the securities report for economic performance in fiscal 2019.

<Significant changes to the organization and its supply chain>
The Toyo Tire Group liquidated Sendai Service Co., Ltd. and Kuwana Service Co., Ltd. in December 2019 for business downsizing, and dissolved Nitto Japan Co., Ltd. and Nitto Tire Canada Inc. in January 2020 for business integration.

Also, the air suspension business for truck and bus tires will be separated from Toyo Tire Corporation and Toyo Chemical Industrial Products Co., Ltd. by the end of June 2020. As a result, structures of relevant organizations and their supply chains, as well as terms of contracts with business partners, will be different in 2020 and beyond.

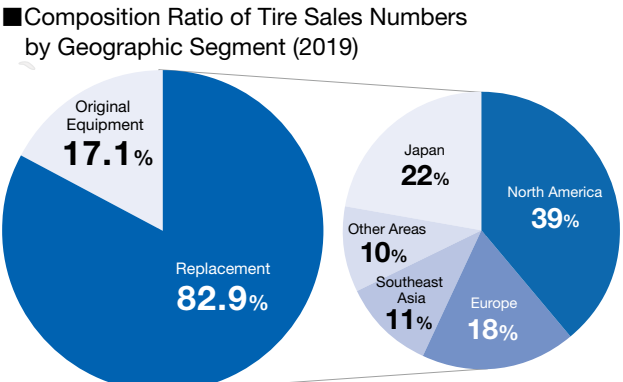
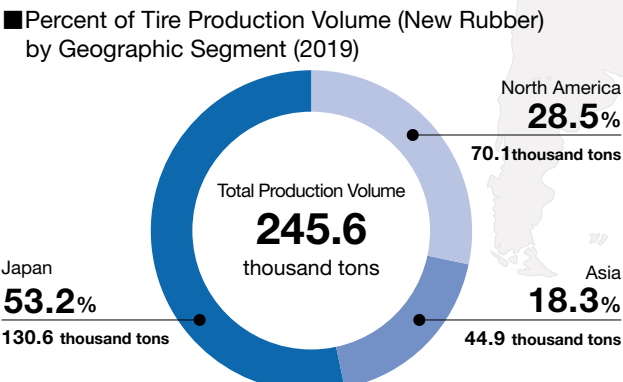
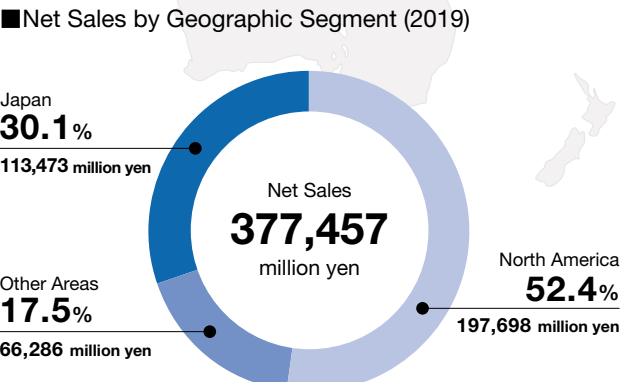
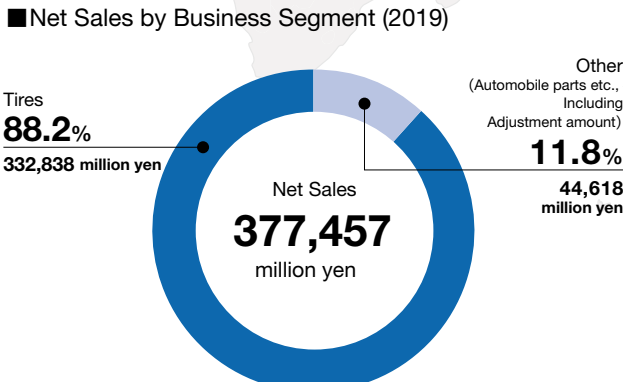
US plant

Phase V Expansion for pick-up trucks/large SUVs
1st step: +1.2 million tires* (Production started in April 2019)
2nd step: +1.2 million tires* (Production start in January 2021)

➔ **Ensure stable brand position in pick-up trucks/SUVs/CUVs category.**

New Global Supply Strategy for 2023

** Please refer to our homepage for “Growth Strategy for Next Corporate Stage” included the new global supply strategy.



Message from the President

TOYO TIRE Proudly Supports a Rich Mobility Society through its Business

With the change of company name to Toyo Tire Corporation in January 2019, we made a fresh start as a business entity centered on mobility. As a member of a business group with “tire” in its name, each and every employee proudly supports the mobility society as they work toward its betterment with a sense of responsibility.

The mobility industry is at a significant inflection point. Seeing an opportunity in this time of change, TOYO TIRE aims to be a company whose presence is genuinely needed by the public and keeps taking on challenges for survival.

Delivering Value of Unique Strengths to Society

About 15 years ago, we opened a new tire production plant in the U.S. With the introduction of our proprietary production method, the plant gave rise to tough and aggressively designed large-diameter tires, a standard which met the expectations of car-enthusiast Americans. It was a case of us locating the latent need in the market and becoming the first to materialize the yet unmet demand. Now TOYO TIRES and NITTO are enjoying high popularity as some of the leading brands of tires for professional-grade SUVs, the prevailing vehicles in North America, to become an integral part of the automobile culture in the U.S.

The Toyo Tire Group may not be among the largest tire manufacturers in scale, but we have opted for a strategy to expand business by “leveraging our unique strengths”

as we tap into our agility and flexibility and fully optimize our resources. Delivering diverse values to society through business management - we believe this is our corporate mission.

Setting the New Growth Strategy as the Backbone of the Mid-term Plan

Now, you may ask, what is TOYO TIRE’s biggest unique strength? I would say it is our “presence in the differentiated area of specialty.”

In the Growth Strategy for the Next Corporate Stage, which was published in August 2019, we declared that our key policy would be to further enhance our existing strengths. In order to expand and increase the supply of our competitive, high-performance large-diameter tires, we will further ramp up capacity at the existing plants that underpin our North America business.

In Europe, on the other hand, with a new tire plant currently under construction in Serbia, we will expedite local production for domestic consumption there and complement supplies to the North American, Middle Eastern, and African markets. We also hope to conduct significant renovations on our tire plants in Japan. Other key projects in the new growth strategy include the establishment of the “R&D Global Tripolar System (for strengthening R&D at the three poles of Japan, North America, and Europe),” which is designed to improve technological development prowess and the enhancement of the overall levels of our sales capability on a global basis.

In FY2020, we began drawing up a new medium-term business plan that will start in 2021, with this growth strategy at its foundation. At the same time, we will work on the creation of a future mobility society by making the most of cutting edge technologies, while providing attractive products globally as we constantly stay ahead of the market.

While working to promote and develop the auto industry and stimulate a rich automobile culture, we will focus on solutions to numerous social issues, including the environment and human rights, by contributing to the establishment of a sound value chain.

Sharing the Same Sustainability Goals in 2019

The UN Sustainability Development Goals (SDGs) have become a globally standard business rule for achieving long-term economic growth. Demonstrating what form of sustainability we wish to realize in the mobile society and seeking solutions to this challenge - We believe this to be a managerial issue of paramount importance.

In March 2019, we announced TOYO TIRE’s SDGs, which we must address to achieve the ideal state of our business in 2030. All 14 goals thus set involve social issues that the Toyo Tire Group intends to confront and find solutions to for the sake of sustainability, including climate change, demographic changes, and technological progress.

As we go about achieving TOYO TIRE’s SDGs, the Toyo Tire Group will make maximum use of its resources. If there is anything that is not available within the Group, we will use our ingenuity and efforts by relying on our unique approach of “turning the weakness of not having everything into a strength” to make up for what is missing by reinforcing partnerships, reducing business risks, or constructively expanding business opportunities.

After the announcement of TOYO TIRE’s SDGs, we have engaged in dialogues with each organization and Group company by taking advantage of every available opportunity. In so doing, we try to spread the understanding of our SDGs within the Group by explaining the background leading to their establishment and the rationale behind the need for us to work on them. We hope that everyone in the Toyo Tire Group will have a better understanding of our ultimate goal of raising our corporate value, while examining how our business can address global issues and requests from our stakeholders.

2020: The Year to Prepare for Actions to Take in the Next Decade

In 2020, we will start preparing a master plan that our management should follow for the remaining decade (2021-2030) to achieve TOYO TIRE’s SDGs in 2030. In order to eliminate the bottlenecks that were identified in the dialogues within the Group last year, we are in the process of developing a new framework for enhancing an awareness-raising campaign and monitoring progress in activities by each organization.

This year, we are supposed to draw up a new medium-term business plan. Given the fact that TOYO TIRE’s SDGs present integrated goals for the Group’s business and sustainability, in

future issues of our CSR Reports and elsewhere we will explain to our stakeholders the management targets of TOYO TIRE’s SDGs during the period of the new medium-term business plan and our unique value creation narratives for realizing them.

Toyo Tire Corporation will celebrate the 75th anniversary of its foundation in August 2020. This could not have been possible without the most generous support from all of our stakeholders, for which I would like to express my heartfelt gratitude.

After the start of this year, the COVID-19 has spread across the world at an alarming rate. Restrictions on the movement of people have divided and slowed down the global economy, which in turn is disrupting the global society. Although there is still no telling what will happen next, we will use the pandemic as a learning experience to make efforts to enhance our staying power for the future, including re-constructing the foundation of supply chains, reinforcing the framework for global cooperation and synergy, and establishing new ways of working.

Everyone at the Toyo Tire Group is determined to overcome this difficulty as they continue to challenge themselves. I hope that you will continue to have high expectations of us. Your kind support in this regard will be much appreciated.

June 2020

STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

To our stakeholders:

I am pleased to confirm that Toyo Tire Corp. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

June 2020

Takashi Shimizu

Representative Director and President, Toyo Tire Corporation



Promote Sustainability (History)

2014

Established Basic Policy

TOYO TIRE seeks to remain a company admired by individuals and society, each member keenly aware of their “Connection” with society.

Identified 7 Priority Themes & Ideal Status in 2020

Priority Themes	Ideal Status in 2020
1. Product and Service Reliability and Innovation	Providing eco-friendly products and services founded on high quality and safety
2. Contribution to the Global Environment	Promoting environmental management on a Group-wide basis
3. Respect for Human Rights and Diversity	Diverse employees actively working in an environment with a global sense of human rights
4. Collaboration with Business Partners	Entire supply chain engaging in CSR activities
5. Harmony with Local Communities	Contributing to local community development while responding to stakeholders' voices
6. Creation of Safe and Healthy Workplaces	With priority given to safety, promoting the creation of workplaces that ensure well-being and security
7. Reinforcement of Corporate Governance and Compliance	Engaging in business activities with integrity while constantly improving management transparency

2014-2017

The accelerating changes of business environment
→ It has become clear the emerging social issues.

2017

Extracted four priority issues for our sustainability

- Responding to climate change
- Responding to human rights and anti-corruption
- Responding to the responsibility for sustainable procurement
- Setting and achievement of TOYO TIRE’s SDGs (Ideal Status in 2030)

2018

Established the WG for promoting sustainability

Executive Committee

Related departments at each site

Related departments of group companies

WG for promoting sustainability

*Responsibility: Vice President of Corporate Headquarters

*Secretariat: Corporate Infrastructure Division

SDGs WG

Environment WG

Human Rights & Labor WG

Supply Chain WG

Cooperation

*Names of some institutions are ones at the end of April 2020

2019

Established New Global Human Rights & Labor Policy
Established New Global Anti-corruption and Anti-bribery policy
Revised of CSR Procurement Guidelines (Included the Sustainable Procurement Policy for Natural rubber)
Set “TOYO TIRE’s SDGs” (to achieve by 2030) *See P9-10
Expressed the support for the Ten Principles of United Nations Global Compact.

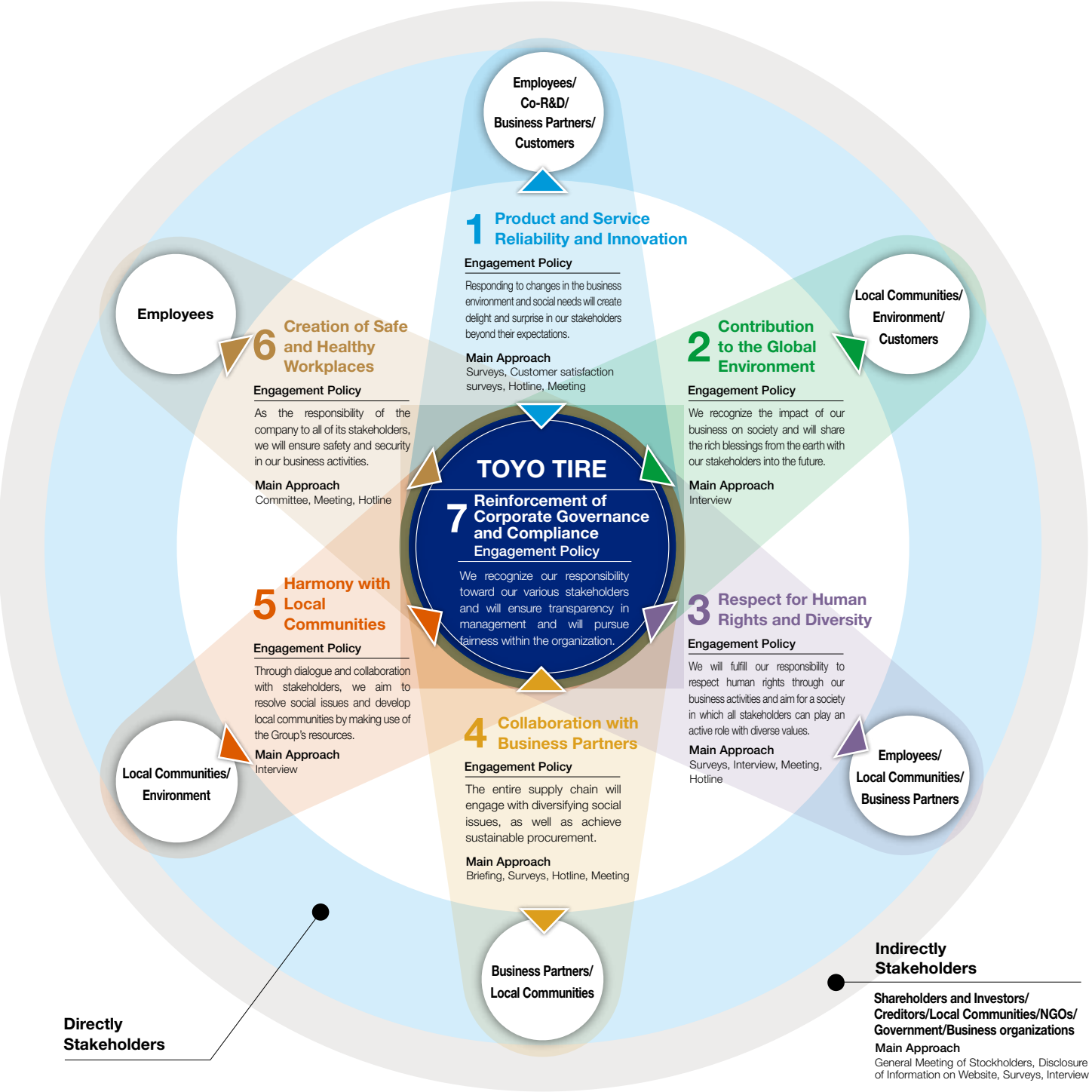
Stakeholder Engagement

TOYO TIRE identifies stakeholders who have a major direct or indirect impact at each stage of the value chain. We consider the impact on the evaluation and decision-making of all stakeholders and examine the priority issues.

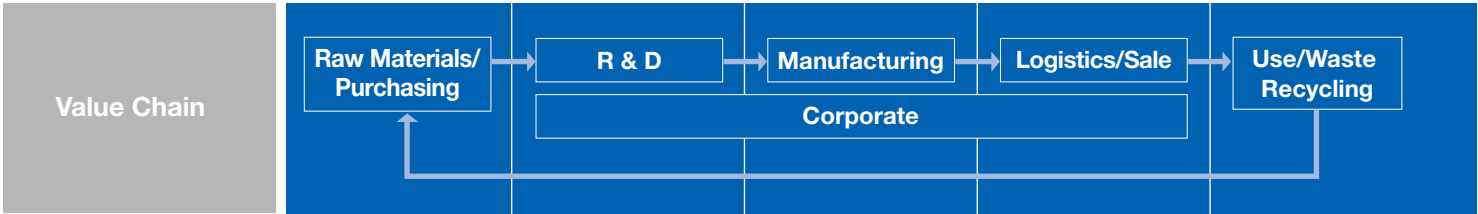
The significance of the Group in society is that we not only solve the issues requested by our stakeholders, but we also create surprise and new discoveries for society and contribute to enriching society.

Through our opportunities for engagement with stakeholders, we strive to be accountable by communicating information accurately and clearly.

And we also check if we are providing business partners and customers with not only products and services, but also the excitement that exceeds their expectations through our various work.



Value Chain & SDGs



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Priority Themes	TOYO TIRE's Opportunities and Risks with Respect to Global Issues					TOYO TIRE's SDGs
1 Product and Service Reliability and Innovation	Raw Materials/ Purchasing: Resource depletion by climate change and increasing demand	R & D: ·Social inclusion ·Advancement of user needs ·Climate risks include transition risks and physical risks			Use: Traffic demand increase	We will contribute to widespread of mobilities that will be enable social participation by using higher functionality technologies. We will contribute to progress of mobilities by focusing on adding of value of products and technologies. We will contribute to the mobility industry efforts that will adapt to climate change and aim to mitigate the influence by climate change by innovations. We will contribute to sustainable resource recycling through optimization of resource utilization and improvement of product durability. We will contribute to realize the safe and secure mobility society through implementing safety awareness and supporting for improving maintenance skills.
2 Contribution to the Global Environment	Raw Materials/ Purchasing: Resource depletion by climate change and increasing demand		Manufacturing/Logistics/Sale: ·Climate transition risks ·Resource depletion by climate change and increasing demand		Waste Recycling: Resource depletion by climate change and increasing demand	We will contribute to improve resource usage efficiency including water and energy through promoting to upgrade of equipment and operation on manufacturing sites. We will contribute to promote the use of renewable energy in the region to increase renewable energy share of energy used at manufacturing sites.
3 Respect for Human Rights and Diversity				Logistics/Sale: Market stabilization, Sustainable growth	Corporate: ·Ensuring stable of talent ·Mainstreaming of SDGs	We will contribute to promote local employment and to develop and stabilize the local economy by strengthening global network. We will contribute to create a society where diverse peoples are able to get equal opportunities and play an active role by providing work environment that employees can continue to challenge with peace of mind. We will contribute to create a society where SDGs become mainstream through developing human resources to support sustainable development of the world.
4 Collaboration with Business Partners	Raw Materials/ Purchasing: Building a sustainable supply chain			Logistics/Sale: Building a sustainable supply chain		We will contribute to create a society where ethical consumption is standardized by building a sustainable supply chain through cooperation with stakeholders.
5 Harmony with Local Communities					Corporate: Market stabilization, Sustainable growth	We will contribute to develop the whole world economy steadily by improving regional education and culture level through deployment of our resources.
6 Creation of Safe and Healthy Workplaces			Manufacturing/Logistics/Sale: Utilization of diverse human resources and technology			We will contribute to create a society where everyone are able to work safety and healthy though "smartness" -development and introduction of technologies that reduce the human load, e.g. AI and IoT.
7 Reinforcement of Corporate Governance and Compliance					Corporate: Responding to the social changes (climate change impacts, etc.)	We will contribute to minimize social impact of extreme weather phenomena derived from climate change by building a robust value chain.
					Value Chain: Business globalization and borderless	

Sustainable Development
of TOYO TIRE and Community

Product and Service Reliability and Innovation

TOYO TIRE's SDGs (Ideal Status in 2030)

We will contribute;

- to widespread of mobilities that will be enable social participation by using higher functionality technologies.
- to progress of mobilities by focusing on adding of value of products and technologies.
- to the mobility industry efforts that will adapt to climate change and aim to mitigate the influence by climate change by innovations.
- to sustainable resource recycling through optimization of resource utilization and improvement of product durability.
- to realize the safe and secure mobility society through implementing safety awareness and supporting for improving maintenance skills.

Priorities

- Ensuring product quality based on thorough customer orientation
- Efforts to alleviate and adapt to climate change
- Development of human resources with technical expertise

Reasons for being Priority Issues (Opportunity & Risk)

In the business environment, TOYO TIRE foresees the following; increased demand or tightening of regulations for products and services that concern climate change; globalization of our business area; diversification of consumers, etc. We necessary to respond to these changes in the business environment. So, we regard our priority issues as the development and supply of products and services that meet the needs of the next-generation mobility society, strengthening of technological and material development to achieve this, improvement of quality, and training of human resources.

Activities in 2019

- Construction of the quality assurance system by IoT
- Raising the awareness of tire safety by a driving simulator
- Intelligent Tire Development Platform - T-MODE

Management Approach

Policies

TOYO TIRE states as its manufacturing principle that we will “strive for the highest level of quality, safety, and societal benefits in our products and services” and we will ascertain changes in market trends and customer needs in an accurate and timely manner, and promote product development through unique ideas and a drive to take on new challenges not influenced by conventional wisdom.

At the research and development stage, we will support a precautionary approach towards environmental issues, and continue to develop products and services that reduce, prevent, and minimize the negative impact on the environment.

As for product quality and safety, we operate a quality management system based on ISO9001 and IATF16949 (the former ISO/TS16949) and have established risk countermeasures through foreseeing and predicting. And all the manufacturing bases of the Toyo Tire Group have been certified to the ISO 9001 family of quality management systems. Furthermore, our fundamental philosophy and action guidelines regarding product safety is clearly defined in the “Toyo Tire Group Product Safety Charter.”

Goals

As a quality improvement Goal, through the product planning and production transfer preparation stages, which include material purchases and logistics, we perform quality risk analysis for each process and are sure to reflect that in each R&D project.

We will work to ascertain the state of their quality with a constant awareness of customer satisfaction by referring customer opinions of our products and services. The collaboration between the Quality Assurance, Production, Sales, Engineering, and other departments, we will work to make improvements in order to provide even higher quality products. We also push forward with efforts to improve current issues from various perspectives through personnel exchanges with all Group companies.

We will improve functionality in all product development activities, which are our goals in resolving global issues through our products and services. We will also promote human resource training.

Responsibilities (April 2020)

R&D

Corporate Officer & Vice President of R&D Headquarters

Production Engineering

Corporate Officer & Vice President of Production Headquarters

Provision of products and services

Corporate Officer & Vice President of Sales Headquarters

Quality Assurance

Senior Corporate Officer & Vice President of Quality Assurance, Environment & Safety Headquarters

Quality Assurance

Improving the Quality of the Development & Productive Proces

While considering it important to achieve greater quality in the upstream business processes for manufacturing, we aim to raise the quality not only of products and services that we introduce to the market but also the development and productive process itself.

For new products that we develop, our Quality Assurance Department checks the design reviews that are performed at every stage, from product planning stage to production planning stage. This is to ensure that quality is designed into our products and production processes.

The new plant building of TOYO TYRE MALAYSIA SDN BHD, which was completed in October 2019, is equipped with a tire production operation system that features TOYO TIRE's cutting-edge technological know-how and Internet of Things (IoT) technology, both of which reduce quality loss costs at production processes.

TOPICS

QC Circle Activities, the Source of Sustainable Growth



For more than 50 years, the Group has undertaken QC circle activities to take the initiative to raise the level of quality management using what we have learned from a frontline perspective. There are now more than 300 circles across all facilities, now spread to sales departments. At all the circles, members bring with them their experiences and knowledge in order to resolve issues as well as working to improve quality by ascertaining current conditions, setting goals, developing activity plans, and analyzing issues.

To share their experiences and achievements with their peers and learn from each other, a Group-wide QC Circle Conference is held annually. In FY2019, six domestic circles and five overseas circles qualified for this global competition and gave presentations on their quality kaizen activities. In the latest conference, some circles went beyond the framework of quality improvement to choose project themes related to the SDGs, such as work style reform and resource conservation, evidence that there is a growing perception among field workers that everyday quality improvement activities are a prerequisite to the sustainability of an enterprise.

TOYO TIRE's Tire Safety Awareness Campaign Chosen for the Nikkan Jidosha Shimbun Car Accessory Award 2019



Toyo Tire Corporation and Toyo Tire Japan Co., Ltd. are engaged in a joint campaign that uses a driving simulator to raise the awareness of tire safety. This unique initiative received the Special Prize of the Car Accessory Award 2019 sponsored by the prestigious trade paper in Japan for the fact that no other companies have tried to help drivers to recognize the importance of tires through a virtual experience.

Wishing to make an extensive contribution to the mobility society, the Toyo Tire Group considers this initiative to educate drivers about the proper use of tires that it manufactures/distributes to be a mission of great importance. Every year, this educational campaign begins on April 8 - Tyre Day in Japan.

In FY2019, we introduced a new simulation system featuring our original software, which provides a realistic experience of a variety of situations that not many drivers would have the chance to encounter in real life: driving on tires with different levels of air pressure to compare handling stability and driving a car that is hydroplaning*. So far, nearly 1,000 persons have tried this system at nine sites across the country, and as many as 96% of them said that they now have a better idea about the safety of tires.

Through these safety campaigns with unique hooks, we will remind as many persons as possible of the importance of maintaining their tires in an attempt to reduce road traffic accidents.

* Hydroplaning: When a vehicle drives on a water-covered road, a layer of water builds between the wheels and the road surface, resulting in a loss of traction that causes the vehicle to slide over the wate

Resolving Global Issues by Our Products

Supporting the Participation of Diverse Individuals in Society

In developed countries such as Japan, several issues exist such as the rapid decline in population, the increase of the aging population, and measures to take for vulnerable road users as a result of natural disasters. Through our products and services, we contribute to the mobility society that supports the participation of diverse individuals in society. For example, The Toyo Tire Group’s truck and bus tires underpin networks of logistics and public transportation around the world. Our tires enjoy a high degree of popularity among our customers and users for their superb durability and fuel efficiency, guaranteeing safe and comfortable transportation for ever-diversifying drivers and passengers alike.

Responding to Increasingly Sophisticated Customer Needs

In addition to changes in the social environment, the values of people involved in mobility and customer needs for the Group is becoming increasingly sophisticated. The Group does not only resolve issues according to the needs of the stakeholders, but we are also working on product development, with the aim to provide new realizations and joy. For example, the neo-futuristic airless concept tire “noair” that we developed is aimed to pursue a maintenance free tire and realize a spare less solution. This neo-futuristic airless concept tire responses to new needs in the mobility society. And the “noair,” in 2017, have reached the industry-leading level of being able to mount the tires on passenger cars and drive at high speeds.

Responding to Climate Change Risks

We are actively engaged in developing technology to respond to the various climate change risks that is expected in the future, such as improving technology for fuel-efficiency and low emissions, and the development of next-generation mobility to replace engine vehicles, etc. For example, TOYO TIRE Corporation has begun joint development of a suspension module (composite components) for electric vehicles (EV) with GLM Co., Ltd. which is the EV manufacturer. We are developing automotive parts to achieve a comfortable ride by automatically controlling the vehicle’s shock absorbers and damping the juddering or vibrations to best suit the road conditions, and we are aiming for commercialization in 2020.

Responding to Resource Depletion due to Climate Change and Increased Demand

It is essential to the sustainable growth of society to resolve the issue of shortages in natural resources caused by climate change and population growth. We are working on reducing the use of raw materials in all value chain; research on next-generation material such as new functional rubber and sustainable raw material; development of material and products with a high-level of wear resistance, etc. For example, using our proprietary technology, “Nano Balance Technology,” we have established a new development process that can maintain a high-level of wear resistance through optimizing resource characteristics while achieving significant fuel efficiency. We have started supplying products using this technology from the spring of 2019, contributing to resource saving by improving product life.

TOPICS

The PROXES Sport SUV Tire Ranked the Highest in a Russian Auto Magazine

Our PROXES Sport SUV premium tire was ranked the highest* in the summer SUV tire test conducted by Russian auto magazine “AutoReview”.

* First place in the 19-inch category, third place in the 17-inch category

AutoReview applies an original program to objectively assess the safety of auto products. The PROXES Sport SUV premium tire received high marks for such features as tough side-cut resistance, in addition to exceptional grip performance on wet surfaces and excellent handling on dry surfaces.



PROXES Sport SUV

TOPICS

Intelligent Tire Development Platform - T-MODE



As the only automotive part in contact with the road, tires play a crucial role in satisfying the various performance requirements for cars. As the mobility society is going through a period of drastic change with the advancement of connected, autonomous, shared, and electric (CASE) technologies, automobile tires are required to innovate continuously.

In order to support the “evolution of mobility,” tires need to offer clear-cut performance and functionality in a timely manner; high-precision and high-speed design hold the key to this requirement.

In response, we have come up with T-MODE, an advanced tire development process, by evolving the simulation technology of the conventional T-mode (a simulation core technology that integrates tire structural analysis with vehicle behavior analysis) and incorporating AI design support technologies.

The sixth-generation high-performance computing (HPC) system quadrupled processing power, thus realizing automatic generation of machine learning data and reinforcement of massive parallel processing technology and multiprocessing capability.

Thanks to the introduction of a brand new SPDM* platform system, T-MODE can send various types of data to unified management as shared assets for designers.

Data from simulations run by designers is stored automatically on a shared server for use in new analysis and prediction, thus increasing the efficiency and performance of design work.

Furthermore, T-MODE uses the database thus created to run machine learning, making it possible to develop higher performing tires in a shorter time. TOYO TIRE will continue to take tires to higher levels by applying our “proprietary design technologies for future road mobility.”

* Simulation Process and Data Management. A platform system that sends various types of data to unified management to share standardized processes

TOYO TIRE has been conducting business for 75 years since its establishment and has constantly made technical innovations, in addition to seizing changes and evolution in society, and has delivered products and services that contribute to resolving social issues to customers in global. We will introduce the innovative technology of TOYO TIRE which always keeps running aiming at the future.

* More information is available at <https://www.toyotires-global.com/rd/>

Supplying the NANOENERGY M638 Bus Tire to SORA, the First Fuel Cell-powered Bus Operated by a Private Business



TOYO TIRE’s bus tire NANOENERGY M638 has been supplied to SORA*, a fuel cell bus introduced for the first time by Keihin Kyuko Bus Co., Ltd. as a private business (in service since March 2019).

Designed specifically for large route buses, M638 has been developed by implementing e-balance core technology for truck and bus tires and Nano Balance Technology, another core technology for material design, to achieve the two often paradoxical elements of wear resistance and fuel efficiency.

Equipped with a large sidewall protector to protect the outer side of tires from being damaged by road curbs, NANOENERGY M638 not only supports safe operation of public transportation systems with its high durability but also reduces the burden of maintenance work by customers. This eco-friendly specialty tire also achieves high fuel efficiency and helps to reduce CO₂ emissions in the mobility society throughout its entire life cycle.

* A commercial-model fuel cell bus developed by Toyota Motor Corporation, this new mode of eco-friendly public transportation uses electric power generated by hydrogen and does not emit CO₂ or other environmentally hazardous substances.



A fuel cell bus “SORA” and NANOENERGY M638

Training Human Resources with Technical Expertise

With an eye toward a future in which the market environment is projected to be dramatically different due to the mobility revolution, TOYO TIRE is focusing its efforts on training professionals who can transform difficulties and crises into opportunities for sustainable growth.

Toyo Tire Corporation aims to train human resources with “problem-solving skills and innovative capabilities” based on thinking oriented toward customer needs as well as “logical thinking and facilitation capabilities,” which are important abilities. This will be done through company-wide, grade-specific training. At each of our technical headquarters, we will conduct training for young employees so that they acquire technical expertise and promote annual human resource training to achieve each organization’s mission.

Our production departments are putting a lot of effort into improving the inspection skills of quality control personnel and developing operators’ competence so that they can deal with multiple tasks.

Examples of Training Human Resources with Technical Expertise (2019)

Toyo Tire Corporation (Japan)

- Education and training for tire technicians who joined the company less than two years previous in order to advance the skills of young employees: about 115 hours/employees

TTHA Group (U.S.)

- Training of employees to enhance their technical capabilities and problem-solving skills: about 18 hours/employees

TOYO TIRE ZHANGJIAGANG CO., LTD (China)

- Tests to enhance their appearance inspection skills for quality control personnel: 4 times a year

TOPICS

Holding of the 9th Company-wide Technology Development Presentation



At Toyo Tire Corporation, technological development that meets customer needs and responds to the opinions of the Production and Sales Departments is conducted while constantly keeping commercialization in mind. In addition, we hold a company-wide technology development presentation as a venue to present the Company’s cutting-edge technology-related efforts and their results to management.

In FY2019, three out of the six entries were commended after being evaluated based on the five criteria of originality, logic, future prospect, speed of development, and presentation.

The 2019 awards

■ Outstanding Technological Development Award

Development of composite components for special applications: The team designed a mixture of materials that achieves both required characteristics and production accuracy.

■ Unique Award

Development of a strip extrusion technique* for special composition rubber:

The team developed an extrusion technique for improving strip rubber’s productivity for a broad range of rubber compounding.

* A technique for supplying strip rubber to form a rubber layer that makes up treads and sidewalls

■ Surprise Award

Development of next-generation, light-weight tires for higher fuel efficiency:

The team developed tires with lighter weight and lower rolling resistance while ensuring handling, comfort, and other performance parameters equivalent to those of conventional tires.

Our Young Researcher Recognized by the Rubber Industry Organization of Japan



Yuki Hasegawa of Toyo Tire Corporation’s Central Research Center received the 12th CERI Young Scientist Incentive Award from the Society of Rubber Science and Technology, Japan.

This prestigious award is given to researchers 45 years of age or younger who have made outstanding contributions to scientific and technological progress in the areas of evaluation and processing of rubber and plastics. Hasegawa successfully developed thermoplastic liquid crystal elastomer materials (polymer materials with rubber-like elasticity) that offer high flexibility and stretching force. Her development was exceptionally well received as it paved the way to improving the processability of elastomer materials for commercial application by optimizing molecular structure design and modifying the molding process.

■ Comments from Hasegawa:

Much is expected from thermoplastic liquid crystal elastomer material as it offers the potential to realize “affinity with humans” and “adjustability to changeable situations,” both of which can be applied to next-generation mobility, as it presents unique properties such as high flexibility and significant stretching force when subject to thermal stimulation. I will do my best to reach new heights in my future research endeavors.



Researcher Hasegawa

Priority Theme 2

Contribution to the Global Environment

TOYO TIRE’s SDGs (Ideal Status in 2030)

We will contribute;

- to improve resource usage efficiency including water and energy through promoting to upgrade of equipment and operation on manufacturing sites.
- to promote the use of renewable energy in the region to increase renewable energy share of energy used at manufacturing sites.

Priorities

- Efforts to alleviate and adapt to climate change
- Efforts to reduce water risk
- Resource recycling efforts

Reasons for being Priority Issues (Opportunity & Risk)

With the impact of climate change becoming more severe, societal demands on mobility are also increasing. TOYO TIRE recognizes that efforts to adapt to and mitigate climate change is the most important issue affecting the growth of the Group in one way or another. Reduction in the emission of greenhouse gases to achieve the “2-degree goal” set in the Paris Agreement, reduction of the water risks that are increasing due to climate change and increased demand, and resource recycling are our responsibility not only to modern society but also to future generations. So, we have positioned these as priority issues to be addressed for the sustainability of the Group.

Activities in 2019

- Revision work of the Toyo Tire Group Global Environmental Charter
- The third-party assurance for the environment date

Management Approach

Policies

In 1990, TOYO TIRE established the Toyo Tire Group Global Environmental Charter, which sets forth a fundamental philosophy and action guidelines for promoting environmentally conscious behaviors and activities. Since then, the Charter has guided our environmental management as one of the fundamental principles of internal controls for the Group. With the establishment of TOYO TIRE’s SDGs in 2019, we are putting together a new policy so that we can move forward to create sustainable value. Over the past three decades, both the quality and quantity of impact that the Toyo Tire Group has had on society have changed significantly. Yet, we will remain committed to fulfilling our corporate social responsibility by offering solutions to climate change and other environmental issues that the world faces today.

And we support international norms; the United Nations Rio Declaration on Environment and Development, Agenda 21 and the Ten Principles of United Nations Global Compact (UNGC), etc.

To fulfill our environmental responsibilities, we quickly establish countermeasures for environmental issues based on a precautionary approach (risk assessments). We respond to organization issues by operating ISO14001-based environmental management system, and disclose the environmental performance of our corporate activities in our CSR report.

Goals

For our activities within Japan, we have formulated the Toyo Tire Group Global Environmental Action Plan, the target year of which is 2020, plan and manage annual activity. And we translate the plans into English and share it for business sites outside Japan.

As for global environmental issues such as climate change, water security, resource cycle, etc., we are moving forward with a review of our medium- and long-term targets.

Responsibilities (April 2020)

Senior Corporate Officer & Vice President of Quality Assurance, Environment & Safety Headquarters

Assurance:

To ensure the veracity and reliability of data that it discloses, the Toyo Tire Group obtained the independent practitioner’s assurance of the FY2019 environmental data.

(As per the procedures of the independent practitioner)

- Scope: The scope of verification is Scope 1 and 2 emissions, energy consumption, water intake and drainage.

- Boundary: 22 sites (1 management, 21 sites of development and manufacture)

* Excluding off-site mobile units

- Period Subject to Report: from 1 January 2019 to 31 December 2019.

- Criteria of Verification: ISO14064-3: 2006 and the SGS verification protocol

- Verification Organization (a third-party): SGS Japan Inc.

Response to Climate Change

Opportunities and Risks posed by Climate Change

We recognize that opportunities and risks posed by climate change are important business issues.

We have established a company-wide working group (WG) and discuss action for climate change issues. The WG brings together the responsible parties in related business organizations and discusses about action plans. The plan is approved by the Executive Committee which the Board of Directors delegates authority to, and the plan is spread to all companies and organizations in the Group.

The WG is considering actions for climate change that we should engage in while referring to the contents of the CDP* Climate Change Questionnaire and Final Report (Recommendations) of TCFD**. Based on the predicted impact of climate change published by IPCC and various research institutes, we are in the process of organizing climate-related long-term opportunities, risks (physical and transition), and financial impact that will occur in continuing corporate operations.

For example, we recognize the impact of climate change as an opportunity, and receives profit from the development and sales of fuel-efficient products. And there are some countermeasures that have launched in response to the risks of the strengthen environmental regulations in each country, such as changing fuel sources, making active use of renewable energy, and improving the energy efficiency of facilities. In future, we will prioritize these opportunities and risks that have been organized, evaluate the business impact using scenarios that are based on scientific evidence, and set long-term targets.

* An international NGO working in environmental fields (climate change, water security and forest). Uses questionnaires to collect information related to companies' CO₂ emissions and initiatives on climate change, etc., evaluate and disclose.

** Task Force on Climate-related Financial Disclosures. Established by the Financial Stability Board (FSB) in 2015 for the purpose of discussing the financial industry's response to climate change issues.

Reduction of Energy Consumption

We are moving forward with efforts to reduce energy consumption through the effective use of energy required for business activities both in and outside the organization. Efforts are also being made to develop new products and technologies that contribute to climate change alleviation and adaption.

TOYO TIRE ZHANGJIAGANG CO., LTD. renovated its plant to reduce power usage at the vulcanization process, which requires the largest amount of energy within the production process. As a result, this subsidiary in China was able to reduce more than 50% of its power usage of said process in FY2019.

Energy consumption within the organization

	2017	2018	2019
Total fuel consumption (1000GJ)	7561.1	7473.0	7346.1
By Region (1000GJ)			
▶Japan	4314.9	4213.8	3991.7
▶US	1654.7	1725.0	1810.0
▶Asia (Excluding Japan)	1591.5	1534.2	1544.4
Type of Source (1000GJ)			
▶Non-Renewable Sources	4798.8	4927.8	5065.8
▶Renewable Sources	216.8	138.3	2.91
▶Purchased Electricity	2222.5	2082.9	1963.3
*Reference: Percentage of renewable energy in purchased electricity	—	—	15.6%
▶Purchased Steam	323.0	324.1	314.2

* Renewable energy sources can include geothermal, wind, solar, hydro, and biomass.
** In 2019, the Sendai plant (Toyo Tire Corporation, Japan) converted the factory's thermal energy source from waste tires to natural gas.

Reductions in energy requirements of products and services (Fuel Efficient Tires)

	2017	2018	2019
Amount of reductions in energy consumption (GJ/km) *Estimated values	164.0	186.7	169.2
*Reference: Production ratio of Fuel Efficient Tires (%)			
▶Tires for Passenger Vehicles (PCR)	25.1	28.6	20.7
▶Tires for Trucks and Buses (TBR)	21.6	25.3	21.0

Energy intensity ratio for the organization

	2017	2018	2019
▶Energy consumption /Sales (GJ/million yen)	18.7	19.0	19.5

Reduction of Greenhouse Gas (GHG) Emissions

Greenhouse gas (GHG) emissions are said to be the main cause of climate change, and we are working to reduce GHG emissions by making effective use of energy through business activities both in and outside the organization and our products. We are promoting fuel conversion and equipment renewal at manufacturing bases as a countermeasure to scope 1 and 2. For example, Ayabe Toyo Rubber Co., Ltd. converted its boiler fuel from heavy oil to LP gas in 2019, which helped them reduce CO₂ emissions significantly.

And we are promoting development of Fuel Efficient Tires as a countermeasure to scope 3, too.

GHG emissions (1000t-CO₂e)

	2017	2018	2019
Direct (Scope 1) GHG emissions	320.9	313.3	296.3*
By Region			
▶Japan	232.5	226.1	204.8
▶US	51.0	53.6	57.8
▶Asia (Excluding Japan)	37.5	33.7	33.8

	2017	2018	2019
Energy indirect (Scope 2) GHG emissions	337.9	313.0	294.6*
By Region			
▶Japan	126.3	99.2	70.4
▶US	86.3	86.7	91.2
▶Asia (Excluding Japan)	125.3	127.2	133.0

* Third-party verified data

CO₂ emissions intensity

	2017	2018	2019
Scope 1+2 /Sales (t-CO ₂ /million yen)	1.63	1.59	1.57

Efforts to Reduce Water Risk

We recognize that access to fresh water is one of Human Rights. So, we are aware that water risks in business activities are our business issue.

The company-wide Working Group (WG) also discusses about the water securities, not only climate change. The WG is examining the water security that we should address with reference to the details of the CDP Water Security Questionnaire.

Using the Aqueduct Water Risk Data disclosed by Aqueduct (World Resources Institute: WRI), the Group has identified water-related impacts on business activities around our production facilities. And we will engage in efforts to reduce water intake and waste water through effective use of the water appropriate for the size of the impact. In this evaluation, it was confirmed that none of our bases/sites operates in areas where there is a high risk of any of the following: water supply fluctuates from season to season, water may run short due to drought, groundwater may run out, or access to drinking water is not ensured there or thereabouts. And

we are examining water utilization plans, improvement of work processes, and the promotion of recycled water usage in bases that operate in communities that have been assessed as being impacted by water either now and in the future.

Interactions with water as a shared resource Identify water-related impacts for our business activities (manufacturing)

Approach:

Accessed the water-related impacts by Aqueduct Water Risk Data (Aqueduct, WRI) at the end of February 2020.

Result:

Around Zhucheng (China), where the Group's production facility is located, has been evaluated the water-related impact as Extremely high because in this area, there is a large demand for water, the yearly and monthly fluctuations in the water supply are significant, and the development status of wastewater treatment infrastructure. Around Chon Buri (Thailand) has been evaluated the water-related impact as high because in this area, there is a large demand for water, the past flooding of surrounding rivers, and the development status of wastewater treatment infrastructure. In addition, the predictions for 2030 has assessed that, if stable economic development continues in the future, the ratio of demand to water supply are expected to increase more than the present demand. In this forecast, the demand will be 1.4 times in Zhucheng (China) and Grad Beograd (Serbia), 1.7 times for the area around Perak (Malaysia).

We checked that no business sites use water taken from wetlands listed in the Ramsar Convention or any other nationally, internationally proclaimed conservation area, high biodiversity area, and importance water resources to local communities and indigenous peoples. As for impacts for which sufficiently accurate information is difficult to obtain for our Group to report on at the current time, we will work to ascertain current conditions giving priority to areas where there is a risk of increased water risk in the future.

* Identify using the following information; Ramsar Sites Information Service, UNESCO-World Heritage Center, Ministry of the Environment (Japan), Agency for Cultural Affairs (Japan)

Reducing Water Withdrawal and Water Discharges

Primarily at its production facilities, our Group uses water withdrawal from ground water, third-party water for its boiler equipment, parts processing facilities, product cooling, cooling towers, welfare facilities, and other facilities. Regarding water withdrawal and water discharges, each production facility is responsible establishing its own goals based on the size of the facility and products they produce. We are also revamping our equipment to reuse water as much as possible in each production process.

* The details of each performance that energy and water usage, significant air emissions (GHG, others), and waste, and the detail of each data (boundary, period, assumptions underlying of data) are available at our website.

TOPICS

TOYO TIRE
(ZHUCHENG) CO., LTD.:
Achieved Full Recycling of
Steam Drain



TOYO TIRE (ZHUCHENG) CO., LTD. is based in the city of Zhucheng, China, where, according to an assessment by international organizations, water risks are high there or thereabouts due to the sheer number of water consumers.

They purchase large quantities of steam for use at their tire production process but are aware of the need to save water. So they began recovering contaminant-free steam drainage (warm water generated as a result of steam cooling down) for recycling in an effort to reduce water intake. As they succeeded in recycling all waste steam, they were able to reduce water intake by more than 10% annually.

Water withdrawal (1000kL)

	2017	2018	2019
Total water withdrawal from all areas	3,891.5	3,719.1	3,737.3*
By Source			
▶ Surface water	18.8	0.00	0.00
▶ Groundwater	2,909.9	2,734.9	2,726.8
▶ Third-party water	962.7	984.2	1,010.5

	2017	2018	2019
Total water withdrawal from areas with water stress	—	—	87.2
By Source			
▶ Surface water	—	—	0.00
▶ Groundwater	—	—	86.1
▶ Third-party water	—	—	1.10

* Third-party verified data
** At present, all water intake is from fresh water (water for which the total dissolved solids are 1,000 mg/L or less)

Water discharge (1000kL)

	2017	2018	2019
Total water discharge to all areas	2,601.8	2,284.3	2,194.8*
By destination			
▶ Surface water	1,816.8	1,542.8	1,525.0
▶ Third-party water	785.0	741.5	669.7

	2017	2018	2019
Total water discharge to areas with water stress	—	—	86.9

* Third-party verified data
** At present, all water intake is from fresh water (water for which the total dissolved solids are 1,000 mg/L or less)

Resource Recycling Efforts

TOYO TIRE considers our mission to contribute to the shift from a society that consumes resources to one that recycles as the social responsibility of a manufacturer that conducts business globally.

We strive to secure a stable and sustainable supply of raw materials indispensable for business growth, such as natural rubber, the main raw material in the procurement stage, in terms of both quality and volume. We are also moving forward with efforts to develop new materials and to improve product design and production processes to make more efficient use of materials.

The Toyo Tire Group is making constant efforts to increase material usage efficiency. Toyo Soflan Co., Ltd., for example, reuses 100%* of defective units and discards (cut pieces from the molding process) from its resin product manufacturing process by feeding them back to the process.

* Excluding products using special materials

TOYO AUTOMOTIVE PARTS (USA), INC., on the other hand, is expanding the scope of items for reuse that would be otherwise disposed of. In FY2019, they designated 16 items for reuse. They also chose the Resource Conservation and Recovery Act (RCRA) of the U.S. as a topic for environmental learning, a segment covered in their weekly meetings, in order to raise the environmental awareness of their employees.

As for when products are used, efforts are being made to extend the service lives of products, which includes manufacturing products with outstanding durability and producing reused tires (retreaded tires) from used tires.

The information that the management and treatment of specific chemical substances is available at our website.

Total Production Shipments of Recycled (Retreaded) Tires
*TOYO Brand

	2017	2018	2019
Production output (1,000 units/year)	124.9	131.0	130.0

Water with a High Level of Sodium Hypochlorite Discharged from Toyo Tire Corporation's Sendai Plant

On October 2, 2019, it was confirmed that water discharge from our Sendai Plant caused a temporary rise in the chlorine concentration of the Gokenbori River that runs by it.

To prevent a recurrence, we re-trained the plant's employees on the risks associated with substances subject to the Water Pollution Prevention Act and how to respond to abnormalities, and we reminded them of the emergency contact tree that is in place for when an abnormality is detected. Furthermore, they installed a chlorine concentration continuous measurement meter to launch a system that automatically suspends discharging of water outside of the plant when an abnormality occurs.

We offer our sincere apology to the host community, residents, and relevant administrative bodies for the enormous concerns and inconvenience that this may have caused.

Recycling*The details of each performance that energy and water usage, significant air emissions (GHG, others), and waste, and the detail of each data (boundary, period, assumptions underlying of data) are available at our website.

Respect for Human Rights and Diversity

TOYO TIRE's SDGs
(Ideal Status in 2030)

- We will contribute;
- to create a society where diverse peoples are able to get equal opportunities and play an active role by providing work environment that employees can continue to challenge with peace of mind.
 - to create a society where SDGs become mainstream through developing human resources to support sustainable development of the world.
 - to promote local employment and to develop and stabilize the local economy by strengthening global network.

Priorities

- Fulfilling responsibility to respect human rights
- Review labor standards taking into consideration customary international law

Reasons for being Priority Issues (Opportunity & Risk)

For TOYO TIRE to grow as a global company in the future, we believe it is important to understand the diversification of our stakeholders. And we must respond in good faith to diversifying needs while having the consideration and appreciation for people and society. To create this environment, it is important to build an organization that can make the most of the personalities and values of people from various backgrounds and enable them to demonstrate their capabilities. So, we support and respect international norms, reduces the risk of business activities negatively impacting human rights, as well as positions opportunities to support and promote the benefits of human rights as issues that should be addressed with priority.

Activities in 2019

- President sends a message on Human Rights Day
- Promoting Work Style Reform
- Launching the Digital Innovation Division

Management Approach

Policies

We respect international norms related to human rights and labor, such as the Universal Declaration of Human Rights, the ILO Declaration and the Ten Principles of United Nations Global Compact (UNGC). In addition, we set “Global Human Rights and Labor Policy” and actively contribute to the promotion and spread of human rights to the extent that they impact the Group’s business activities in order to fulfill our responsibility to respect human rights.

In particular, for the work environment, we provide safe and healthy work conditions, thoroughly prohibit not only discrimination in HR practices but also the direct and indirect use of forced and child labor. We show our attitude towards the responsibility for respecting human right in procurement activities as “CSR Procurement Guidelines.” And we also support and promote the enjoyment of human rights in collaboration with business partners so that the Group does not take part in human rights violations.

We have positioned the promotion of diversity as an important human resources policy, and we are moving forward with efforts to reinforce systems to train diverse human resources and for them to fully demonstrate their capabilities.

The Toyo Tire Group Charter of Corporate Behavior was compiled as corporate action principles applied uniformly across the Group in order to faithfully conduct business activities. The charter addresses the undertaking of business in a manner that respects human rights and the culture and customs of each region as well as valuing diversity among all people in the workplace.

*More information about the new policy is available at https://www.toyotires-global.com/csr/pdf/human_rights_en.pdf (Please refer to Priority Theme 4 for the CSR Procurement Guidelines, and to Priority Theme 7 for the Charter of Corporate Behavior).

Goals

We respect human rights in the workplace and work to eliminate all forms of discrimination and to promote diversity.

Responsibilities (April 2020)

Corporate Officer & Vice President of Corporate Headquarters

Fulfilling the Responsibility to Respect Human Rights

At TOYO TIRE, there are increasing opportunities to communicate with diverse stakeholders, both internally and externally. So, we have established the “Global Human Rights & Labor Policy,” and we are committed to corporate management that respects the human rights of all people involved in the business.

We consider the respecting of human rights a business issue that should be addressed with priority. We have established the company-wide working group (WG) and discuss action for the respecting of human rights. The WG brings together the responsible parties in related business organizations and discusses about action plans. The plan is approved by the Executive Committee which the Board of Directors delegates authority to, and the plan is spread to all companies and organizations in the Group.

In FY2019, a report was received by the grievance control system run by the Toyo Tire Group about a human rights concern (harassment). We make it a rule to investigate every fact about such cases to take corrective measures if it is an active problem and preventive measures if it is a latent problem. Many of the harassment cases occur because of a lack of understanding and awareness of the act of harassment by the perpetrator. As this is the case, when an incident is reported, we organize a training session at the base/site in question and, if deemed necessary, other relevant bases/sites to prevent a recurrence. The Toyo Tire Group will remain committed to the prevention or mitigation of negative impacts on human rights within the organization.

As for the impact that we have on parties outside the group organization for which sufficiently accurate information is difficult to obtain for our Group to report on at the current time, we will work to ascertain current conditions, which includes conducting research in the future on areas with high human rights risks.

Global Human Rights & Labor Policy

TOYO TIRE established “Global Human Rights & Labor Policy” and commenced operations.

We respect the human rights of every person involved in our business activities, both in the workplace and the business communities we operate in. Our goal is to contribute to the creation of an inclusive society* by responding to globalization and diversification of stakeholders.

We recognize the possibility of causing, promoting or act in a manner that will have a negative impact for human rights. We will take reasonable steps to avoid these outcomes.

In line with this policy, in FY2019, we conducted interviews at all affiliates to ask about their diversity and work environment. The interviews did not reveal any concerns over human rights and labor at their workplaces, but we are currently preparing for due diligence.

* An inclusive society: the process of improving the terms on which individuals and groups take part in society —improving the ability, opportunity, and dignity of those disadvantaged on the basis of their identity.

mid-career recruiting, but also disabled persons and the reemployment of retired employees.

From FY 2018, Toyo Tire Corporation no longer publishes recruitment ratios on gender or nationality when hiring new graduates. Instead, we have changed to a policy that evaluates and hires human resources evenly.

To ensure diversity and equal opportunity at workplaces, we are developing various personnel systems to empower all employees, while at the same time conducting career interviews with each and every employee, drawing up a human resources development plan, and organizing an awareness-raising training session.

A good example of how diversity can be promoted can be found at Toyo Tire Japan Co., Ltd. In 2016, they established a human resources empowerment committee, whose main goals were career advancement and empowerment of female employees. Because it is of equal importance to have supervisors and male employees actively participate in the initiative and raise their awareness, the committee involves all employees in its activities. Meanwhile, more women are holding managerial positions, thanks to aggressive efforts to review job descriptions, job responsibilities, and authorities of female employees to assist their career advancement.

We consider the establishing of constructive dialogues between companies and labor representatives is a way to share information on workplace issues which will lead to solutions to these issues.

* More information about the current situation of labor management relations is available at our website.

Improvement of Education and Training Programs

We consider our people to be our most important resource to support continued business growth and we are aware of the importance of developing these human resources. In this changing labor environment, we have expanded our education and training, the goals of which are for employees to acquire the skills needed to achieve business management targets.

For example, Toyo Tire Corporation divides its training programs into three categories: “Grade-Specific Training”, “Selective Training”, and “Independent Training”. We created training programs to meet the objectives of these three categories and employees’ grade levels and years of service.

TOPICS

President Sends a Message on Human Rights Day



In January 2019, TOYO TIRE published the Global Human Rights & Labor Policy and in March expressed its support for the Ten Principles of the United Nations Global Compact (UNGC), declaring its commitment to fulfill the responsibility to respect human rights as a global business entity. Then on Human Rights Day on December 10, Takashi Shimizu, TOYO TIRE’s President & CEO, sent out a message to all employees of the Group emphasizing the importance of respecting diversity within the organization. The message was translated from Japanese to Portuguese, English, and Chinese, and was shared with all the bases/sites within the Group via e-mail or on bulletin boards.

Fully aware of the value created by respecting human rights, the Toyo Tire Group tries to provide a work environment where all employees can continually challenge themselves without worries.

Diversity of Human Resources

Employment Situation

TOYO TIRE is committed to ensuring fair employment practices and treatment of employees across our organization. We are also striving to create workplaces where diverse individuals can fully demonstrate their capabilities, regardless of nationality or gender.

In terms of recruiting, we endeavor to secure necessary human resources through various methods - not only new graduate and

New employee hires (Toyo Tire Corp.) *Full-time employee including mid-career hiring

Total: 167
Age groups
• Under 30 years old: 68.9%
• 30-50 years old: 28.1%
• Over 50 years old: 3.0%
Gender*: Male 85.6% / Female 14.5%

Diversity of employees (Toyo Tire Corp.) *Full-time employee

Total: 3,595 (+1.8% from the previous year)
Age groups
• Under 30 years old: 22.4%
• 30-50 years old: 61.3%
• Over 50 years old: 16.2%
Gender*: Male 93.4% (+2 pt from the previous year) / Female 6.6% (+4 pt from the previous year)

People with disabilities: 16
Foreigner:** 21
Total number of managers: 819
Male-female ratio of managers:
Male 95.2% (±0 pt from the previous year) / Female 4.8% (+5 pt from the previous year)
Percentage of Foreign managers:** 0.6% (±0 pt from the previous year)

* Gender-specific data: Refers to data for each biological sex. We do not have quantitative data specific to individual social sexes due to the difficulty in determining them. Our goal is to provide a workplace environment where all the employees are given equal opportunities.

** Data on foreign nationals: Refers to data on foreign nationals as defined in the Nationality Act of Japan

TOPICS

Showa Estate Co.,Ltd.: Promoting Employment of Persons with Disabilities



Showa Estate Co., Ltd. is a special subsidiary company of Toyo Tire Corporation. Under the slogan of “Involve diverse people and grow together!” , they are aggressively hiring persons with disabilities, which is one of the corporate missions of the Toyo Tire Group. In collaboration with other Group companies in Japan, they are focusing on the creation of a safe and secure workplace environment and the expansion of the range of their work. Thanks to their dedications, many persons with disabilities are playing an active role at those companies.

To ensure that employees with disabilities can continue to work in the Group, they assist those in leadership positions to qualify as a work adjustment supporter (job coach). Furthermore, they organize periodic in-house training sessions, such as lectures on interpersonal support skills by guest speakers from welfare universities and business manner workshops for persons with disabilities, to help them increase their employability.

By including diverse people in society through the employment of persons with disabilities, we aim to be a company that is indispensable to local communities.

Promoting Work Style Reform



For each and every employee to fulfill their expected roles as they respond to changes in the operating environment, Toyo Tire Corporation is working on work style reform with the aim of allowing its employees to design and optimize their personal work style.

In FY2019, we promoted the diversification of work styles by, for example, expanding the scope of teleworking and having a model

department and others participate in Telework Days in response to requests from the government, while at the same time implementing measures to increase work efficiency by updating the workflow and visualizing job responsibilities of each employee. Based on the outcome from FY2019, we aim to further improve the work-life balance on a company-wide basis by increasing the depth and expanse of activities in this regard.

Launching the Digital Innovation Division



Toyo Tire Corporation has engaged in extensive discussions on strategies and directions of its move to digitalize operations across the board as part of its response to constant evolution in the business environment. With the environmental changes in the auto industry in mind, we have examined the values that digitalization can bring to the Group to map out five digital strategies (see below).

Accordingly, in February 2020 we established the Digital Innovation Division with a view toward promoting the reorganization of our business across the board, creating a strategic business management structure, and deploying business strategies with a focus on next-generation mobility by introducing and leveraging digital technologies. Going forward, this new division will take the lead in accelerating further digitalization of the Group, thereby establishing a start-to-end process that reaches customers and enhances mobility in management.

<The five digital strategies>

1. Original product planning based on field data
2. Data-driven provision of customer experience
3. Utilization of big data and a cyber-physical system (CPS) for lower costs
4. Sales/supply system that anticipates demand
5. Data-driven development of a management foundation

Collaboration with Business Partners

TOYO TIRE's SDGs (Ideal Status in 2030)

We will contribute to create a society where ethical consumption is standardized by building a sustainable supply chain through cooperation with stakeholders.

Priorities

- Supply chain management (Society and Environment)

Reasons for being Priority Issues (Opportunity & Risk)

It is essential to TOYO TIRE's sustainable growth that we understand the impact of its activities on the supply chain and engage in resolving social issues faced by the supply chain, as a global company. In addition, we believe that it is only through a sound supply chain that we can deliver safer, more secure products and services to consumers. To this end, we position contributing to sharing the Group's thoughts on sustainable procurement with business partners and solving global social problems throughout the supply chain as issues that should be addressed with priority.

Activities in 2019

- Public awareness of the Revised CSR Procurement Guidelines



Briefing on the Revised CSR Procurement Guidelines

Management Approach

Policies

We formulated the Toyo Tire Group's Basic Purchasing Policies in order to comply with laws and regulations related to free competition and fair transactions in every country and region as well as pursuing appropriate quality and price through fair transactions.

"TOYO TIRE Group CSR Procurement Guidelines" were also established. We will promote sustainable purchasing in collaboration with business partners, the goal of which is to reduce, prevent, and minimize the negative impact that business activities have or could have on the environment or society and simultaneously raise corporate value and competitiveness. We will also secure stable supplies.

* More information about the new policy is available at https://www.toyotires-global.com/csr/pdf/procurement_en.pdf

Goals

We share our sustainable purchasing policy with all business partners and efforts are made to ascertain conditions throughout the supply chain and conduct fair transactions.

Responsibilities (April 2020)

Corporate Officer & Vice President of Business Headquarters

Partnership with Business Partners

Promoting Sustainable Procurement

Creating a supply chain that supports sustainable procurement is indispensable for continuing to ensure a stable supply of raw materials with the quality and volume to support the growth of TOYO TIRE. Sustainable procurement means that we work toward resolving social issues throughout the entire supply chain, from production to consumption, and aims for sustainability in society.

Because this is an urgent high priority issue for the Group, we have established a company-wide working group (WG) and discuss action plans, which include orientation, goals, and targets. The WG brings together the responsible parties in related business organizations, the discussed action plan is approved by the Executive Committee (chairperson: President), which the Board of Directors delegates authority to, and the plan is spread to all companies and organizations in the Group.

CSR Procurement Guidelines

To work toward resolving social issues throughout the entire supply chain, from production to consumption, we have established the "TOYO TIRE Group CSR Procurement Guidelines."

The contents of the guidelines are periodically revised based on the demands of society and changes in the business environment. In the 2019 revisions, we added a policy concerning the sustainable

procurement of raw materials (especially natural rubber).

Following the revision in the Guidelines, in FY2019 we invited 60 business partners in Japan to a briefing session. We also shared the content of the Purchasing Policy (on sustainable purchasing of natural rubber, in particular) individually with the Group's key natural rubber suppliers to help them to internalize the Policy.

International collaboration on the sustainable procurement of natural rubber

In the future, being able to procure a stable supply of natural rubber is a particularly important management issue for the Group, which uses natural rubber as the main raw material for manufacturing. Meanwhile, the natural rubber industry faces social issues, such as deforestation at production sites and infringement of the rights of local residents, and there is a worldwide movement to achieve sustainable procurement of natural rubber by resolving these issues.

Since 2016, we have endorsed the aims of the "Sustainable Natural Rubber Initiatives (SNR-i) *" proposed by the International Rubber Study Group (IRSG), and we have promoted CSR procurement while gaining the understanding of our business partners. In addition, we also participated in the "Global Platform for Sustainable Natural Rubber (GPSNR)**," a new framework launched in 2018 by the Tire Industry Project (TIP), a project of the World Business Council for Sustainable Development (WBCSD). The Sustainable Natural Rubber Procurement Policy, which has been added to version 3 of the Toyo Tire Group CSR Procurement Guidelines, respects the Sustainable Natural Rubber Principles by the Global Platform for Sustainable Natural Rubber (GPSNR).

In FY2019, we sent the new guidelines to all primary supplies of natural rubber (natural rubber processing services) that we work with to solicit their understanding of our new procurement policy and their cooperation with sustainable procurement. We also visited some of our largest natural rubber suppliers at their sites to compare notes on how we can build a sustainable natural rubber supply chain. The suppliers we visited this time account for approximately 80% of our total purchase of natural rubber (by volume).

Through international initiative or our own value chain, we will work closely with our stakeholders to create a sustainable natural rubber supply chain.

* Initiatives with the aim to support the improvement of productivity, enhancing quality, support forest sustainability, water management, and to demonstrate the highest respect for human and labor rights across the natural rubber supply chain.

** A platform that aims for production and use of natural rubber around the world to be conducted in a method that considers the natural environment and social issues, going beyond the norms of the industry.



Global Platform for Sustainable Natural Rubber

Response to the Conflict Minerals Issues

Conflict minerals refer to tin, tantalum, tungsten, and gold which are produced in conflict areas such as Central Africa. In Europe and North America, the law requires that the supply chain of minerals be subject to due diligence and other procedures since purchasing them could finance the local armed forces that propagate conflicts and violations of human rights.

We conduct thorough investigations by tracing all the way back along the supply chain to refining companies to determine whether the materials or products supplied to us contain conflict minerals from the relevant countries, in cooperation with our customers and suppliers.

Promotion of Fair and Transparent Transactions

With the Toyo Tire Group Code of Conduct as our action guidelines, we formulate our own codes of conduct to reflect differences in laws, regulations, and customs of each country and regions, and strive to spread and promote compliance.

For example, in FY 2018, the Procurement Division collaborated with the Legal Dept. and the Compliance Dept. to create a checklist. We use this checklist to confirm whether the Subcontract Law applies to each transaction and to check for omissions in the information recorded in the documents that must be created and stored under the Subcontract Law. We conducted a self-assessment of the compliance status with the Subcontract Law and analyzed these assessment results and are implementing corrective and preventative actions as necessary. Furthermore, we conduct on-going study groups, promote the sharing of information within the group, and ensure that Subcontract Law compliance managers improve their knowledge and have a unified understanding of the law.

TOPICS

Briefing on the Revised CSR Procurement Guidelines



Toyo Tire Corporation invited 60 suppliers in Japan with whom it does regular business to a briefing session on the latest version of the Toyo Tire Group CSR Procurement Guidelines, which were revised in January 2019.

On this occasion, the participating suppliers were updated on the business environment that the Toyo Tire Group now finds itself in and the impact that its business activities have on the

environment and society, as well as sustainable procurement activities at which the Group aims. Within a limited time, we were able to show the suppliers that the development of a sustainable supply chain is one of the key programs of the Group's endeavor to promote sustainability.

Going forward, the Toyo Tire Group will provide as many opportunities as possible to communicate with global suppliers so that we can work together to realize sustainability in the mobility industry.

Harmony with Local Communities

TOYO TIRE's SDGs (Ideal Status in 2030)

We will contribute to develop the whole world economy steadily by improving regional education and culture level through deployment of our resources.

Priorities

- Engagement with local communities
- Preserving biodiversity

Reasons for being Priority Issues (Opportunity & Risk)

To become a company that is needed by society in the future, TOYO TIRE believes that it is important to aim at being a company that can share joy with everyone (stakeholders) who is involved in our business activities. It is our opinion that overcoming environmental problems, securing human resources, and the stable growth of local economies are vital to our continued growth in the future. To achieve this, we place importance on opportunities for dialogue with stakeholders, and position the resolution of issues in the local community and social issues through collaboration and contribution to the enrichment of society as issues that should be addressed with priority.

Activities in 2019

- Deepening communication with stakeholders
- Promotion of the support for raising next-generation children



Vocational talk about the tire

Management Approach

Policies

We will create common values with local communities by contributing to environmental protection to the extent that our business activities impact the environment, supporting raising next-generation children, and the growth of local communities by the Group's resources and collaboration with stakeholders based on various forms of communication.

At production facilities that are expected to have a particularly significant impact on the environment as the scale of our business grows, we will make use of a precautionary approach to respond to the risk that our impact on biodiversity in surrounding areas will increase.

Goals

We will resolve social issues through collaboration with stakeholders and aim to create common values.

Responsibilities (April 2020)

Corporate Officer & Vice President of Corporate Headquarters

Engagement with Local Communities

We understand that our business activities have a direct impact on local economies, environments, and societies, and earnestly listen to the evaluations and expectations of society. We emphasize communication with local communities at all our business sites, strive to properly understand the needs of stakeholders, and reflect that in our business.

To express appreciation to their host community and publicize their business activities to the neighborhood, the Sendai Plant organizes a community fureai interaction fair. Every year, this annual event attracts 1,700 visitors, including local residents and family members of the Sendai Plant's employees. At the last fair, we set up a booth featuring a driving simulator that runs on our original programming. Visitors were given experiences of driving with worn or poorly-pressurized tires to learn about how tires can assure safety. This time again, the popular plant tour proved to be an excellent opportunity to foster mutual communication, and successfully impressed the visitors with the dedication and pride that we put into manufacturing of tires.



A booth featuring a driving simulator

Environmental Protection Efforts

We understand that our business activities have the greatest direct impact on the environment of the areas around our production facilities. We build trust in those activities by maintaining a dialogue with and providing information to stakeholders in areas around production facilities, and strive to reduce the minus impact. And we promote efforts to protect biodiversity in local communities as something that not only generates direct benefits for local life but also leads to sustainable growth.

For example, the Kuwana Plant works with the NPO Mori-no Kaze to undertake "TOYO TIRES Midori-no Tsunagari Mie" activities, through which we are transforming a local abandoned thicket into a healthy forest. In FY2019, the fifth year of this project, they observed a ceremony to celebrate the opening of a walking trail by inviting people from the local community.

Toyo Tire Corporation is an active participant in Operation Clean the Ina River, which aims to preserve the limpid stream and protect and nurture wild habitats. With the understanding that protection of the natural environment leads to the sustainable development of a community, a total of some twenty persons, including our employees from our Headquarters and their family members, volunteered as community members. The friendly ties with the community members were further strengthened at an insect observation event held afterwards for those who were interested.



A ceremony to celebrate the opening of a walking trail

Support for Development of Local Communities

As one of our responsibilities as a member of local communities, TOYO TIRE provides support for efforts to revive local economies and rebuild disaster-stricken communities.

The TOYO TIRE HOLDINGS OF AMERICAS INC. (TTHA Group) organizes a "Holiday Toy Drive" for the holiday season. Following the huge success of last year's Drive, they invited their employees to donate toys and delivered them to children who were undergoing treatment at a local children's hospital.

Support for reconstruction in the disaster-hit areas (FY 2019)

- Contributions for the disaster recovery and reconstruction of "Sennen-Kibo-no-Oka" (Iwanuma City, Miyagi, Japan)
- Donations to support the typhoon No. 19 disaster area in the first year of Reiwa (the Japanese Red Cross Society)
- Donations to support the hurricane "Dorian" disaster area at September 2019
- Donations to support the Australian bushfire at September 2019

Support for Raising Next-Generation Children

We consider the sound upbringing of children, society's next generation, as a social issue that must be addressed for the continued development of local communities, and we provide donation to support the raising of next-generation children.

Since 2013, TOYO TYRE MALAYSIA SND BHD has sponsored a scholarship program for schoolchildren and students who are highly motivated academically but may not have access to a satisfactory learning environment due to economic reasons.

Since the beginning of the program, they offered a scholarship to 26 undergraduate students at local universities (four of them earned a bachelor's degree) and financial assistance to 210 elementary school students in Kamunting and Taiping in the form of the Undergraduate Scholarship Program and the Student Education Assistance Program, respectively.

The recipients were chosen through interviews conducted at their homes by our employees. A total of US\$249,000 has been used, mainly to pay for their books, transportation to their schools, and their living expenses.



Students who have received scholarships (TOYO TYRE MALAYSIA SDN BHD)

TOPICS

Volunteering to Speak for Children of the Next Generation



It is our belief that the development of human resources who will underpin the sustainable prosperity of the auto industry is crucial to ensure business continuity and societal enrichment through mobility. It is out of this belief that we began supporting "Jonetsu Kyoshitsu (Class of Passion)," which is sponsored by the Kansai Career Education Support Council*, in 2013 by using the Toyo Tire Group's resources to organize career talks to enhance students' interest in manufacturing and help them to develop a career view from early in their life.

In FY2019, at the request of three schools, we gave classes for a total of 94 students, including fifth-graders, eighth-graders, and international students studying in Japan. Volunteer lecturers are selected randomly from a variety of departments to meet varying expectations from different schools. Also, teaching materials are prepared in a way that the students' needs are carefully catered to.

* An industry-labor organization in Kansai that supports career education at elementary, junior high, and high schools

Creating Safe and Healthy Workplaces

TOYO TIRE's SDGs (Ideal Status in 2030)

We will contribute to create a society where everyone is able to work safely and healthily through "smartness" -development and introduction of technologies that reduce the human load, e.g. AI and IoT.

Priorities

- Global-level worker safety and health management

Reasons for being Priority Issues (Opportunity & Risk)

TOYO TIRE believes that it is our obligation to all their stakeholders that we are thorough in prioritizing safety in all business activities. The globalization and diversity are progressing for our employees within the company. And preventing industrial accidents and promoting the health of workers, creating a comfortable work environment, and continuing to manage and improving them, does not only reduce economic damage and loss of life, but also lead to improvements in performance and corporate value, such as better productivity and quality. Thus, we have positioned these as issues that should be addressed with priority.

Activities in 2019

- Natural Disaster Simulation Drills

Management Approach

Policies

At TOYO TIRE, labor and management work together to operate an occupational health and safety management system based on OSHMS Guidelines (Guidelines on Occupational Safety and Health Management System, Ministry of Health, Labour and Welfare) and promote safety and health throughout the company. These efforts consist primarily of conducting risk assessments and implementing necessary measures based on their results under the leadership of top management.

The Company-wide Safety and Health Meeting, a joint labor-management committee, makes decisions regarding annual policies, targets, and plans related to occupational health and safety, which are then approved by the Safety and Environment Committee and implemented. Furthermore, the Meeting evaluates progress in implementing plans and makes improvements.

Goals

The frequency of accidents, lost-time accident rate, number of fires, and several other indicators are used to ascertain the state of occupational health and safety in the workplace, and efforts are made to improve conditions at workplaces.

Responsibilities (April 2020)

Senior Corporate Officer & Vice President of Quality Assurance, Environment & Safety Headquarters

Creating Safe Workplaces

We are working to create safe workplaces from the three perspectives of "equipment," "personnel," and "management system development" at all business sites.

With regard to physical aspects, by conducting a risk assessment on the hazards, we promote the elimination of hazards based on safety standards for equipment and safety measures such as an enclosure or interlock. From human aspects, we strive to bring to light the "residual risks" that remain after countermeasures are implemented for hardware, and we are thoroughly enhancing risk management by indicating high residual risks, implementing work standards, and through small-group-based (independent improvement activities led by a small group) risk prediction activities, etc.

As for creating a management mechanism, we are expanding the safety management system (OSHMS/GSC/OHSAS18001).

We have compiled the Industrial Accident Response Manual so that we can mitigate risks to the company and employees, protect employees' safety and the company's credibility, and minimize the occurrence of such accidents by taking prompt action when a labor-related accident occurs. Stipulated clearly in this manual are concrete steps to follow when an industrial accident occurs, a necessary risk management system against industrial accidents, procedures in ordinary times, the code of conduct for employees, and procedures in the times of emergency.

At manufacturing bases, where diverse people work, we make announcements in multiple languages and use illustrations and color-coded warning signs, so that all the employees can work safely.

As a result of all these efforts, in FY2019, our total incidence rate of occupational accidents in Japan decreased by 29% from the previous year.

FY2019 Safety Performance By Region

- The lost-time accident rate (Manufacturing base)

*Number of lost-time accidents per million hours worked in total

Japan: 0.16 **Others: 1.82**
(0.60 in FY2018) (1.81 in FY2018)

Creating Disaster Resistant Workplaces

We have enhanced our efforts related to fire prevention management, and strengthened our disaster prevention and mitigation efforts taking into consideration our experience with major disasters such as the Great East Japan Earthquake.

TOPICS

Natural Disaster Simulation Drills



In the face of increasingly severe damage from natural disasters, TOYO TIRE has compiled the Natural Disaster Response Manual to prepare for such events. In accordance with the Manual revised in March 2019, Toyo Tire Corporation conducted a real-time simulation drill that assumed emergency responses at times of large-scale natural disasters.

More than 60 persons from different organizations who participated in the drill joined together in the Emergency Countermeasures Headquarters to check the initial response levels of the business continuity planning and identify issues after the occurrence of a disaster. The Risk Management Committee holds the responsibility to address the planning and organizational improvements that were made clear in the drill.



Natural Disaster Simulation Drills

TOYO TYRE MALAYSIA SDH BTD: Received the Safety Award from the Malaysian Government



TOYO TYRE MALAYSIA SDN BHD participates in the Systematic Occupational Health Enhancement Level Programme (SoHELP) by Malaysia's Department of Occupational Safety and Health. SoHELP aims to reduce issues related to occupational safety and health and ensure compliance with related regulations. A total of 270 multinational companies participate in this programme across the country.

Member companies of this programme follow a series of steps for occupational safety and health management, that is, planning -> risk assessment -> correction -> auditing by management -> training -> auditing by the government. Our Malaysian subsidiary worked on visualizing issues identified as a result of risk assessment at workplaces and organized training programs for its employees accordingly. With their activities winning appraisal from the government, they were chosen to be one of the ten recipients of the Best Overall Workplaces SoHELP Implementation 2018.

Through this programme, they will continue developing a safe workplace culture that focuses on preventive maintenance.



Awarded "CHAMPION"

*The detail of each data (boundary, period, assumptions underlying of data) are available at our website.

Reinforcement of Corporate Governance and Compliance

TOYO TIRE’s SDGs (Ideal Status in 2030)

We will contribute to minimize social impact of extreme weather phenomena derived from climate change by building a robust value chain.

Priorities

- Reinforcing corporate governance
- Further spreading awareness of placing greatest priority on compliance

Reasons for being Priority Issues (Opportunity & Risk)

We are living in a time when the future outlook is increasingly uncertain, what with climate change, the changing demographic structure, and infectious diseases that spread globally. In order to sustain international business growth as we strive to survive the “once-in-a-century” change in the auto industry, we at TOYO TIRE believe it essential to ensure management transparency and pursue fairness within the organization. To this end, we recognize that we have a responsibility to various stakeholders, and it is necessary to maintain an appropriate management system and increase awareness that compliance is the most important issue, and we have positioned these as issues that should be addressed with priority.

Activities in 2019

- Reinforcing governance for the promoting sustainability
- Organizational changes aimed at further strengthening the management foundation
- Strengthening of awareness that prioritizes compliance

Management Approach

Policies

We properly implement the principles of the corporate governance code in order to implement effective corporate governance. We ensure the rights and equality of shareholders, strive to establish appropriate cooperation and dialogue with stakeholders other than shareholders, and work to secure appropriate information disclosure and transparency to achieve this. Taking into consideration its accountability toward shareholders, the Board of Directors properly fulfills its roles and duties to raise profitability, increase capital efficiency, etc., in order to achieve sustainable growth and raise the Company’s corporate value in the medium- and long-term.

As for efforts to strengthen compliance required to embody this philosophy, the Toyo Tire Group compiled not only the “Toyo Tire Group Charter of Corporate Behavior” as corporate action principles applied uniformly across the Group in order faithfully conduct business activities but also the “Toyo Tire Group Code of Conduct” for each director and employee to put the charter into practice. We strive to spread these throughout the Group. We have established the Global Anti-corruption and Anti-bribery Policy, which is in accord with the Ten Principles of the United Nations Global Compact (UNGC), in a bid to ensure fairness and transparency in our business activities.

* More information about the new policy is available at https://www.toyotires-global.com/csr/pdf/anti-bribery_en.pdf

Goals

We will increase the transparency of management and aim to implement highly specialized, effective corporate governance by spreading awareness of the corporate philosophy and improving compliance levels.

Responsibilities (April 2020)

Corporate Officer & Vice President of Corporate Headquarters

Corporate Governance System

Corporate governance system of the Toyo Tire Corporation consists of the Board of Directors, which is responsible for decision-making and supervision; the Executive Committee, which serves as the decision-making body for business execution; the Special Committees, which act as deliberative and consultative bodies for their respective areas; and the Audit & Supervisory Board, which audits the performance of the Board of Directors and overall business execution. Our corporate governance structure allows these organs to effectively fulfill their respective functions and responsibilities.

In February 2020, we established a Nomination and Compensation Committee, an advisory body for the board of directors on personnel affairs, compensation, and other matters concerning Directors. At the 104th Annual General Meeting of Shareholders held on March 27, 2020, it was resolved to introduce a monetary compensation receivables system for granting restricted stock to internal directors in order to incentivize them to

pursue the sustainable enhancement of corporate value and ensure that they share said value with our shareholders. In addition, we appropriately manage conflicts of interest. We have determined that the outside directors appointed by the Company carry no risk of conflicts of interest with general shareholders and reported them as independent directors. Regular independent evaluations of the Board of Directors ensure the functionality and effectiveness of the Board of Directors and various committees.

Internal Control System

In accordance with the Companies Act in Japan, the basic policy on constructing the internal control system was decided by the Board of Directors, and the internal control system was created in line with that basic policy. The basic policy is reviewed each year to reflect changes in the management environment and to ensure that our internal control system remains effective.

“Reporting Hotlines” have been established and operated as a system to enable employees to directly report and seek advice regarding their concerns, such as compliance issues that could develop into a crisis. In addition, multiple reporting routes have been secured, and a system that makes it easy for required information to rise to the governance organization has been created.

Role of Governance Entities in Priority CSR Themes

In order to strengthen governance related to efforts targeting the seven priority CSR themes, the Executive Committee (chairperson: President) has created a system to promote the Group’s sustainability management.

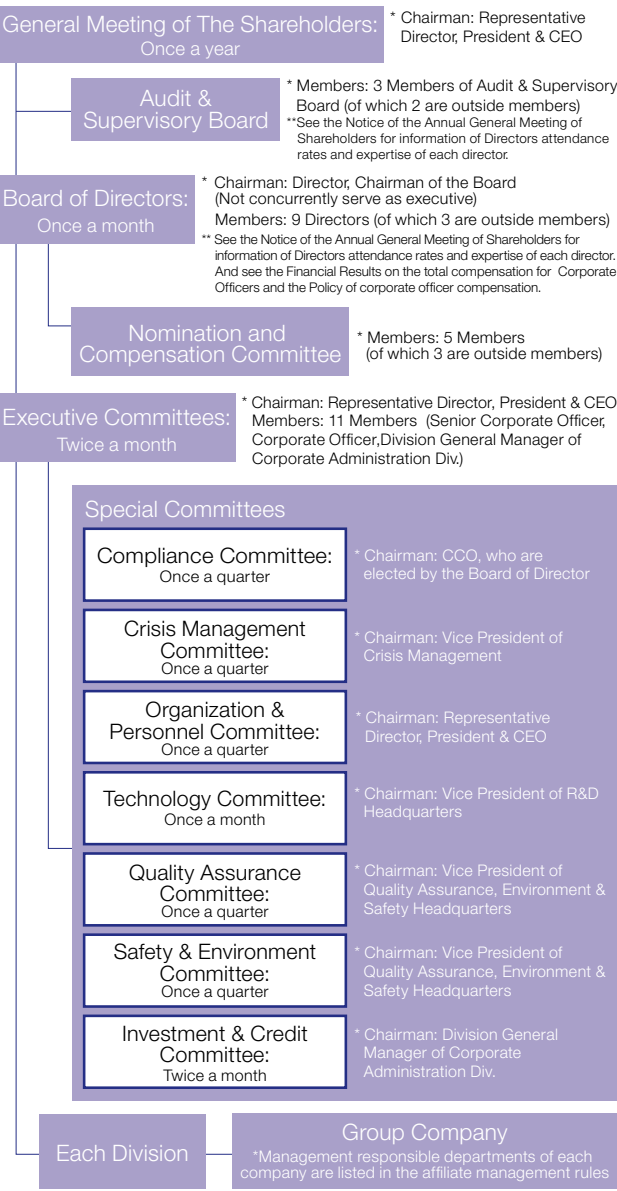
In the group-wide working groups (WG) established upon approval by the Executive Committee, we identify the sustainable development goals (SDGs), the impacts, risks, and opportunities in various priority themes, and plan for actions. And the corporate officer in charge of the Corporate Headquarters compiles the information and reports it to the Executive Committee. The effectiveness of the processes for each theme discussed by WGs is debated and evaluated when the report is made to the Executive Committee.

Based on the strategy and policy set by the WG, the related special committees develop plans for important activities, analyze the results, and formulate improvement measures. And the progress in implementing the plans by the divisions responsible for execution of business operations is reported to the Executive Committee.

We disclose the information about the action of each priority theme an once year as “CSR Report.” Before disclosing, the report is reviewed by the corporate officers in charge of the various control departments and finally approved by Corporate Officer & Vice President of Corporate Headquarters.

The staff in charge of rerated the theme promotes engagement with stakeholders about each priority theme. And Corporate Officer & Vice President of Corporate Headquarters aggregates the results of engagement and shares them to the Group as necessary at any time.

Governance Structure (April 2020)



Compliance Promotion System

Within our Group, compliance is deemed a matter of the highest priority in management, and the president works as the party in charge of compliance to create and improve the compliance system.

In addition to establishing the Compliance Committee, one of the special committees that debates and examines issues related to promoting compliance, we have a system of compliance officers and are striving to promote compliance, mainly by the chief compliance officer (CCO), compliance officers (CO), and compliance leaders (CL).

We have a structure in place that enables prompt investigation when a compliance issue (or a suspicion of one) is reported to the CO. Efforts related to the investigation and measures implemented to prevent recurrence are announced within the company. We make use of this information as the investigation whether does not have any similar cases (horizontal deployment), reconfirmation of laws and internal rules. And when a similar case occurs, we use it as a reference for solving the issues and for measures to prevent recurrence.

Corporate Governance

Spreading the Philosophy

As of January 1, 2017, the Toyo Tire Group has formulated a new philosophy which will be the basis for the work of all corporate officers and employees, and measures are implemented to spread the philosophy among all employees.

We have positioned the “Corporate Creed,” the important founding spirit that we will maintain into the future, as the overarching concept; put into words our significance in society in the form of “Our Mission”; and clearly specified the vision for the company that we should strive for in that mission as “Our Vision.” We also established “Our Fundamental Values” as a foundation for ideas that all corporate officers and employees should value equally.

All initial in-house training programs start with a session on management philosophy in order for everyone in the Toyo Tire Group to understand such philosophy well. In FY2019, Toyo Tire Corporation organized a management philosophy training session for officers and division general managers as well as one for department heads. In the latter session, department heads were given case studies to understand the importance of spreading visions and strategies at workplaces, as well as group work where they shared what they are doing to spread the management philosophy at their workplaces. The session proved to be a valuable opportunity for them to share the current status and issues at other departments, which then helped them to increase their drive to spread the management philosophy more.

Three years after our management philosophy was established, we have finally begun to see increased recognition and understanding of it within the company. We will continue our efforts to spread our management philosophy even further until fulfilling it becomes part of our subconscious.

Work of the Board of Directors

TOYO TIRE holds a regular board of directors meeting once every month to make decisions on important matters and supervise the status of business execution by Directors. In FY2019, a total of 18

meetings, including extraordinary ones, were held. Outside Directors attend the board of directors meetings and other important meetings to offer their opinions on deliberations to fulfill their responsibility to monitor and supervise management.

Since FY 2017, the Company has been conducting an analysis and evaluation of the effectiveness of the Board of Directors as a whole by conducting a signed survey of directors and Audit and Supervisory Board members regarding the operation, composition, activities, etc. of the Board of Directors. The compilation, analysis, and evaluation of the surveys are entrusted to a third party in order to ensure impartiality. The summary of the results of the survey conducted in FY 2019 along with how we will respond going refer to website. Based on this content, we will continue to further improve the functionality of the Board of Directors.

Effective on February 19, 2020, we chose to establish a Nomination and Compensation Committee, an advisory body for the board of directors that deliberates on personnel affairs, compensation, and other matters concerning Directors and offers advice, proposals, and recommendations to the board of directors. With the establishment of the Nomination and Compensation Committee, more than half of whose members are Outside Directors, we will further enhance independence, objectivity, and accountability of the board of directors’ functions for personnel affairs, compensation, and other matters concerning Directors, thus reinforcing the corporate governance structure.

Strengthen the Risk Management System

As the risk manager, in our Group, the person in charge of the Corporate Control Department is responsible for parties below the risk management officer appointed for each risk and the risk management system as stipulated in the Risk Management Rules. The main risks are managed through established activities not only to evaluate and analyze potential risks for the Group during non-emergency times and to reduce the possibility of them occurring, but also to minimize damage during emergencies and to promptly restore business.

* Covered Risks: disasters/accidents, quality, purchasing, legal violations, information management, labor, and issues of rubber bearings

Dialogue with Shareholders and Investors

The Company holds a general meeting of shareholders once a year and a quarterly financial result briefing. During the first half and full year briefings, our top executives provide detailed business information, including financial results, future business outlook, business environment, and market trends, to institutional investors and securities analysts. In addition to announcing financial results, there were also small meetings attended by the president and other parties as well as several engagement opportunities for managers and institutional investors.

In addition, efforts are made to improve understanding of the Group’s management by providing opportunities each quarter for IR staff to respond to the particular concerns of institutional investors and analysts (handling individual inquiries). Furthermore, the Group actively works to respond to increasing requests by the investors outside Japan, which includes enhanced responding to individual inquiries except during the quiet period and conducting overseas roadshows.

In FY2019, members of our investor relations (IR) team held dialogues with more than 360 shareholders and investors from 260 institutions. In addition, our board members organized two small meetings on the Toyo Tire Group’s new growth strategy announced in August 2019, which were attended by a total of 25 institutional investors and others from 22 investment houses. The opinions and requests of shareholders and investors are regularly used as feedback for management and in-house related departments.

Promoting Compliance

Spreading Awareness of the Charter of Corporate Behavior and Code of Conduct

We compiled not only the “Toyo Tire Group Charter of Corporate Behavior” as corporate action principles applied uniformly across the Group in order faithfully conduct business activities but also the “Toyo Tire Group Code of Conduct” for each director and employee to put the charter into practice. Taking into the consideration differences in

laws, regulations, and customs between countries and regions, the various Group companies outside Japan have created independent codes of conduct using the code of conduct as action guidelines.

We have newly created and distributed the “Code of Conduct Handbook: Global Version.” This handbook translated into 9 languages: Japanese, English, Russian, German, Italian, Chinese, Thai, Malaysian, and Portuguese, and defines the basic actions that every Director and employee of the Group should take.

Internal Reporting System

We have been operating an internal reporting system since fiscal 2006. “Reporting Hotlines” have been established in Toyo Tire Corporation Audit Department, an independent law office, and independent specialized companies as an in-house whistle blower system. Not only employees but also business partners can use the system, and reports can also be made anonymously. Overseas, we are moving forward with efforts to establish hotlines at each business site.

There is greater awareness of the “Reporting Hotlines” in Japan as a result of a call to promote usage by distributing cards, displaying posters, and issuing internal monthly compliance communiques.

Anti-Corruption

TOYO TIRE established “Global Anti-corruption and Anti-bribery policy” and “Anti-bribery rules”, and commenced operations. In FY2019, we provided a training session on anti-corruption and anti-bribery to ensure that our global policy is adhered to. We also conducted interviews with all the affiliates within the Toyo Tire Group to ask about risks of corrupt practices and bribery to ensure an absence of concerns over such risks at this point.

We strive to ensure fairness and transparency in all its business activities. We recognize that if acts of corruption and/or bribery are discovered, there is a risk of not only a large financial penalty and detention of the perpetrator concerned, but also a risk of causing serious damage to the goodwill of the Group among its suppliers, business partners and society. As one of the corporate social responsibilities of the Group, we will work to prevent corruption and bribery.

TOPICS

Toyo Tire Group’s Responses to the Effects of the Spread of the Novel Coronavirus Infection

In response to the worldwide spread of the novel coronavirus infection that began at the end of 2019, pursuant to the Risk Management Rules, we established the Emergency Countermeasures Committee (upgraded to the Emergency Countermeasures Headquarters in February) in January 2020 to implement effective measures by gathering information and having a series of discussions on how we should deal with the pandemic.

In the wake of the spread of the novel coronavirus infection, the Toyo Tire Group is taking measures that place top priority on the assurance of health and safety of our employees and stakeholders, as well as the maintenance of employment.

In more concrete terms, we not only take measures to prevent employees and visitors to the company from getting infected but also have expanded the scope of the telecommuting system, which was introduced in Japan as part of the ongoing work style reform, and even closed our business bases/sites with administrative departments.

Meanwhile, Toyo Tire Corporation continues to recruit new graduates for FY2021 as originally planned by creating and ensuring opportunities to communicate with prospective employees through online company information sessions and group/individual interviews.

TOPICS

Results of the FY2019 Compliance Survey

*Response rate 88.2% [92.3% for 2018]

① Conducting compliance promotion activities

Conducted at least one activity to raise compliance awareness within the last year,

97%
(96% in FY 2018)

② Awareness and understanding of compliance

Know the meaning of compliance,

* TOYO TIRE’s compliance: We shall comply with laws and internal rules in all aspects of our business activities and shall conduct ourselves according to the highest ethical standards.

88%
(87% in FY 2018)

③ Making compliance part of the corporate character

Conscious of compliance when conducting your work,

93%
(94% in FY 2018)

Comment

“Over the past several years, the levels of awareness of compliance among our employees have reached consistent heights. Having said that, a number of employees replied by saying, ‘I think compliance is about following laws/regulations and internal rules’ or ‘Sometimes I find it hard to seek consultation on small difficulties at work.’ If we are to raise awareness levels further, we need to take different approaches. Based on these outcomes, we will work with workplaces on an individual basis to discuss what we should be doing so we can help our employees to further raise their awareness of compliance.”

Rie Kawakubo

Compliance Dept., Compliance & Legal Division,
Toyo Tire Corp.



Fiscal 2019 CSR Activities Summary / Third-Party Opinion on the TOYO TIRE "CSR Report 2020"

Fiscal 2019 CSR Activities Summary

In FY2019, our working group (WG) for promoting sustainability held direct dialogues on “TOYO TIRE’s SDGs” with all companies in the Group to brief them on TOYO TIRE’s approaches (orientation) to this imperative and gather information on their initiatives and challenges in this regard.

Through these dialogues, we were able to determine the societal

impact that our business activities will have moving forward and the importance of deepening our understanding of the corporate value that results from such activities. In FY2020, we will make continued efforts to strengthen understanding of the goals of the sustainability promotion while celebrating the diversity in values and cultural backgrounds of our people.

Comment by SDGsWG Leader

In 2019, we set TOYO TIRE’s SDGs, which the Toyo Tire Group must achieve by 2030, and announced them within and outside the Group. Three years ago, Toyo Tire Corporation redefined its body of Philosophy, which forms the backbone of the company, and changed the company name last year to once again manifest its mission. This process gave us an opportunity to think deeply about the responsibility that we have when doing business globally with various parties, which led us to endorse the UN SDGs, an internationally unifying initiative for businesses. We then came up with our autonomous behavioral code that contributes to the achievement of the UN SDGs in the form of TOYO TIRE’s SDGs and our work is just beginning on these.

We shed new light on all aspects of our business management, including procurement of raw materials, recruitment, employee training, and corporate governance, as well as technological development, production/supply, and marketing/sales, in terms of sustainability and harmony with relevant parties, and declared

that we would act in a way that contributes to their achievement. This declaration has carried a lot of weight and great significance in the 75-year-long history of the company.

If we wish to unify people from different walks of life to help each other and hand down this planet to future generations, we believe that being mindful of “Why we do this” is more important than “What we should do.” As we continuously share this basic principle and collaborate with our employees and everyone else with whom we conduct business for society, we will achieve our goals one by one.



Haruhiko Kitagawa
Division General Manager of
Corporate Infrastructure Div.,
Toyo Tire Corp

Third-Party Opinion on the TOYO TIRE "CSR Report 2020"

Since the establishment of its Basic Policy and seven Priority Themes in 2014, the Toyo Tire Group has stepped up its CSR activities, continuously disclosing relevant data with a sincere eye towards transparency. It merits mentioning that the company has reaffirmed its intention to advance this approach over the long term by striving to achieve its seven Priority Theme-derived “TOYO TIRE’s SDGs” by 2030. It is also reassuring to know that careful preparations are underway to develop relevant policies and to collect a broader scope of data for analysis. These policies include those on the priority issues of “climate change,” “human rights, labor, and anti-corruption,” and “responsibility for sustainable procurement,” which were identified in FY2017.

Going forward, it is expected that the Group will specify the roles of these priority issues in realizing its seven Priority Themes within the context of the TOYO TIRE’s SDGs, as well as systematically showcase a comprehensive picture of concrete initiatives and targets that each department will employ, including Priority Theme 1 of “Product and Service Reliability and Innovation.” Some initiatives mentioned in this report that are being planned for 2020 to address these priority issues need to be promoted systematically over the mid and long term, together with business partners and other stakeholders. Doing so will also satisfy the demand for disclosure of ESG information by investors, and thus should be pursued without fail. Specifically, these initiatives include the consideration of appropriate responses to the Task Force on Climate-related Financial Disclosures (TCFD), the examination of risks associated with human rights, and the promotion

of sustainable supply chain management.

In 2020 the Group will draw up a new medium-term business plan to take effect from 2021. Within this plan, I believe that some of the initiatives covered in TOYO TIRE’s SDGs, such as a reduction in risks and expansion of opportunities, will be given a strategic position of support and close engagement. I also expect that the Toyo Tire Group will, while formulating an action plan for the TOYO TIRE’s SDGs, redefine how the pursuit of the Priority Themes can create value and begin to develop an original story of value creation that goes beyond this new medium-term business plan heading towards 2030.



Mr. Hiro Motoki
President, E-Square Inc.

[Activities of Sustainability Promotion WG in FY2019]

Working Group (WG)	Purposes	Achievement (FY 2019)	Plan (FY 2020)
SDGs WG	Setting and achievement of TOYO TIRE's SDGs Organizations	- Publication of the TOYO TIRE's SDGs - Interviews with all Group companies (follow-up on their activities) - Internal dissemination of the SDGs (briefing sessions for Group companies in Japan)	- Development of internal targets and action plans for achieving TOYO TIRE's SDGs - Interviews with all Group companies (follow-up on their activities) - Internal dissemination of the SDGs (Production/rollout of dissemination tools, position-specific training)
Environment WG	Responding to climate change	- Analysis of the evaluation results about the CDP survey - Further enhancement of disclosure - Interviews with all Group companies (follow-up on their activities) - Discussion on the revision to the Toyo Tire Group Global Environmental Charter - Analysis and evaluation of water risks in the regions where we operate	- Further enhancement of disclosure (publication of the independent practitioner's assurance report, consideration of appropriate responses to the TCFD) - Interviews with all Group companies (follow-up on their activities) - Revision of the Toyo Tire Group Global Environmental Charter - Revision of the Toyo Tire Group Global Environmental Action Plan (formulation of a climate change strategy)
Human Rights & Labor WG	Responding to human rights and anti-corruptio	- Announcement of policies on human rights and labor and the prevention of corruption - Internal dissemination of the policies (via training, translation into Chinese) - Interviews with all Group companies (follow-up on their activities) - Sharing of the President's messages on human rights to employees across the globe	- Internal dissemination (via training) of the policies on human rights and labor and the prevention of corruption - Development of a risk check sheet - Interviews with all Group companies (risk check, follow-up on their initiatives) - Sharing of the President's messages on human rights to employees across the globe
Supply Chain WG	Responding to the responsibility for sustainable procurement	- Publication of the revised CSR Procurement Guidelines, which includes a Sustainable Natural Rubber Procurement Policy - Internal dissemination of the Guidelines (Briefing sessions for members of procurement departments in Japan) - External dissemination of the Guidelines (Briefing sessions for suppliers in Japan and notification to overseas suppliers of natural rubber) - Activities as a member company of the Global Platform for Sustainable Natural Rubber (GPSNR)	- Translation into Chinese - Revision of self-check sheets for suppliers - Communication with suppliers via the self-check sheets - Activities as a member company of GPSNR

Comment by Corporate Officer in Charge of CSR (Receiving Comments from an External Expert)

First of all, we would like to express our appreciation to Mr. Motoki for his valuable opinions and advice regarding our CSR Report 2020. In accordance with the new growth strategy announced last year, TOYO TIRE will drive its efforts to achieve sustainability as part of its push to reinforce its business foundations that are designed to realize individual strategies. In so doing, we have been made keenly aware that, if we are to realize sustainability, we must achieve the right balance between the creation of financial values and sustainability, involve all parties concerned in our endeavors, and give due consideration to diversity.

This year, in order to prevent further spread of COVID-19, we decided to close all of our business locations except manufacturing and logistics sites, while ensuring business continuity by allowing our employees to work from home, thus assuring the safety of our employees and other stakeholders. We were suddenly forced to confront head-on all sort of issues amid the pandemic, including negotiating with business partners from around the world who are in different situations and operating environments, caring for employees, developing and training new recruits and young employees remotely, implementing work style

reform, and promoting diversity in humanpower. We had to determine what we could do to stay in business in light of the sustainability pertaining to these issues during this state of crisis. We will make the most of this valuable experience to further enhance our flexibility so that we can achieve sustainability in any operating environment.

As we work to achieve TOYO TIRE’s SDGs in the course of our business, we will deliver unique values (differentiated presence) to society at large. As Mr. Motoki mentioned in his comments, going forward, we intend to offer an original story of value creation that looks beyond the new medium-term business plan and is aligned with our growth strategy.



Takehiko Sasamori
Director Corporate Officer & Vice President of Corporate Headquarters,
Toyo Tire Corporation