

TOYO TIRES

INTEGRATED REPORT 2025



Toyo Tire Corporation

ESG Promotion Dept., Corporate Infrastructure Division
2-2-13, Fujinoki, Itami City, Hyogo 664-0847, Japan
Tel: +81-72-789-9126
<https://www.toyotires.co.jp/csr/>

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Editorial Notes

Our aim with this Integrated Report 2025 is to share with all of our stakeholders the ideas and actions that enable us to work toward our mission of enriching society through our business activities. Based on feedback received from readers of our past Integrated Reports, this year we have endeavored to be clearer and more specific about how we are working to create value through different processes and business strategies, which are founded on our strength in collaboration between functional organizations. We hope this report helps you better understand that we are a company providing unique value and aiming for continued growth together with society based on our corporate philosophy. Moving forward, we will continue engaging in active dialogue with all of our stakeholders as we strive to improve our value as a company.

More detailed information can additionally be found on [our website](#).

Reporting period:

From January 2024 to December 2024

* The report contains some information from outside the above period

Scope:

Toyo Tire Corporation and group companies in and outside Japan (consolidated subsidiaries)

Organization names in this report:

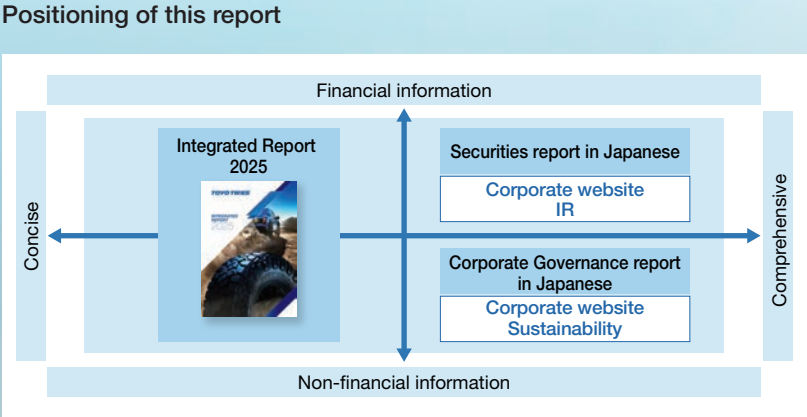
Toyo Tire Corporation itself is referred to as “Toyo Tire Corporation” or “we”
The entire Group is referred to as “Toyo Tire Group,” “the Group” or “we”
Individual companies in the Group are referred to by their company name

Guidelines and other references:

- International Integrated Reporting Council (IIRC), *The International Integrated Reporting Framework*
- Japan’s Ministry of Economy, Trade and Industry, *Guidance for Collaborative Value Creation 2.0*
- Global Reporting Initiative, *GRI Standards (sustainability reporting standards)*

Note on forward-looking statements

This report contains forward-looking statements concerning future performance. These statements are not a guarantee of future performance and involve risks and uncertainties. Please note that factors such as changes in the operational environment may cause the actual future performance to deviate from planned figures.



Our 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.

[The spirit that underpins our Company Philosophy]

Industry progresses steadily day by day and never rests.
We must understand the importance of our work well and make progress every day.
We must research, create and be ingenious, always determined that we will be better today than yesterday.
Abundance of high-quality materials may make it easier to produce good products, but they are not always available, and knowledge and skills vary also from person to person.
We must start with the understanding that there are too many change factors to have stability, and be relentless in our pursuit of improvement in order to produce good, balanced products consistently.

Our motto must be to sell valuable products at the right prices, and we must above all refrain from seeking to profiteer to the detriment of people.
Consumers do not just mean customers; the next process at work is also a consumer.
Everyone in a company is a necessary person.
Conversely, every person has an important responsibility.
Everyone must do their very best at work.



Founding president,
Rikimatsu Tomihisa

The company philosophy is positioned as **the highest concept** in our philosophy system.

It is **the all-important spirit of our founding that we will continue to pass on into the future.**

This is **the definition of our purpose in society** in our own words.

It expresses **our duty to society**, and is, so to speak, a promise that we make to it.

These are definitions, in our own words, of **the kind of company we are aiming** to become in order to fulfill our corporate mission (or our “promise to society”).

In other words, they illustrate the ideal image of the company that we are aiming to be.

The definition of **the foundation of our way of thinking, and values** that are equally important to all officers and employees in order to fulfill our mission in society and achieve our ideal vision of a company.

The Spirit That Underpins Our Company Philosophy

**We will endeavor to continuously improve our products,
and create value for everyone who we work with.**

Our Company Philosophy was established by the founding president, Rikimatsu Tomihisa, in September 1950 to serve as a clear statement of his management philosophy. This short statement reflects the noble spirit that he believed business people should aspire to in a time when Japan's economy was rising out of the post-war period of rebuilding to a phase of rapid growth dubbed the Japanese economic miracle. However, this spirit that underlies our Company Philosophy is not an outdated idea that is relevant only to manufacturing in times of material scarcity. Times may have changed and our business environment transformed, but the perspectives and insights contained in these words still ring true today. What materials do we use to make

our products? How do we make them? What value do we provide to the customers who pay us? We believe that we must continue exploring these questions as we respond to the demands of our times and look to the future. The principle behind the Company Philosophy, that we must sell valuable products at the right prices, is the spring from which our value creation process flows.

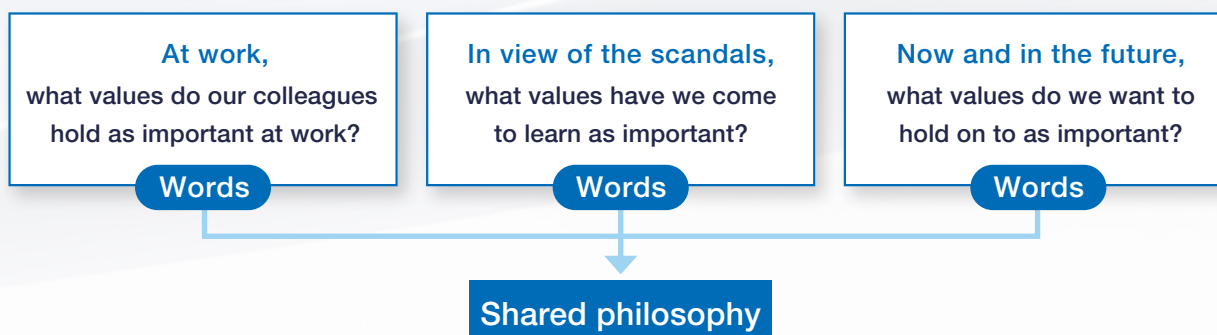
For this reason, we place our Company Philosophy at the top of our Philosophy statements as the spirit that we should always maintain and pass on into the future as we engage in our work.

Our Philosophy

Our Philosophy was published in 2017, replacing the old Philosophy statements we had up until then. This change was prompted by the issue of data fabrication that came to light in 2015 concerning the seismic isolation rubber business and anti-vibration rubber business. As the Company faced this existential crisis in 2016, the management team responded to the need to take another, serious look at our social mission and responsibility so that we can reemerge as a company that society needs and relies on, and decided, as the first step, to reform the company culture and realign the values shared by all officers and employees by reviewing and reconstructing our Philosophy.

The guiding principle of the company-wide project was to approach the task not merely from the perspective of implementing a root-and-branch reform

of the organizational culture that led to the problem, but also from the perspective of how a global business must act and behave. Under this guiding principle, we discussed and debated three key questions: "what values do our colleagues hold as important through work?"; "what values have we come to learn as important in view of the scandals we have gone through?"; and "what values do we want to hold on to as important now and in the future?" The common values distilled from the dialogue were put together to formulate our new Philosophy statements.



Our Philosophy and Sustainability

When we launched the Medium-Term '21 Plan, we made clear that our purpose as a company was to make our Philosophy a reality, and that the management plan was a means of achieving it.

When we started working on the shift toward sustainability management presented in the Medium-Term '21 Plan, this shared understanding provided a basis for our discussions of policies to promote sustainability and of the material issues for the Company, enabling us to keep to the essence of the

ideas contained in the Philosophy statements such as contributing to the enrichment of society through our business and serving and caring for our stakeholders. One of our key focuses was to ensure that the way we viewed and considered was always connected to the Philosophy so that we stayed true to our uniqueness, and through four months of these discussions, we identified our material issues. We strive to embody our Philosophy through the efforts to address these material issues.

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.

Material issues

- 1 Help create a society of sustainable mobility
- 2 Support the enjoyment of mobility for all
- 3 Support diverse talent with motivating challenges and job satisfaction
- 4 Continue innovating next-generation mobility technology
- 5 Pursue decarbonization in all corporate activities
- 6 Promote supply chain sustainability
- 7 Ensure the fundamentals of manufacturing: quality and safety

See p.36,37 for details of material issues.

Instilling the Philosophy

Since the Philosophy was defined, we have continuously been implementing a variety of initiatives to raise the awareness and understanding of it across our workforce.

In Japan, a lecture that delves into the context of the Philosophy is incorporated in our internal training program. In level-specific training for newly promoted managers, a workshop is held along with the lecture so that the knowledge will improve their own conduct. The training is given at each stage of employees' career progression, from junior employees to general managers, which means that the challenges identified by junior and mid-career staff are examined as themes for managers and general managers to tackle. The program design ensures consistency throughout all levels, and encourages employees to embody the Philosophy across the Group, with each individual acting in alignment with their roles and positions. We also provide

e-learning for the Group's entire workforce, including employees at overseas bases, which ensures that everyone understands how our Philosophy relates to our sustainability actions and value creation.

Our human resources management system clarifies what is expected of each role at each level, and one of the expectations is "to embody and instill the Philosophy." By ensuring that the evaluation and career progression of employees are based not only on their performance in achieving targets but also on their ways of "thinking and acting" through which those achievements were made, we nurture a pool of talents that not only understand the Philosophy as knowledge but embody it in their performance of tasks and running of departments.

VOICE Comments of sustainability e-learning participants on the Philosophy



Our philosophy is inspiring and motivates us to uphold these values in our daily work.



It is good to share the positive spirit of The Toyo Way.



I believe that our Philosophy is an important signpost that we can return to when we are unsure which way we should be going. The e-learning has reaffirmed my understanding of the fundamental purpose of the work we do.

Growth Trajectory

The Toyo Tire Group can trace its roots back to 1945, a time of unprecedented disarray around the end of World War II. Since then, we have experienced a period of high economic growth and the bubble economy, and we have overcome recessions, continuously delivering a multitude of values, including “safety,” “the joy of driving” and “a society of sustainable mobility,” to the world by expanding globally while adapting to the diversifying automobile market.

1945-1970:

Founding and groundwork for growth

In August 1945, Toyo Rubber Industrial, which was established, strengthened, and developed by Toyo Boseki (currently, Toyobo) in order to develop the rubber industry, merged with Hirano Rubber Manufacturing, resulting in the establishment of Toyo Tire & Rubber Co., Ltd.

Both predecessor companies’ main factories had been severely damaged in air raids and our history started with rebuilding the devastated business environment. Since our founding we have kept technology in our sights, and in 1946 we established a department to develop elemental technologies, the precursor to the Central Research Center, as well as the Toyo Institute of Rubber, Industry and Technology. In 1950, after wartime restrictions were lifted, we began producing rubber products, aiming to make the leap to a general rubber company. In 1952, we launched the long-awaited RS (Royal Wing Special) Tire. In 1966, while expanding our sales network, we took the lead in the industry by establishing Toyo Tire (U.S.A.) Corp. in the U.S. (currently Toyo Tire U.S.A. Corp.) and expanded the scale of our business, riding the wave of rapid economic growth.



Ceremony to celebrate the first shipment of the year



Toyo Tire (U.S.A.) Corp.

1971-2003:

Diversification and globalization

In the early 1970s, our diversification and stimulation strategy promoted four businesses: tires, chemicals, footwear and industrial goods. Following the oil crisis, during a period in which we found it extremely difficult to secure raw materials, we focused on improving our organizational structure.

In 1979, we entered into a comprehensive business partnership with Nitto Tire Co., Ltd. and reorganized our production bases. We also further expanded our sales strategy outside Japan by establishing local subsidiaries in Australia and what was West Germany. In an effort to strengthen our technological development we opened the Automotive Parts Technical Center in 1986 and the Toyo Technical Center (currently, the Tire Technical Center) in 2001. In 2003, we established a tire distributor in China to promote further globalization.



Toyo Reifen GmbH



Tire Technical Center

2004-2015 :

Taking on the North American market and further global expansion

In 2004, Toyo Tire North America Manufacturing Inc. (TNA) was established in the U.S., as our first tire production plant outside Japan. We introduced a new proprietary production method at the plant that combines design and high performance.

Under Toyo Tire Holdings of the Americas Inc., the North American regional headquarters established in 2008, we worked hard to constantly expand our production capacity and solidify our presence in the large-diameter tire category for pickup trucks and SUVs. During this period, we also strengthened our global production and supply system by establishing tire production bases in Asia and steadily implementing sales strategies in European countries, Thailand, and Mexico.



TNA (the U.S. tire production base)

2016-2020:

“Second founding” with mobility business at our core

In 2017 we re-established our philosophy. We introduced a function-based organizational framework, relocated our headquarters and moved our development function to an area close to our new headquarters. These changes enabled us to accelerate cooperation, create solidarity and speed up decision-making.

In 2018 we became a new management entity with mobility at the core of our business, and the following year we changed our name to Toyo Tire Corporation. That same year, we established a new brand statement, “Open Roads Await.” Furthermore, to prepare for this new corporate stage, we established R&D centers in North America and Europe and decided to establish a new tire plant in Serbia to strengthen our development and production/supply systems.



Headquarters (in Itami, Hyogo Prefecture, Japan)

From 2021:

Embarking on Medium-Term Business Plan “Mid-Term ’21 Plan” to strengthen sustainability management

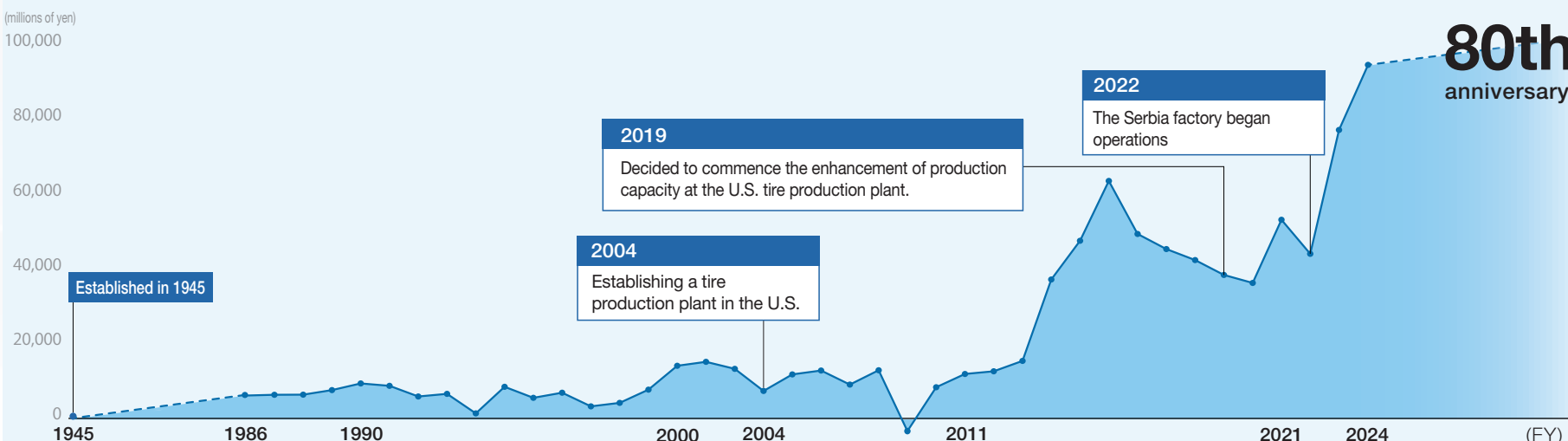
In 2021, we announced the Medium-Term ’21 Plan. Under the slogan of “bolstering ability to promptly and flexibly respond through global collaboration,” we are implementing our business strategies. In April 2021, we established a Sustainability Committee, chaired by the president, to strengthen our sustainability management and aim for the true integration of business and sustainability.

We have made steady progress despite the COVID-19 pandemic and other changes in the business environment, proceeding with operations at our new Serbia Factory, developing digital transformation infrastructure, and consolidating European sales functions in the new Serbian company.



Serbia Factory

Changes in operating income and loss



Brand development

Brand statement 2019

Open Roads Await

We announced the “Open Roads Await” slogan depicting a desire to drive courageously and boldly on an open surface, carving new roads where none had previously existed, because we want to become a company that embodies that kind of pioneering spirit.

Key message 2020

Ignite your BLUE.

The “Open Roads Await” brand statement that expresses the Toyo Tire Group’s pioneering spirit inspires the desire to challenge magnificently expansive blue-tinted infinity.

Key message 2025-

Blaze BLUE

This slogan expresses TOYO TIRES determined will to move confidently forward by bravely confronting unknown wilderness, roadless territories, and new challenges.

At a glance (FY2024)

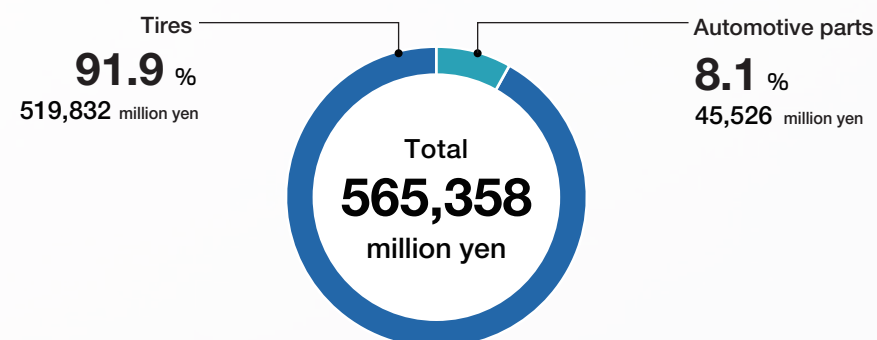
Tire Business

The primary business of the Toyo Tire Group, which accounts for approximately 90% of net sales, is the production and global sale of automotive tires for passenger vehicles, light trucks and SUVs, and trucks and buses, and other related products. The tire market is primarily classified into original equipment tires (global), replacement tires for the Japanese market and replacement tires for global markets. The replacement tires for the North American market in particular accounts for a significant proportion of our sales.

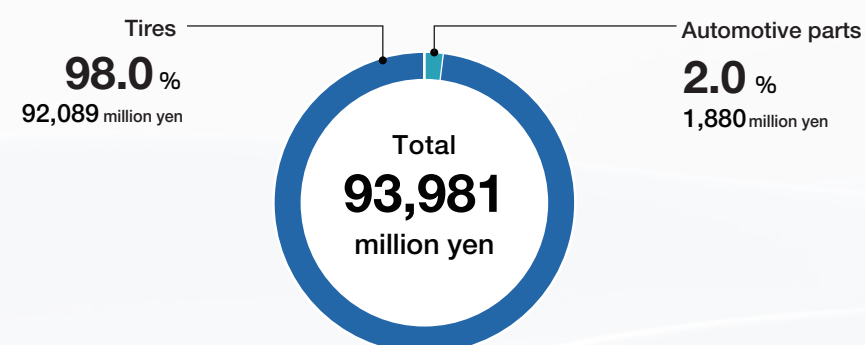
Automotive Parts Business

The Toyo Tire Group leverages its vibration control technology to supply products that improve automotive handling stability and soundproofing. We are striving to establish a solid position as a supplier by promptly proposing products that match the needs of automakers.

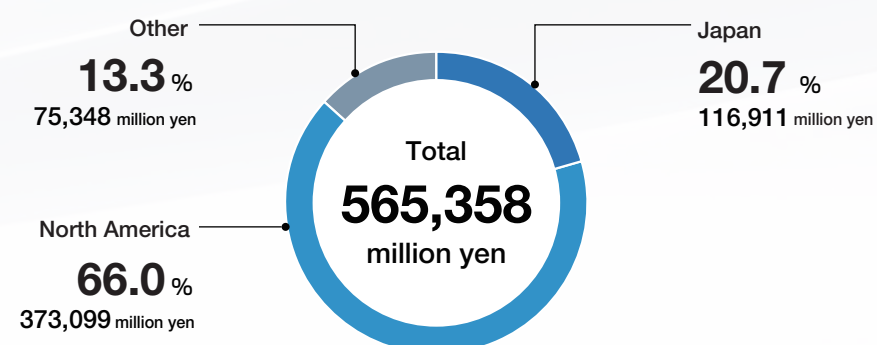
Net sales by business segment



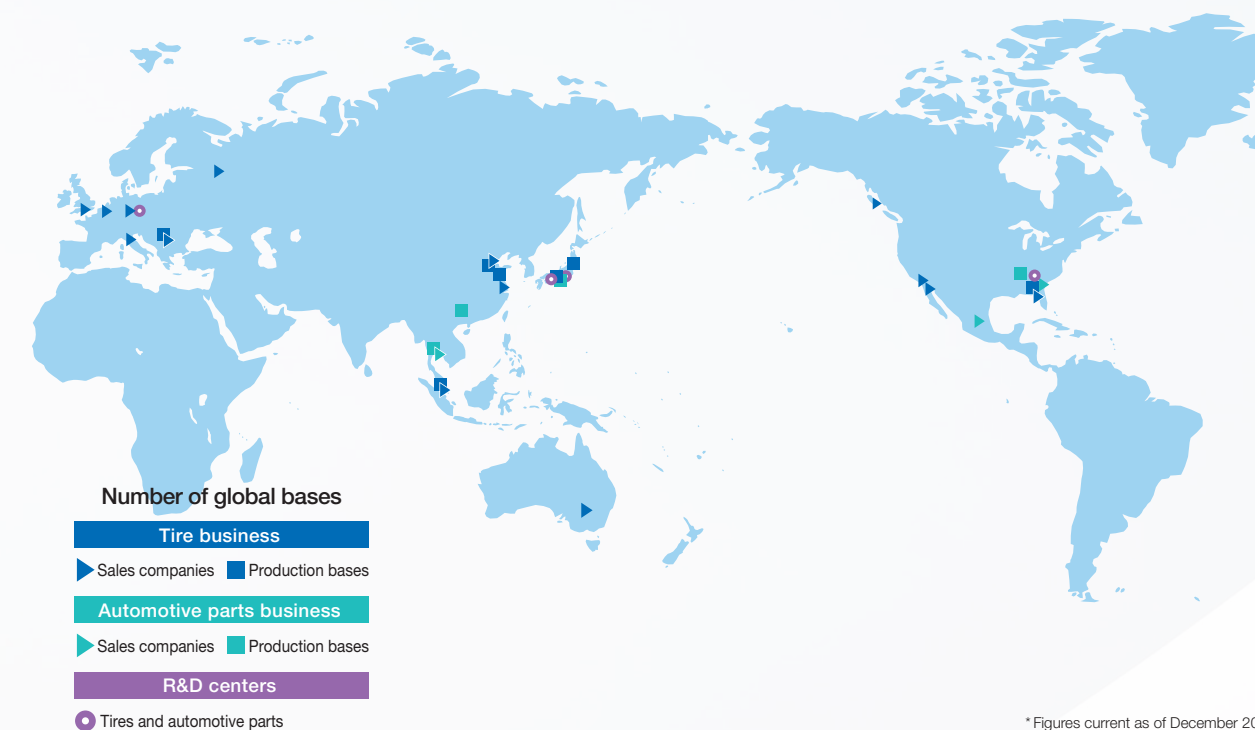
Operating Income by business segment



Net sales by region



The Toyo Tire Group has 13 production bases and 5 R&D centers, and is developing its tire and automotive parts business globally.



Number of global bases

14 countries **40** bases*

Regional headquarters:	3
Production bases:	13
Sales companies, etc.:	23
R&D Centers:	5

* Some bases have more than one function and therefore the total number does not match.

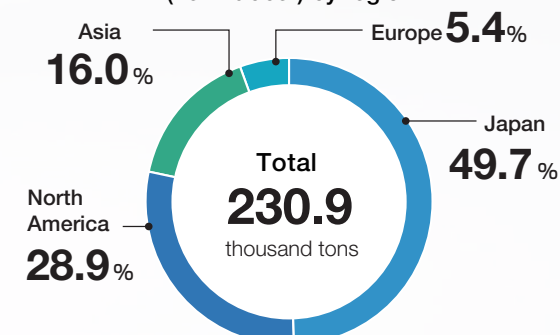
Consolidated number of employees

11,202
(including temporary employees)

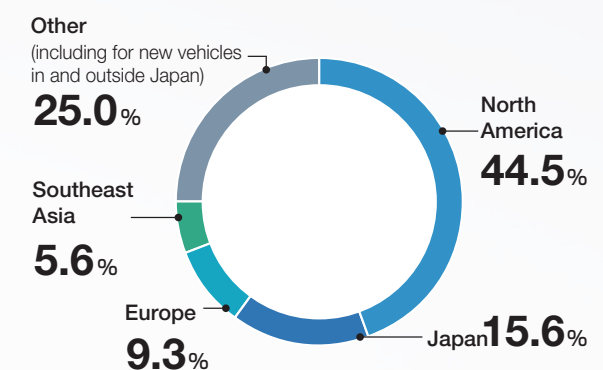
Number of countries in which we operate:

More than
100 countries

Percentage of tire production volume (new rubber) by region



Percentage of tire sales by region



Message from the President



Takashi Shimizu

Representative Director,
President & CEO

In these times of uncertainty, our ability to promptly and flexibly respond to changes in the turbulent environment is key to our endeavor to build a robust business foundation and enhance the Company's value.

Embarking on the final year of Medium-Term '21 Plan

2025 is the final year of the Medium-Term '21 Plan, which was published in 2021. The full-year fiscal 2024 results hit record highs for net sales, operating income, ordinary income and profit, achieving and surpassing targets, not only in terms of profitability but also against some of the key indicators such as return on equity. We have received positive feedback from many stakeholders that, as we embark on the final fiscal year, there is now a real prospect that the plan's key performance indicators can be achieved.

Looking back on the business environment in the last few years, we have experienced many unexpected changes that were not included in the assumptions of the medium-term plan at the time of drafting. Despite this, our ability to promptly and flexibly respond to changes, as envisaged in the medium-term plan as the shared goal to work toward, made it possible to beat back these challenges swiftly and keep going forward. This, more than anything else, is where I feel most proud of our collective achievement.

We reorganized the corporate structure from the traditional divisional framework we had since the Company's founding to a function-based framework in 2017 and shifted our operations to focus on the mobility sector with tires and automotive parts as our core business in 2018. Just when the operations based on the new structure got going, however, we faced economic turmoil triggered by the COVID-19 pandemic and the Russian invasion of Ukraine. Chaos ruled the world, and global economy was disrupted. It is not an exaggeration to say that the last four years truly tested our ability to respond flexibly.

In 2024, we recognized the changing trends in large-diameter tires for large SUVs, a segment where we had a competitive edge in the North American market, and pivoted back to our original proposition of maximizing customer value. We mobilized the sales, marketing, technical services and other related departments both in Japan and the U.S. to ensure we gave our absolute utmost to meet our customers' needs with attention to detail. As a result, in North America as of 2024, we have far exceeded the targets of the medium-term plan for the ratio of units sold, ratio of priority products to total sales and proportion of total sales already.

Meanwhile in Europe, the same year saw many players in the automotive industry move to scale back their operations through business restructuring and reorganization as the demands for cars slowed. We, on the other hand, were able to seize this opportunity to move forward by consolidating the sales functions that were scattered throughout the EU at separate offices into a new sales company in Serbia, collocated with our European production base. We were able to do this thanks to a solid operational foundation we had been building up through our collective efforts to bolster areas of our strengths, and it will enable us to further strengthen the foundation of our European operations.

While we adjust our strategy flexibly and precisely in response to the changing business environment, one thing I always keep in mind when I make decisions is that we must never lose sight of our value-led management policy. This policy means that we start by cultivating a close relationship with our customers to identify their latent needs and feeding those insights back to the development team. This simple approach to marketing forms the core of inter-functional coordination that enables product differentiation through which we strategically

select and supply unique and high value-added products that meet the market trends of different regions. This is the policy that has enabled us to establish a unique position in the North American market. Every member of the management team follows this policy fully, and it is filtering down from these management members to the frontline workforce of their respective functional organizations now.

When we faced the unprecedented crisis of the COVID-19 pandemic, I called on everyone in the Company to turn this challenge on its head and see it as an out-of-ordinary opportunity for organizational capability building. I gathered the leaders of all functional organizations every day so they could all share the information they had obtained fully with everyone present. We all came to the same table to discuss each challenge we were facing and exchanged views as to what approach we should take to address it so we could collectively agree on a course of action. The leaders of the functional organizations were all peers in this flat structure I convened, and once they grasped the shared information and made a decision together, it immediately translated into a Company-wide action plan to be implemented promptly.

This speedy response to changes has been characterized by our relentless focus on what the Company represents and where our uniqueness lies, and I believe that the results we achieved in fiscal 2024 are the fruit of the capability building work we underwent. We have already passed the half-way point of the final year of the Medium-Term '21 Plan and entered the second half. Over the remaining months, we will continue our endeavor to raise our competency further and beyond the management targets set forth in the Plan.

Our progress in sustainability management

One of the challenges we have set out to tackle in the Medium Term '21 Plan is to integrate ESG principles into our business management and to embed sustainability management throughout the Company. The business plans of functional organizations incorporate activity themes that are linked to the material issues identified by the Sustainability Committee, which was established in 2021, and a system of monitoring and reviewing their progress is in place and well embedded. We are also

making good progress with ESG governance in aspects such as coordination with the Technology Committee and other special committees, consultations with the Executive Committee, and activity reporting at the Board of Directors meetings. I feel assured that we have made progress in integrating business management with sustainability, which is one of the key themes of the Medium-Term '21 Plan.

In the meantime, environmental and social issues surrounding our business are too numerous to list and are becoming increasingly visible. Governments around the world are introducing policies to address them, and our industry is also facing calls to address these challenges. We must keep a close eye on these trends and respond from medium- to long-term perspective, assessing what risks our operations will face and what opportunities may arise.

We are seeing many operational challenges emerge one after the other, be it the impact of geopolitical instability on energy security and supply chain operations or fierce competition from new entrants to the North American market with a price undercutting strategy, all of which may severely affect our ability to achieve the management targets of the Medium Term '21 Plan. It is one of my priorities that we ensure effective issue management across the Company by raising our risk sensitivity and agility.

As part of the project to develop the next medium-term business plan, we are currently conducting a detailed examination of the ESG-related risks and opportunities to incorporate into it. We plan to update our sustainability-related activity themes as well as their targets and action plans at the final Committee meeting of fiscal 2025.

For now, the medium- to long-term challenges we must address include effective measures to take us toward carbon neutrality by 2050, manufacturing for a circular economy, and managing natural capital risks, including biodiversity within our natural rubber supply chain.

With the chance of achieving our 2030 target now in sight, a milestone toward the carbon neutrality goal, it is important that we increase our contribution to net CO₂ reduction through emissions reduction from production processes, use of renewable and other next-generation energy sources, and supplier engagement toward

achieving our SBT-certified Scope 3 targets.

With the implementation of the Ecodesign for Sustainable Products Regulation (ESPR) by the EU as part of its circular economy action plan, it is also crucial that we link up our product strategy with technology development in aspects such as recycled material content, resource efficiency and recyclability to meet the new regulation. In addition, the EU Regulation on Deforestation-free Products (EUDR) is set to come into effect by the end of this fiscal year. As a tire manufacturer, we must do more than just comply with these regulations but address the fundamental issue that led to their introduction by playing our part in halting the ongoing loss of natural capital and restoring nature.

One of the material issues for us is to strengthen our human resource base, and we are working on it through consultation with the Organization and Personnel Committee, which is responsible for discussing and determining how we manage our human capital. We have introduced a framework for career development that clearly sets out the expectations for each role, evaluates employees in a way that motivates them to raise the bar of their performance, and promotes personal growth. We are also working to provide a diverse workplace for flexible, employee-centered workstyle choices, and create an environment where every employee can make choices that enable them to achieve their own performance targets and optimal work-life balance. I am pleased that we are making good progress in terms of human resources policy goals set forth in the Medium-Term '21 Plan.

That said, I recognize that the next medium-term plan must present a human resource strategy closely linked to the management strategy, and set out measures that bring out the full potential of our talents, which in turn lead to higher corporate value.

Toward the next medium-term business plan

We are currently developing the new medium-term business plan that starts from 2026. Throughout the course of the Medium-Term '21 Plan, we focused on the North American market, but I believe that there are many segments in that market where we can leverage our strength to make further inroads. In the European and Japanese markets, where our

efforts have concentrated on regrouping and strengthening the foundation of our operations, we will be making preparations to spring into action.

With protectionist tendencies gaining prominence in the world, some say that the free trade order that made global economic growth possible is facing a risk of collapse. It will be more important than ever to set out how we are going to assemble our global supply chains in the new era. I am convinced that, by strengthening the resilience of our business foundation, underpinned by our philosophy and vision, we can bolster our ability to promptly and flexibly respond to changes further and improve the quality and speed of our decision-making even in the face of this uncertain business environment.

It is our sincere wish to continue our constructive dialogue with our stakeholders through this Integrated Report in order to truly improve our corporate value. Thank you for your continued trust in and loyalty to the Toyo Tire Group.



Medium-Term '21 Plan Progress

We announced our five-year medium-term business plan that we call Medium-Term '21 Plan in 2021. The plan was formulated to enhance our ability to swiftly and flexibly adapt to change by coordinating all functions on a global scale. Fiscal 2025 is the final year of the plan, but we have already largely achieved our key performance indicators by the end of fiscal 2024.

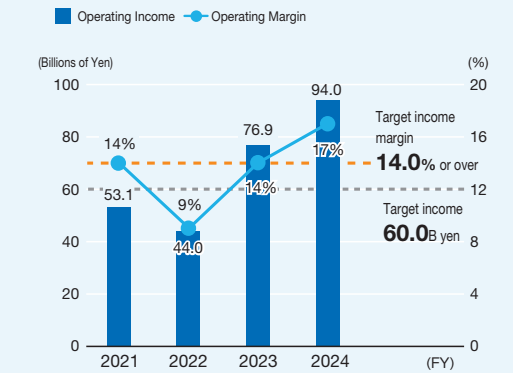
Medium-Term '21 Plan vision

- Promote sales of priority products
- Achieve highly efficient production based on a local production for local consumption strategy
- Achieve high quality through process assurance that helps improve customer satisfaction
- Develop a “one-step ahead” management foundation that supports sustainable growth
- Focus on data-driven management that strives to achieve ultimate efficiency and profitability
- Strengthen three-pronged R&D framework, improve differentiated products
- Reduce distribution costs through centralized global supply and demand management

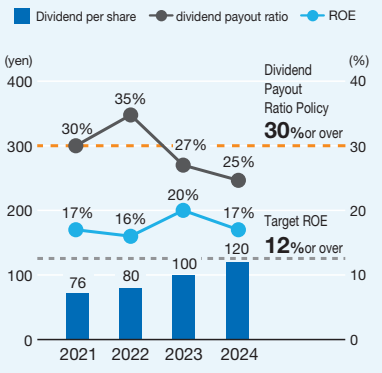
Progress on key performance indicators

Thanks to our successful promotion of priority product sales as well as exchange rate benefits and other external tailwinds, we achieved our targets for operating income and operating margin in fiscal 2024. We are also striving to promote management with a focus on improving capital efficiency. Those efforts helped boost ROE above the target level. In terms of dividends, we set a target payout ratio of 30% or higher, and expect to achieve that level over the five-year medium-term plan period.

Changes in operating income and operating margin

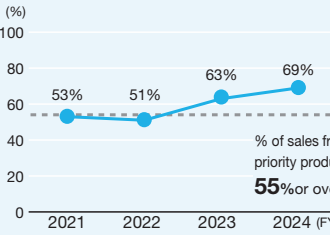


Dividends, dividend payout ratio* and ROE



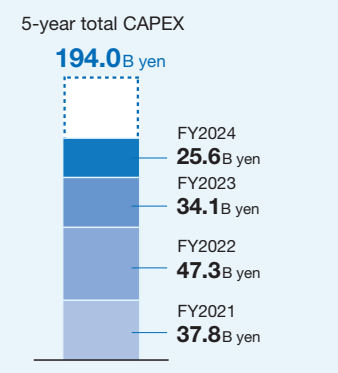
*Calculated based on actual net income excluding extraordinary gains/losses

Changes in Percentage of sales from priority products



Priority products: Tire product categories that epitomize Toyo Tire's strengths and that are vital for achieving our targets for operating income and operating income margin, such as new products, core products, and differentiated products

Capital Investment



*The capital investment figure excludes right-of-use assets

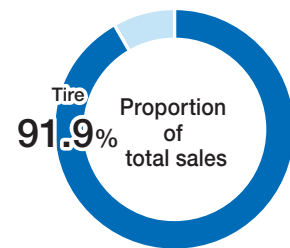
Progress on basic policy and individual strategies

	Growth strategies for R&D, production and sales	Individual measures	Progress
R&D Build a foundation for advancing our global technological competitiveness	Strengthen our proprietary technology by joining up the R&D of Japan, the U.S. and Europe to develop highly preferable and differentiated products that meet environmental and other next-generation mobility needs	- Achieve both a wide range and a high level of performance, speedily commercialize products to satisfy customer needs - Develop tires that combine a high degree of environmental performance and sophisticated features - Develop the technologies and products to suit the low noise, high torque, and increased weight of EVs - Develop products that set us apart from other companies by fully demonstrating our unique commitment to the joy of driving and offering of design features	- Developed a concept tire made from 90% sustainable materials - Launched ribbed and studless tires for small EV trucks - Advanced T-MODE, our proprietary tire design platform for ultimate efficiency and precision - Developed the digital Tire SAPRI application for managing the condition of truck and bus tires - Launched New Products that Highlight Our Uniqueness, including Nitto TERRA GRAPPLER G3
Production Create a globally balanced supply framework with the launch of our Serbia Factory	Build a stable supply base for the North American market and make the Serbia Factory highly cost competitive	- Shift into full production at the Serbia Factory to achieve stable supply to the North American market and timely supply to the European market - Increase production at our U.S. plant of large-diameter light truck tires that are expected to witness even higher demand in the North American market - Realize optimal global supply systems centered around efforts to establish production systems at the Serbia Factory and expand production capacity at our U.S. plant - Expansion of the Use of Sustainable Raw Materials for the Realization of a Circular Society	- Completed the introduction of equipment into the Serbia Factory, established systems and promoted training to support full operations - Increased production capacity for large-diameter light truck tires at our U.S. plant - Shifted production of low-inch tires from our U.S. plant to other production base - Acquired ISCC PLUS certification at two Japanese factories to facilitate the handling of certified raw materials in accordance with the mass balance approach
Sales Expand contact with potential customers, enhance our unique presence in the market	Enhancing our approach to strategic models by launching original products inspired by tailored strategies in each region, and encouraging close cooperation between our tire and automotive parts businesses	- Promote sales activities that focus on large-diameter tires for light trucks, where we have a strong presence, by forming strong cooperative relationships with nationwide dealers in the United States - Hone our focus on the product categories in which we excel and concentrate on perfecting differentiated products primarily in the Japanese, Asian and European markets - Expand brand recognition and fan bases through direct marketing that maximizes social media and other digital tools, and participation in motorsports	- Gathered data on user needs and promoted sales of high value-added products by strengthening ongoing relationships with local dealers in North America - Consistently introduced sophisticated products, mainly centered around light truck tires - Promoted a sales strategy in Japan, Asia and Europe that focuses on high value-added products rather than pursuing sales volume

Realize effective coordination among R&D, production and sales functions
Establish a management platform to drive our growth strategies and enhance human resources

[Corporate]

Tire business



We develop two brands: the Toyo Tires brand that offers an impressive lineup of tires for passenger cars, light trucks, trucks and buses, and the sophistication-focused Nitto brand for discerning car enthusiasts.

We boast an especially strong presence in the North American market for large-diameter tires for light trucks. We have earned strong support in the market by developing the two brands and offering an impressive lineup of high-quality, highly designable products that respond meticulously to customer needs.



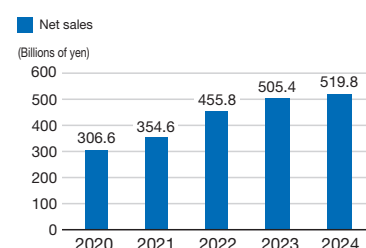
FY2024 review

While the number of units sold declined compared to fiscal 2023, both sales and operating income increased year on year thanks to the determined promotion of priority products and the depreciation of the Japanese yen.

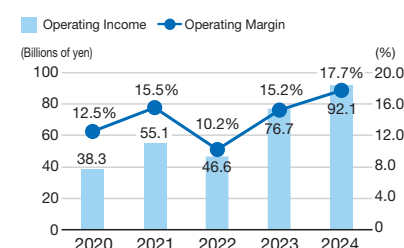
Although the total units sold remained the same as the previous year, the net sales exceeded those of the previous year thanks to our efforts to expand sales of priority products. The ratios of sales/units sold/priority products in the North American market have all far exceeded the targets set in the Medium-Term '21 Plan.

In Japan, we focused on sales of priority products that offered high added value. As a result, net sales increased year on year despite the decline in the total number of units sold. In Europe, the number of units sold also declined year on year amid a sluggish demand environment, but we are working to improve profitability by reviewing projects that generate low profits.

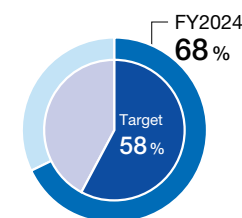
Net sales



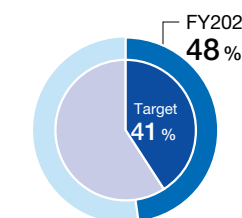
Changes in Operating Income, Margin



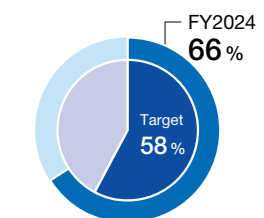
North America proportion of total sales



Ratio of units sold to North America



Ratio of priority products to total sales in North America



The external environment and future outlook

Light truck sales constitute a high 75% of new vehicle sales in the United States (fiscal 2024). We expect replacement demand for light truck tires, where Toyo Tire enjoys a strong presence, to continue to increase going forward.

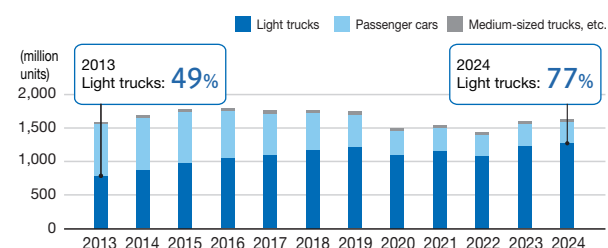
In Japan and Europe, demand for replacement tires is expected to remain steady thanks to high levels of automobile ownership. With regard to new vehicle sales, the number of SUVs continues to increase and the diameter of tires installed in new vehicles continues to expand, so we see opportunities to expand sales in the areas in which we excel.

Vehicle power sources are diversifying and new mobility ideas are being shaped around the green slow mobility* concept which is expected to help solve social issues such as logistics relating to the last mile of product and service delivery to customers, aging populations and addressing

working hours in the future. As the mobility landscape evolves, customers may possibly demand some entirely new performance features that differ from conventional tire offerings.

* Green slow mobility is a small mobility service that uses electric vehicles permitted on public roads that are capable of speeds up to 20 km/h

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

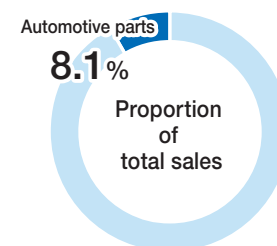


Mass production framework at the Serbia Factory

The Serbia Factory, which is our first production base in Europe, started operating in 2022 and is capable of producing high-quality tires by aligning highly productive facilities with a high degree of precision. The factory now boasts a mass production framework that can respond flexibly to demand in the European and North American markets, and will undoubtedly play a significant part in optimizing our global supply system.



Automotive parts business



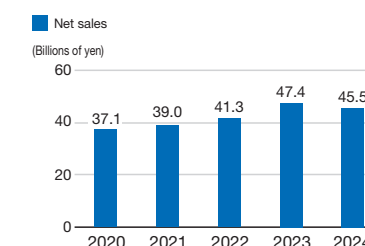
We leverage our vibration control technology to supply automakers with engine and motor mounts for fixing engines and EV motors in the vehicle body, as well as bushes, couplings, constant velocity universal joint boots, and other parts that are installed on various vehicle joints.



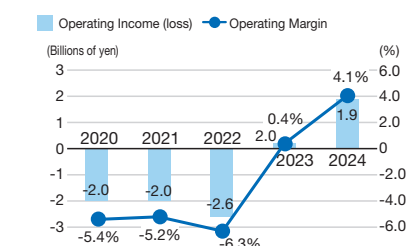
FY2024 review and future outlook

While net sales declined year on year, operating income increased significantly thanks to production system reviews and other profitability-enhancing measures. The diversification of mobility needs over the medium to long term is expected to fuel demands for more sophisticated or different automotive parts performance, so we will strive to utilize our differentiation technologies to develop high value-added products.

Net sales

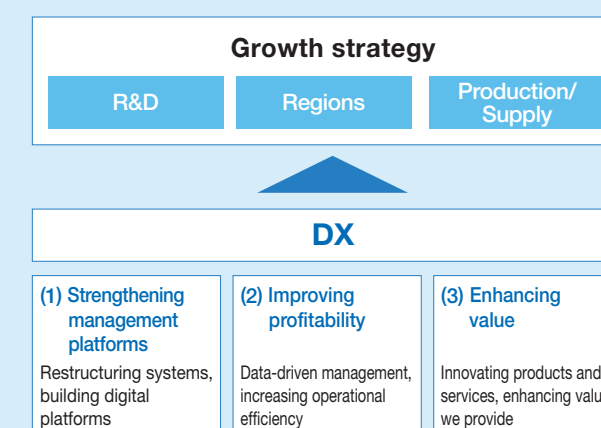


Changes in Operating Income, Margin



Progress on digital transformation

We position digital transformation (DX) as a set of initiatives designed to back up efforts to improve our corporate structure and to steadily realize the growth strategy laid out in Medium-Term '21 Plan. As such, we are promoting company-wide digital innovation on three levels: (1) strengthening management platforms, (2) improving profitability, and (3) enhancing value. We are also working with the Human Resources Department to establish DX education frameworks and enhance the training of personnel with the ability to effectively utilize data. We will establish an integrated digital strategy that helps facilitate customer-oriented manufacturing and high-profit business management, and supports our growth strategy.



Financial Strategy

Medium-Term '21 Plan: Financial policies and targets

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

We have set specific quantitative targets in the Medium-Term '21 Plan for a consolidated operating income margin of 14% or more and consolidated operating income of 60 billion yen in fiscal 2025. We have also set a minimum 55% sales composition ratio for priority products, which is vital for achieving the aforementioned targets. We are promoting initiatives to maximize our strengths in order to increase profitability. As a result, we were able to achieve a consolidated operating income of 76.9 billion yen in fiscal 2023, ahead of the target of the Medium-Term '21 Plan, followed in fiscal 2024 by a record high consolidated operating income of 94.0 billion yen, with the consolidated operating income margin reaching 16.6%, again ahead of the plan target.

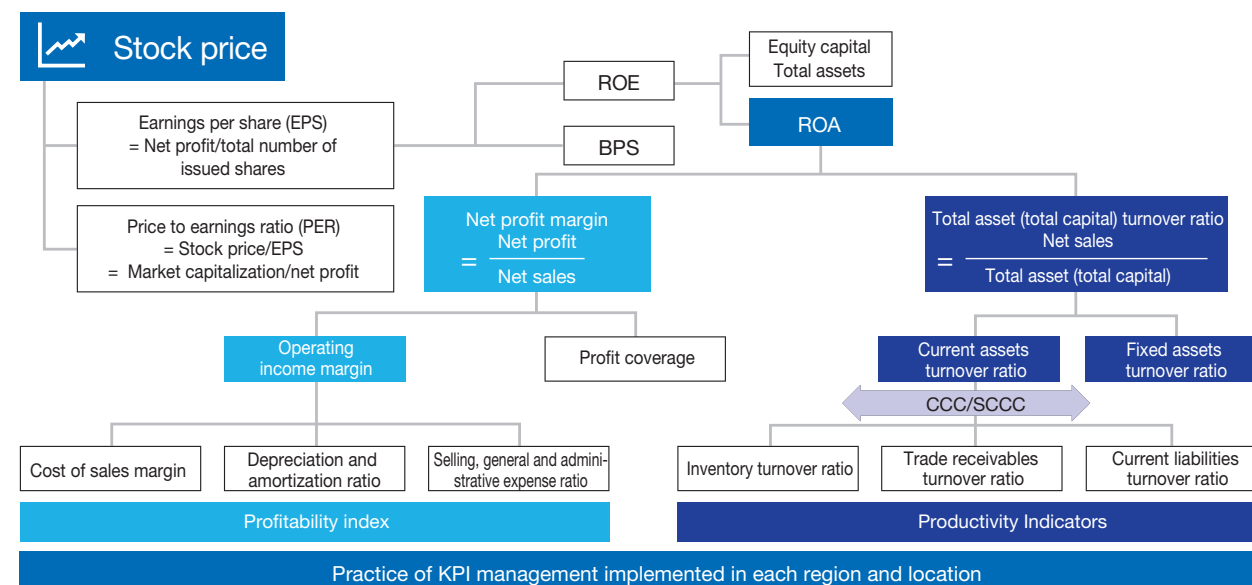
In addition, we have set a minimum target for return on equity (ROE) of 12% during the plan as a clear commitment to improving our capital efficiency along with profitability. In fiscal 2024, we achieved ROE of 17.2%, exceeding our target, and we are working to continue improving our capital efficiency in order to maintain an ROE of 12% or higher in the duration of the plan.

We are determined to continue improving our own

unique corporate value and to focus on enhancing quality by continuously pursuing these financial policies and targets. In order to achieve the quantitative targets set out in the Medium-Term '21 Plan and the annual plan for the following fiscal year, which is set out in November each year, we define key performance indicators (KPIs) at the beginning of each period, which are set from the perspectives of individual headquarters, regions and bases and managed on the Group-wide basis. The progress against the KPIs is monitored each month, and actions to achieve the targets are discussed across the Group.

In terms of individual KPIs such as the breakdown of tire sales quantities by type and region, sales progress of priority products, production quantity per base, percentage of jobs filled, cost and global inventory quantities, we achieved the quantitative targets of the Medium-Term '21 Plan and the annual plan as mentioned earlier by managing the numbers strictly through monthly review meetings. In addition, we intend to pursue stable management, even when faced with an uncertain and rapidly changing economic environment, by promoting measures designed to: improve capital efficiency by scrutinizing our business assets through consolidated asset surveys and other measures; achieve cash flow-focused management by strengthening our power to generate cash and accelerating cash cycles; and ensure financial soundness with due consideration not only to the balance between interest-bearing debt and equity capital, but also to shareholder returns. This way, we are determined to build a robust financial base that will contribute to improving our corporate value through KPI management.

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

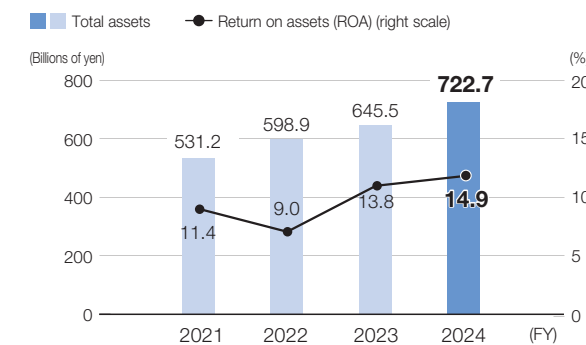


Financial situation

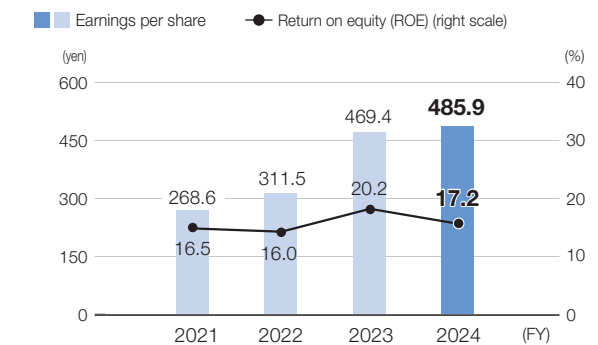
(Millions of yen)

	FY2022	FY2023	FY2024
Total assets	598,889	645,480	722,666
Equity capital	320,683	395,199	472,552
Cash and cash equivalents at end of the year	41,600	52,798	86,636
Interest-bearing debt at end of the year	135,436	102,714	108,449
Capital ratio (%)	53.5	61.2	65.4
Payout ratio (%)	25.7	21.3	24.7
Return on equity (ROE) (%)	16.0	20.2	17.2

Total assets / Return on assets (ROA)



Earnings per share / Return on equity (ROE)



Investment and financial strategies

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

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

Operating cash flow for fiscal 2024 increased by 67.1 billion yen due to the accumulation of profit while capital investments, including digital-related and other growth investments, amounted to 25.6 billion yen and dividend

payments during the fiscal year amounted to 20 billion yen, which were covered within the operating cash flow. In fiscal 2025, we expect to invest a total of 35.6 billion yen, including digital-related investments and additional capital investments at our U.S. plant. We will continue to invest within the scope of our operating cash flow, and remain disciplined to ensure that our free cash flow is stable and in a surplus.

As explained above, based on the allocation of capital over the duration of the Medium-Term '21 Plan and its basic principles, we planned to allocate 50% of cash flow earned from operations strategically to growth investment, 30% to capital investment necessary to maintain the competitiveness of our core business, and 20% to stable shareholder returns. Within this medium-term plan period, the total cash flow earned from operations from fiscal 2021 to 2024 was 203.3 billion yen, of which 77.7 billion yen (38%) was allocated to growth investment, 65 billion yen (32%) to capital investment and 50.9 billion yen (25%) to shareholder returns. In addition, we continue to sell and reduce strategic shareholdings to achieve capital optimization,

which has generated a cash-in totaling 49.6 billion yen over the four years from fiscal 2021 to 2024. Currently, our strategic growth investment and capital investment required to maintain core business competitiveness together make up 70% of the allocation, and this figure is below the combined target of 80% for the medium-term plan period. However, we have been investing sufficiently to maintain our competitive edge in a timely and appropriate manner while giving due consideration to shareholder returns at the same time.

In addition to the capital ratio and financial leverage, we will make quarterly fixed-point observations on the turnover ratio of trade receivables, inventory, trade

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

Growth investment

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

First, on digital-related investment, we aim to improve profitability by fully renewing our enterprise resource planning (ERP) system in order to strengthen global data governance by, for instance, visualizing management resources and risks, accelerating business processes and improving the quality of our decision-making, as well as by practicing data-driven management that leverages a wide variety of data.

Second, in terms of market investment, we will invest management resources in building user-centric sales

and marketing, including digital marketing that makes full use of social media and other channels, engagement activities designed to enhance our brand power through our sponsorships of the Major League Baseball, the Japan national football team and the Ladies Professional Golf Association (LPGA) Tour, and promotional activities to expand sales.

Third, in terms of investment in new R&D fields, we will endeavor to establish and commercialize technologies for next-generation vehicles, including predictive tire wear diagnostics technology, airless tires and CO2-derived butadiene synthesis, in order to create forms of sustainable mobility that are worthy of a carbon-neutral society.

Environment and social (ES) investment

We expect to make further sustainability-related investments going forward in order to promote a shift toward sustainability management. Regarding decarbonization-related investments in particular, it can be difficult to incorporate any CO2 reduction impact into the profit simulation used for verifying profitability and determining whether or not to promote regular investment projects. As a result, those investments may be considered unsuitable in terms of sustainability management.

With that issue in mind, we introduced internal carbon pricing (ICP) on a trial basis in fiscal 2023. ICP translates the impact of reducing CO2 emissions into a quantifiable monetary value and makes it visible, allowing it to be incorporated into a quantitative model. Following

a review of the performance of our decarbonization investments using the trial ICP, we decided to introduce ICP as an official evaluation standard from fiscal 2024 based on external ICP price-setting trends. The ICP will be periodically updated, and for fiscal 2024, we have set the monetary value of the impact of emissions reduction at 10,000 yen per ton in calculating the investment effects of measures to reduce emissions. This price is used in making investment decisions on projects such as the installation of photovoltaic power generation and cogeneration facilities at production plants. It is hoped that considering the impact of CO2 emissions reductions as a monetary value in investment decision-making will help to expand decarbonization-related investment.

Shareholder returns

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

Under this policy, we aim to return at least 30% of net profit for the current period (excluding extraordinary profit and loss, i.e., net profit that reflects the actual performance of the business) to shareholders as dividends. We will also consider returns based on the link to shareholders' equity, such as dividend on equity (DOE) ratio, which we have set at 4.5% as a benchmark, and the actual amount of dividends. By taking all these factors into overall consideration, we strive to provide

long-term, stable returns to shareholders.

Regarding specific dividends, we paid an annual dividend of 120 yen per share in fiscal 2024, an increase of 20 yen from the previous year, and in fiscal 2025, we expect to pay 125 yen per share. This will be done by adjusting for non-recurring special gains and losses included in profit attributable to owners of the parent and linking returns to real profit that more closely reflects actual profit values. We will work to provide stable returns in a way that both provides stability and reflects business performance, maintaining the trend of dividend growth.

Policy on strategic shareholdings

We hold strategic shares only in cases where such holdings are deemed reasonable due to business alliances or a need to maintain or strengthen trading leverage in business activities. We are also pursuing efforts to reduce strategic shareholdings by having the Board of Directors conduct a review of each individual issue on an annual basis to ascertain the appropriateness of the holding and decide whether to continue holding the shares, and sell off any shareholdings that are judged to be no longer necessary.

In fiscal 2024, we reduced strategic shareholdings

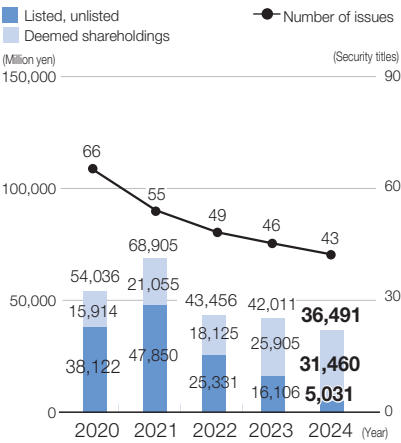
by three issues, reducing the number of holdings to 43 issues as of December 31, 2024, which represent 1.1% of consolidated net assets (7.7% if deemed shareholdings are included).

In exercising voting rights on the strategic shareholdings, we scrutinize the purpose and details of each proposal individually, and exercise such voting rights appropriately after deciding on the overall merits of the proposal as to whether or not it will contribute to the enhancement of the corporate value of both the Company and the investee.

Number of issues of strategic shares held and balance sheet amount

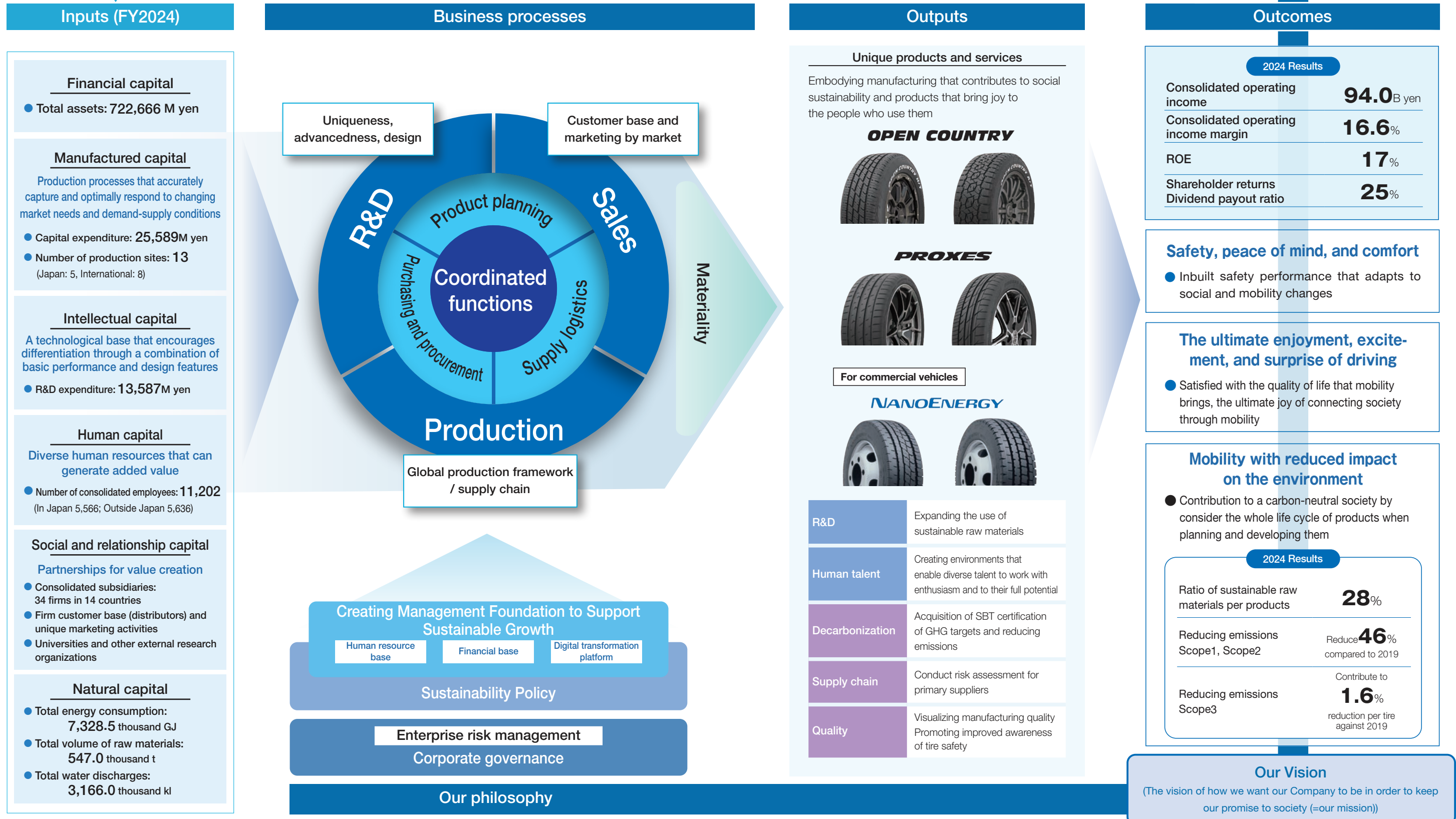
Category		2020	2021	2022	2023	2024
Number of issues (Security titles)	Listed	28	18	13	12	10
	Unlisted	38	37	36	34	33
	Total	66	55	49	46	43
Balance sheet amount (Millions of yen)	① Listed	37,770	47,499	24,983	15,764	4,701
	② Unlisted	352	350	347	342	330
	③ Deemed shareholdings	15,914	21,055	18,125	25,905	31,460
Percentage of consolidated net assets	①+②	17.1%	17.0%	7.8%	4.1%	1.1%
	①+②+③	24.2%	24.5%	13.5%	10.6%	7.7%

Trend of shareholdings



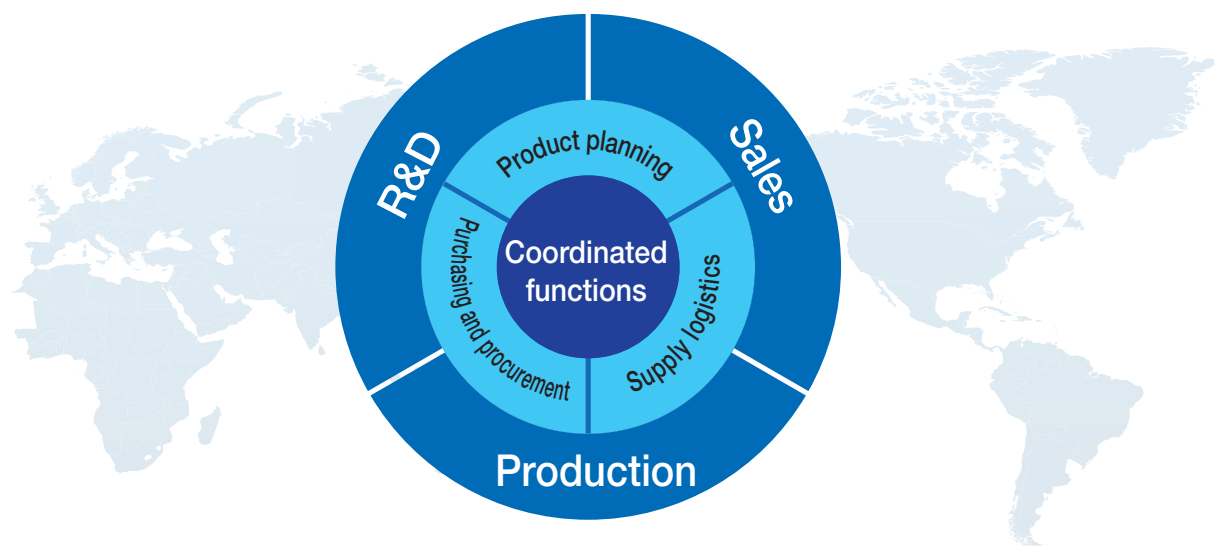
Value Creation Process

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



High-quality business management through the strengthening of collaboration in functional organizations

In 2017, Toyo Tire Corporation reformed the individual business-based organization that had been in place since its founding and shifted to a flat, function-based organizational structure. Then, in 2018, we decisively transformed ourselves into a management structure that positioned the mobility-related fields of automotive tires and automotive parts at the core of our business. This helped establish a solid foundation for promoting high-quality business management by coordinating all production, sales, R&D and corporate functions. Some negative factors were pointed out regarding the function-based organizational structure, such as the possibility of unclear responsibilities and lack of comprehensive perspective. However, we set ourselves the task in the Medium-Term '21 Plan to bolster our ability to promptly and flexibly respond to changes through global collaboration, and have worked to promote business based on management that offsets any negative factors and fully capitalizes on the positive elements of a function-based organizational structure.



Product Strategy

Product planning that facilitates differentiation

We plan new and updated products based on individual regional growth strategies and the annual rolling over of a medium-term product plan that runs on a five-year cycle. When executing the plan, the product planning function conducts proactive market research together with the technical services and sales functions, plans and formulates new product direction by heeding information acquired from industry participants at various car events and other gatherings, and conceptualizes and creates products after showing the ideas to dealers and holding repeated discussions. This proposal-based style helps drive the creation of highly differentiated products. The product planning function propels this differentiation strategy by embracing both the R&D function's focus on next-generation mobility trends and the sales function's focus on market trends and championing the company's commitment to creating and realizing plans that make

mobility more fun and interesting.

In particular, when planning products for our major North American market, local sales subsidiaries gain an attentive grasp of user trends through customer workshops and other means, which they swiftly share with relevant departments in Japan and the U.S. to facilitate timely commercialization. Since we do not have any directly managed dealerships, we build relationships of trust and customer loyalty by steadily lending shape to the ideas of our dealers. These efforts have helped establish our current presence and profits in the North American market. As customer needs continue to diversify, we will aim to further enhance our brand value by creating unique products inspired by earnest customer engagement.

Main Brands

OPEN COUNTRY

The OPEN COUNTRY brand has been available in the North American market since 1983 and is one of our oldest tire brands. Capitalizing on the fashion for custom SUVs and pickup trucks that swept through North America around 2000, the OPEN COUNTRY M/T tire series, launched in 2003, was highly praised for its designability and robustness, and earned the support of many users as one of the most installed tire on vehicles exhibited at the SEMA Show, one of the top three global trade shows. The OPEN COUNTRY brand has subsequently developed into one of the company's best-known brands thanks to various strategies, including the early introduction of the rugged terrain* category and the release of OPEN COUNTRY R/T tires with aggressive pattern designs, and the securing of stable supply and improved quality through the establishment of local production and supply frameworks in North America and the development of proprietary manufacturing technologies. Spearheaded by the launch of the OPEN COUNTRY R/T series for

light motor vehicles in Japan in 2016, we have also been developing and launching products geared toward the Japanese market under the same brand.

* A tire category that sits between mud-terrain tires suitable for uneven, muddy or gravel road surfaces and all-terrain tires suitable for all surfaces.



OPEN COUNTRY M/T



OPEN COUNTRY R/T



OPEN COUNTRY R/T TRAIL



OPEN COUNTRY A/T

PROXES

PROXES is a global flagship brand inspired by the philosophy of demonstrating strong performance in all conditions based on high-speed driving stability (flexible handling and uncompromising stability). PROXES tire performance has won high praise primarily as a representation of concentrated Toyo Tire technological capabilities designed to achieve the high-level driving experience that drivers expect, and complement the features of different on-road vehicles.



PROXES LuK II



PROXES Sport 2



PROXES Comfort II

Improving product functionality through motorsports activities

We work hard to improve not only aesthetics but also the functionality that meet the needs of users who place greater emphasis on performance, and we consider our motorsports activities as a key opportunity for verifying the effectiveness of this technological research. That is why we concentrate resources primarily on competing in races held in the toughest conditions. In off-road racing, we supply OPEN COUNTRY series tires (including racing models) to the SCORE BAJA 1000, which is said to have a roughly 50% completion rate due to the majority of the

course being on desert sand, and the Dakar Rally, which is considered the world's toughest motorsports competition. This motorsports experience is then used to develop rubber compounds and tire structures



Dakar Rally

that ensure strong durability even on rough road surfaces, as well as designs and the structure of the bead area to minimize any damage to tires caused by jolts when driving at high speed. Successful participation in the Dakar Rally is vital for establishing the Open Country brand as a leading off-road tire brand in global markets, so we are working, together with the R&D function, toward entering the top purpose-built category and winning the overall championship. With regard to circuit racing, we participate in the 24h Nürburgring race, which is considered one of the world's toughest, and the Nürburgring Langstrecken Serie, which is the precursor to the 24-hour race, using cars equipped with special PROXES racing tires. Lap times on the North Course are an especially important tire performance measurement indicator because the

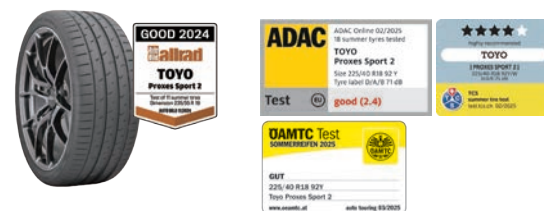


BAJA

Nürburgring

large altitude difference and multiple corners render it an extremely difficult course. We utilize the data and knowledge acquired through our racing experiences to develop high-quality, high-performance products.

The results are measured through test evaluations conducted by specialist Germany magazines, which are said to have a significant impact on consumer behavior in Europe, thus leading to continuous improvements.



Evaluation of tire tests by German magazine Auto Bild allrad, the German ADAC automobile association, the Swiss TCS automobile association, the Austrian ÖAMTC automobile association on PROXES Sport 2 tires (manufactured at the Sendai Plant)



Tire test evaluation by German Auto Bild magazine on PROXES Comfort tires (manufactured at the Serbia Plant)

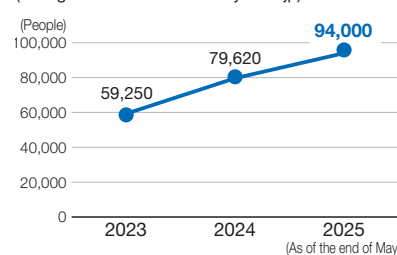
Marketing activities

Our marketing activities are tailored to the interests of a wide range of users. For car and motorsports fans, we try to appeal tire performance and improve brand recognition by advertising our multiple racing achievements. We also use promotional activities featuring famous rally drivers as brand ambassadors. This helps build brand trust more effectively by encouraging respected individuals to communicate the appeal of our products along with their feelings as a driver.

We adopt a unique approach to users who are sensitive to latest trends and whose tastes and preferences tend to be reflected in their choice of tires. For example, we have been focusing on camping, which

has attracted much more attention in recent years, and using social media to promote high designability off-road tires to people who want to use vehicles for these outdoor activities. In Japan, an Instagram post of a car with OPEN COUNTRY brand tires encouraged a community for women who enjoy customizing their beloved cars. We have been able to steadily expand our fan base by holding regular meetings and other meetings that enable fans to directly sense the appeal of the OPEN COUNTRY brand.

The number of social media followers
(Instagram account: @teamtoyotiresjp)



Spellbinding talk by our ambassador driver at TOKYO AUTO SALON 2025 (Left: Masato Kawabata/Right: Mad Mike)



Open Country Women's Association meet



Technical Strategy

Enhance potential value-creating proprietary technologies

High-performance design capabilities

The automobile industry is undergoing a period of major change, so the tire industry is also expected to realize swift performance and functionality advancements that underpin the evolution of mobility. Toyo Tire Corporation develops products based on the tandem pursuit of

two proprietary platform technologies, Nano Balance Technology for fundamental material design and T-MODE for simulations and tire design support, both of which are being constantly updated.

Rubber materials design

Tire rubber is made from a mixture of natural rubber, synthetic rubber, and various materials such as carbon black and silica, and it is the intricately related characteristics of the molecular structure and rubber formulation that determines the tire performance. We use

Nano Balance Technology to analyze, design and control a tire's rubber composite materials at the nano level (one nanometer = one billionth of a meter) and develop rubber materials that can maximize required performance.

Nano-level Analysis / Prediction [Simulation]

Analyze the compounding ratio of filler*1 and polymer*2 to obtain the required performance

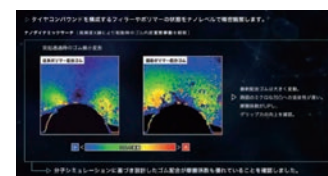


*1 General term for substances such as carbon black and silica that are added to raw material rubber to improve strength, wear resistance and processability

*2 Molecular components that make up natural or synthetic rubber

Nano-level Research/Observation [Research]

Observe the internal deformation of rubber during braking through three-dimensional observation of rubber materials and analysis of internal rubber structures in a dynamic environment



Nano Balance Technology

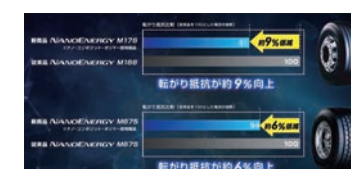
Cross-integrated four systems as a tire technology foundation

Nano-level Production Control [Precision Control]

Maximize performance by processing the materials under optimal conditions

[Nano Composite Polymer: Proprietary nano-processing technology]

We have created a unique processing technology for stirring and removing water from liquid raw rubber and filler in order to achieve a more uniform and even filler dispersion. The use of nano composite polymers enables us to both maintain tire wear resistance while significantly reducing energy loss from the rubber compound, and improve a tire's rolling resistance grade (fuel efficiency).



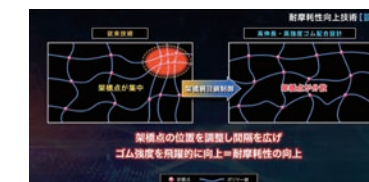
Nano-level Material Design [Function Creation]

Design new materials based on the results of nano-level analysis

[Elongated high-strength rubber composite design for improved wear resistance]

The main cause of tire wear is rubber separation that occurs when the surface of a tire is scratched by uneven road surfaces. So improving rubber strength, or the strength of the rubber at rupture point, is essential for improving wear resistance. For instance, one Toyo Tire approach focuses on widening and dispersing the positions of cross-linked chain ends, which are the joins in polymer chains, to create designs that are less susceptible to fracturing.

Regulations on tire wear particles are becoming increasingly strict, so we intend to invest in strengthening our own efforts to improve tire wear, including predictive tire wear diagnosis.



●Tire development platform

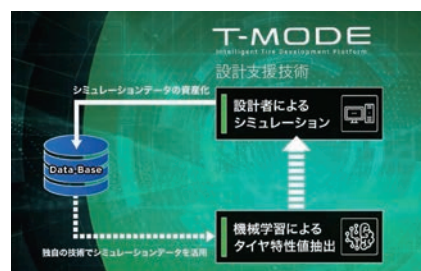
We seek to optimize desired performance and design by constantly repeating the design-simulation-prototype-evaluation cycle in our tire development process. Our associated tire development platform uses a supercomputer to integrate two simulation technologies with AI-driven design support technology, thus improving the precision and efficiency of our designs. These two simulation technologies focus on tire simulations that reproduce the behaviour of tires during driving, and driving simulations that replicate vehicle-type information, passenger numbers, volume of luggage, driving patterns, and other factors to better understand the impact of vehicle behaviour on tire performance.

We employ Simulation Process and Data

Management (SPDM)* to enable our engineers to aggregate and centrally manage the information obtained from experiments and simulations within the platform. Actively encouraging the use of this knowledge has helped improve verification processes and shorten product development lead times.

In addition, integrating the simulation technology and AI-driven design support technology with a focus on SPDM enables us to develop inverse problem-solving approaches, whereby we use AI technology to design mechanisms that derive necessary design specifications from input desired performance values.

* A platform system capable of centrally managing various types of data and sharing standardized processes



●Introducing materials informatics (MI)* technology

Any reinforcing agent or other chemical mixed in with tire rubber materials will directly impact the characteristics of the end product, so complex control mechanisms are required to adjust the type, amount, and processing method of each component. We pursue material design using MI technology that is based on our accumulated stock of data assets to achieve high performance product development as well as shorter development lead times and lower costs. The introduction of MI

technology has enabled us to calculate estimated values for material properties from information on material structures with different dimensions. MI technology can also be applied to inverse problem solving such as creating optimal structures from targeted characteristic values, so we are expanding its use in the realm of new materials development. These technologies are being jointly developed with SAS Institute Japan Ltd.

* A technology that facilitates the efficient exploration of new and alternative materials using AI and other tools

Customer-oriented product capabilities

●Balancing functionality and design

At Toyo Tire Corporation, we ensure that product development is firmly backed by technology, theory and data, but we also think it is extremely important to attentively heed market feedback to ascertain how best to meet customer needs. Information on market needs from frontline operations is collected by the sales function and shared with the R&D function in a timely manner. We also actively create opportunities for engineers to go directly to the market and foster a keen customer perspective, propelling the development of differentiated

products. The aggressive tread patterns preferred by our primary target customers can sometimes affect basic performance and complicate development. However, we have been able to achieve a high degree of balance between functionality and design in the initial stages of virtual simulations by leveraging the platform technologies that we have updated continuously. We will continue to accumulate these types of data to further enhance customer-oriented product creation.

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

We began mass production using A.T.O.M. in the early 2000s using a unique Toyo Tire manufacturing method in which rubber spun into a thin strip roughly 15mm wide is wound around a rotating molding drum and then bonded together to manufacture the necessary tire parts. In tire manufacturing, it is common to shape wide treads and other tire parts around a drum and glue the two ends together. However, any increase in the weight of the bonded parts can cause a shift in the tire's center of gravity, and the larger the tire, the greater the deviation, making balance adjustment an issue. A.T.O.M does not produce any large joint portion, so has a minimal

impact on tire balance. Another appealing benefit of A.T.O.M. is that it makes it relatively easy to increase the thickness of the rubber on one side of the tread, facilitating the addition of grooves on the sidewall as well. Indeed, A.T.O.M could be described as the source of our strength in high design performance for large-diameter tires.



Connecting global R&D centres

We combine the results of individual research responsibilities at our R&D centres in Japan, the United States and Europe to generate market-tailored product development in cooperation with the sales and production functions.

As part of the steady consolidation of our sales functions in Europe started in 2024, we are considering transferring some of the European R&D functions to our tire production site in Serbia. We believe we will be able to

better respond to increasingly stringent laws, regulations and standards in the European region by leveraging production base facilities to better direct the results of advanced materials research, traditionally managed by our European R&D center, into improving processing technology, and by speedily conducting driving tests of actual vehicles fitted with our tires on the proving ground adjacent to the factory.

Japan-R&D

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

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

NA-R&D

- Marketing
- Development of customer-oriented products

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

Europe-R&D

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

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

Fostering technical talent

Toyo Tire Corporation emphasizes basic knowledge training, external exchanges and technology transfers in the development of human resources with the capacity to fuel technological innovation. In addition to our company-wide training systems, we have also set up a specialized educational curriculum for young engineers run by the R&D function in which senior employees serve as instructors to help improve specialist capabilities. They also pass on knowledge and expertise that can be difficult to standardize or verbalize. In 2020, we added lectures on sustainable development goals (SDGs) designed to promote awareness of the role that technological

development plays in solving social issues and to incorporate SDG considerations into R&D workflows.

Going forward, we will need even more human resources who can use their machine learning, deep learning and other AI-related knowledge and skills to transform our operations and overall business. To avoid over-reliance on AI-generated results, we will strive to train engineers who can design products and systems based on an accurate understanding of the fundamental principles of why things are the way they are, and who can use AI to expand their own thinking skills and capacities.



Production and Supply Strategy

High-mix, low-volume production

As of the end of 2024, we currently manufacture tires at seven plants in five countries – Japan, U.S., China, Malaysia and Serbia – and sell them in more than a hundred countries and regions. The need for the limited number of plants to meet the diverse needs and demands of different markets has honed the unique strength of our production setup: competence in high-mix, low-volume production. While we continue our efforts to increase sales volumes in the markets where the plants are located, we are continuously working

to improve the productivity of our plants and optimize the product mix at speed through a range of measures such as minimizing changeover* time and implementing precise production control through close communication with the R&D function and quality assurance divisions. These efforts ensure that our products are supplied to our customers on time as required.

* Changeover: the process of changing machines, tools, fixtures and materials and setting them up in order to produce a different product on the same production line

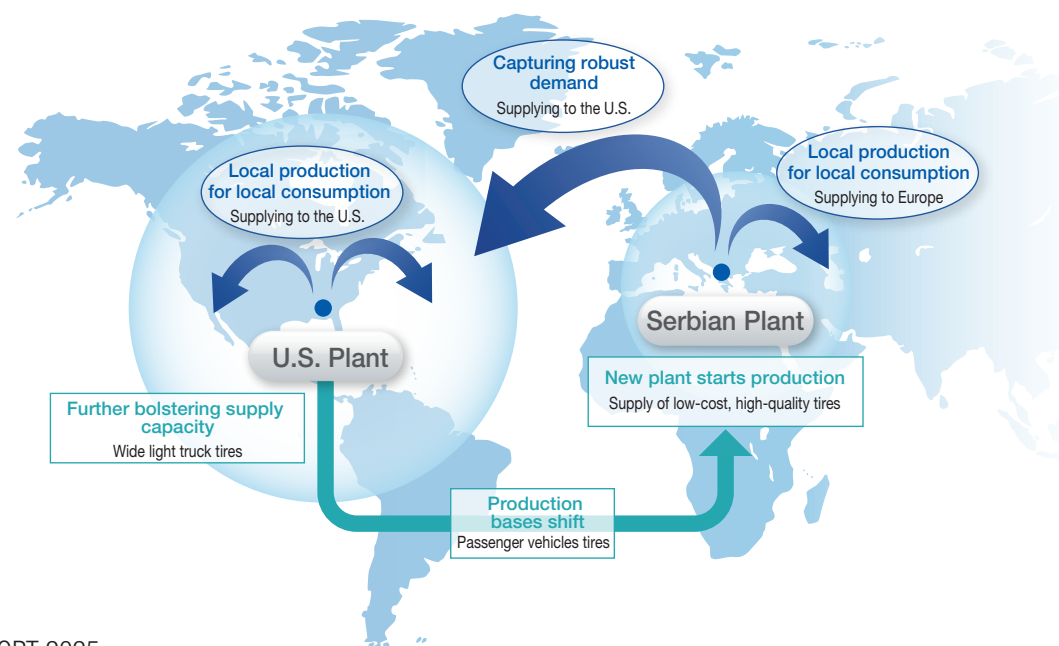
Allocations aligned to market trends

While each plant supplies its local market as a priority, our production setup is designed in such a way that multiple plants can produce and supply some of the products intended for markets in other regions. Since we established our first tire production plant outside Japan in the U.S. in 2004, we have been building our new plants and refurbished existing plants so that their production processes are able to ensure equivalence in the specifications and performance of certain product lineups between different plants no matter what differences there were in terms of facilities, equipment and materials used. For example, large-diameter tires for large SUVs and pick-up trucks, a product category in which we have a strong competitive edge, can be produced not only at our U.S. plant but also at our Japan and Serbia plants for shipments to the North American market.

On top of that, the SCM Division in Japan links up and coordinates the production and other relevant functions to adjust supplies between markets based on market trend data provided by the sales function. By centralizing the control of different functions in Japan, we are ensuring smooth operations on the global level and enabling

adjustments to ensure balanced levels of profitability across the plants. This way we are able to maximize our plants' know-how in high-mix, low-volume production and create a highly profitable production setup that is resilient in the face of demand fluctuations.

The precisely controlled allocation of production and supply enables us to meet the increasingly diverse needs of customers and expand opportunities by improving customer satisfaction. It is also a powerful tool for avoiding or minimizing geopolitical risks and negative impacts of national governments' economic policies.



Recruiting and training skilled workers

Retaining and passing on skills and know-how are important challenges when it comes to maintaining flexible production. We have a range of measures to retain and nurture human resources based on the nature of each plant and the trends in the labor market of the country.

In Japan, where there are clear signs of a decrease in working population causing labor shortages, we make planned investments to improve the working conditions in the plants that have been in operation for a long time in order to increase human resource retention rate. Equipment weight reduction and automation as well as work standardization as part of Group-wide digital

transformation reduce the burden on workers and make it easier for older employees and women to work with us, as well as eliminating reliance on specific personnel and their skills. Conversely, at our plant in North America, where the labor market is highly dynamic, we work from the assumption that the labor retention rate cannot be improved significantly and provide short-term training and skills development programs instead. In addition to the standard operating procedure videos designed for all production sites, we also provide a full range of on-the-job training, with trainers assigned to each production process, to promote efficient and effective job readiness.

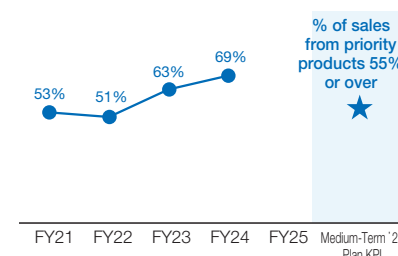


Sales Strategy

Sales strategies for priority products

We have been implementing a priority product sales strategy since deciding in the Medium-Term '21 Plan not to actively expand across all areas of our business, but to maximize profits by thoroughly managing profitability in target markets. Priority products is an original tire product category that epitomizes Toyo Tire strengths and is vital for achieving the operating income and profit margin targets stated in the medium-term plan. The category includes new, core and differentiated products. Our sales function uses the sales composition ratio of priority products designed to suit the characteristics of different target regions and markets as a key indicator when developing sales activities.

Changes in sales composition ratio of global priority products



North American business model

The Toyo Tire Group has invested various management resources in the North American market since establishing its tire production base in the State of Georgia in 2004. In the United States, where automobiles are not just a means of transportation, but an integral part of cultures and lifestyles, we have focused on large-diameter tires for light trucks (large SUVs and pickup trucks) because those products are in high demand in the Sun Belt region, the southwestern part of the United States. More specifically, we have targeted users that prize individuality, consistently promoting and introducing tires that offer the volume, robustness and design that those users expect.

Since the Toyo Tire Group does not operate any

directly managed dealerships, our dealers are our closest customers, and it is through them that we gain a firm grasp of market trends and needs. Instead of simply ascertaining our dealers' actual needs in terms of the products they want to offer end users, our sales function also conducts various marketing-type sales activities that explore latent needs for added value such as the kind of proposals and services each individual dealer really wants us to offer. We have built a unique and powerful customer base by pursuing sales activities that intricately link the things our customers desire and what we can and should deliver. We are also working with our R&D function and product planning function to increase brand awareness through our ongoing participation in America's

biggest off-road races. The synergies generated by these activities have enabled us to capture and retain a dominant share in the niche market of tires over a certain number of inches in the United States, which is generating a significant revenue stream. However, far from becoming complacent, we have been taking steps to significantly reorganize our sales channels, while also assessing structural changes in the broader market and customer expectations of the company.

In recent years, we have seen a string of new competitors enter this segment, and a steady flow of low-priced products enter the North American market as

a whole. However, our product capabilities and brand power, which are backed by firm bonds of trust with dealers cultivated over more than 20 years, have proved key strengths for the Toyo Tire Group and true assets for upholding our presence in the North American market. To translate these strengths into even stronger results, we will continue to invest in our production capacity and technological capabilities, strengthen branding, and refine our business model to build stronger resilience in fluctuating market conditions.

Reorganizing sales structures in Japan and Europe

In Japan and Europe, we are also moving forward with our basic policy of pursuing quality, rather than quantity, and we are shifting sales activities to focus on the sales composition ratio of priority products designed to satisfy regional market trends as a key indicator of success. Using the North American business as role model is helping us develop win-win relationships with sales partners who share our approach and can deliver products to users.

In Japan, we are starting to see the benefits of structural reforms to consolidate and close sales bases

that started in 2023, and are establishing a solid profit base.

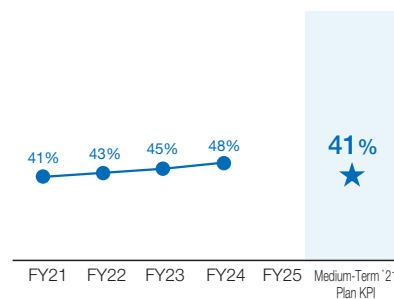
In 2024, we also embarked on a bold restructuring in Europe to consolidate disjointed sales functions across the region under a new sales company based in Serbia, where our production base is located. The ultimate aim is to unify the management of production and sales across the entire European region and strengthen our management platforms, while also improving customer satisfaction and Toyo Tire brand presence through flexible and speedy business development.

Strengthening business resilience worldwide

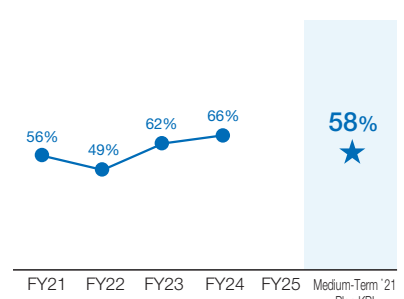
To ensure we can leverage our superior capabilities and better compete with larger companies, we have nurtured a deep shared awareness of the importance of establishing and implementing measures to address changing business environments with a strong sense of urgency. Based on that awareness, we share information on sales conditions and dealer activities at daily company-wide meetings attended by sales, R&D and production function representatives to identify new

business opportunities. Each function then aligns various factors and implements any necessary measures in a timely manner. We believe that close inter-functional coordination and agility are key strengths that have enabled us to promote parallel structural reforms in Japan and Europe, as mentioned above. We will strive to complete those reforms and strengthen profit structures, not only in North America, but also on a consolidated basis, and fortify our business on a global scale.

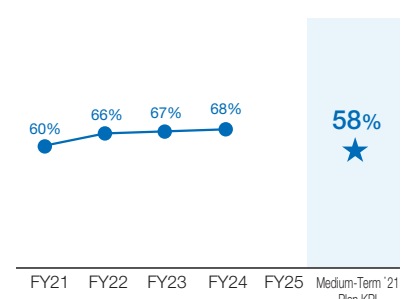
% of North America region against total unit sales



% of North America region against total sales among priority products



% of North America region against total sales



Developing talent with sales associates and tire technicians

The Group's tire sales subsidiaries are striving to improve the job skills of tire technicians and the level of service provided by sales associates and front office staff. Sales companies provide jobspecific training to sales associates and front office staff to equip them with the awareness required to convey product value to customers clearly and correctly on a day-to-day basis and to develop the skills required for their respective roles. We also hold a Truck and Bus Tire Servicing Contest for technicians, at which technicians selected from all over Japan compete with each other to demonstrate their skills. The contest aims to improve the skills and service level of technicians responsible for exchanging tires, performing inspections,

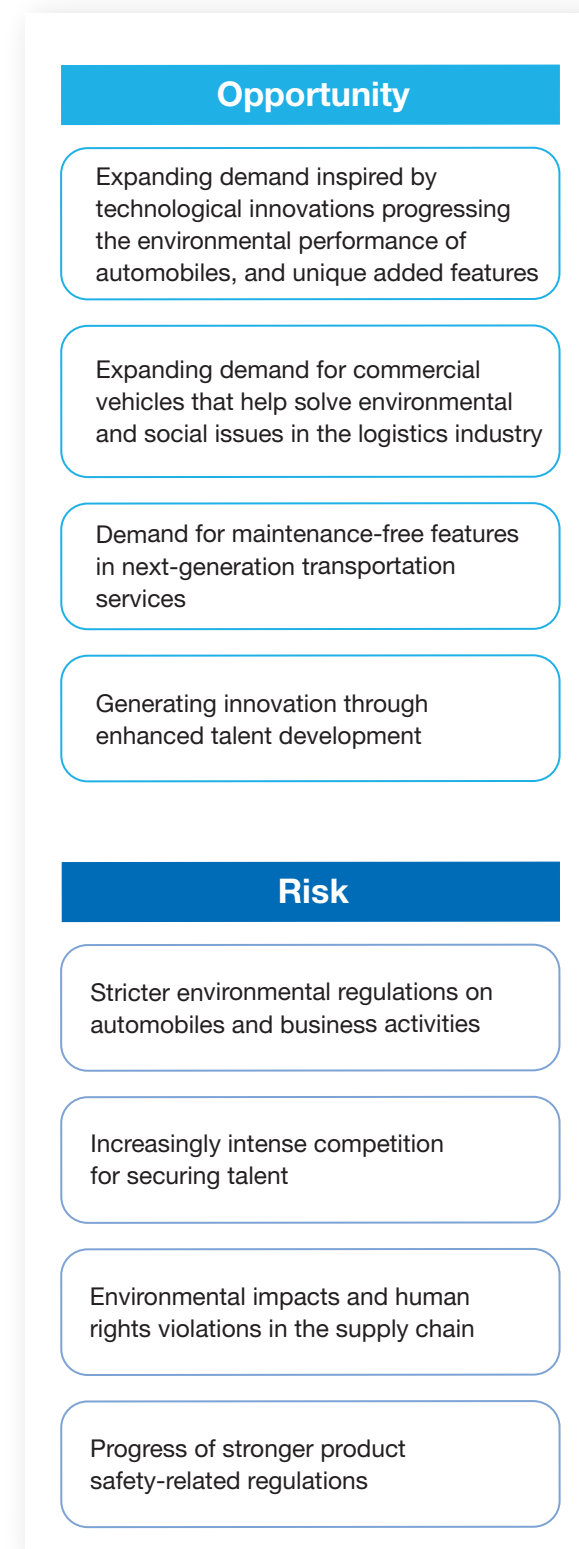
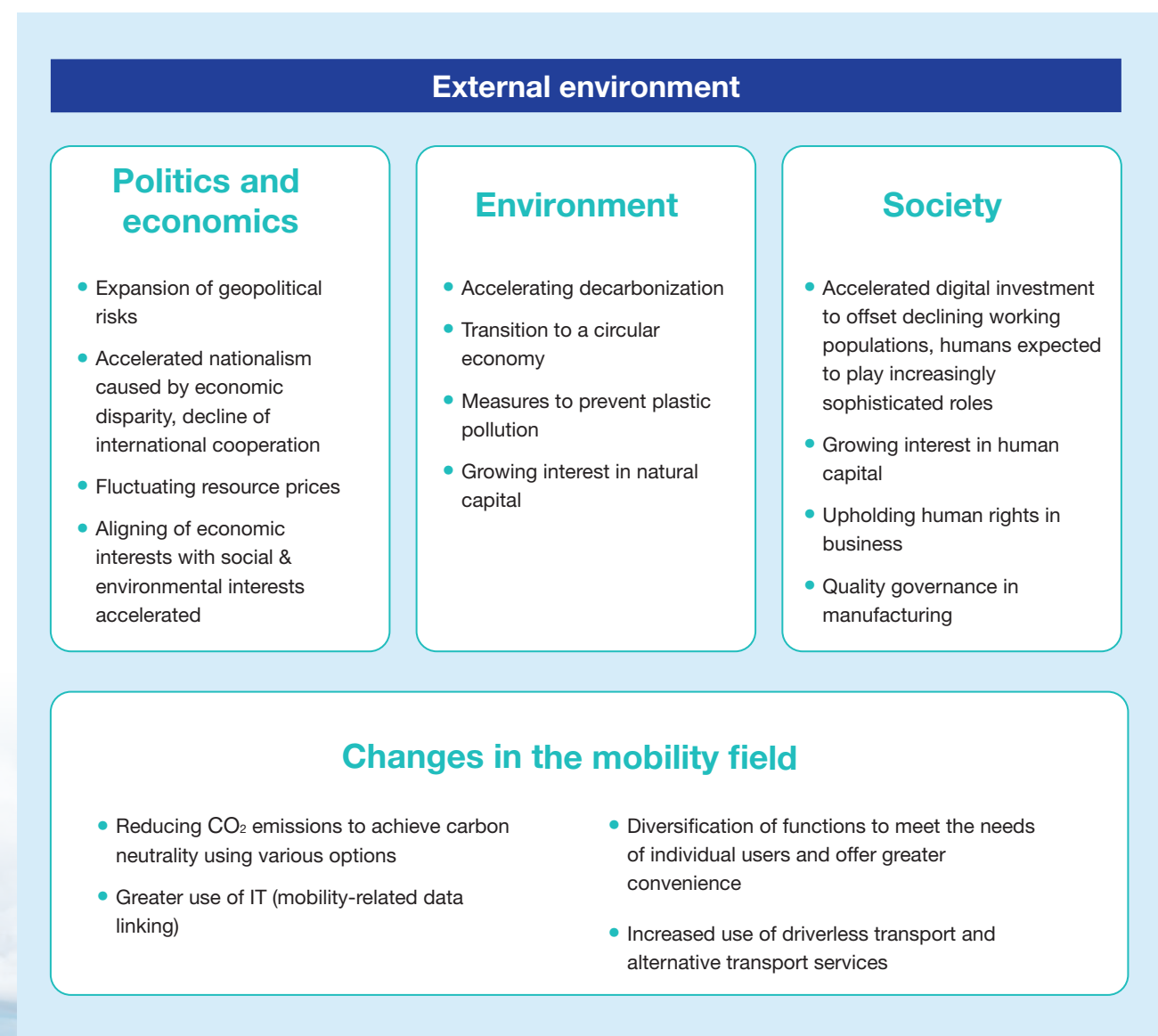
and providing after-sales services, as well as to help prevent wheel detachment accidents of large vehicles, which are recognized as a social issue. This contest illustrates to staff how their own jobs contribute to the safety of our customers, which in turn fosters a sense of duty and motivation toward their work.



Truck and Bus Tire Servicing Contest

External Environment and Risks & Opportunities

We are aware of the risks and opportunities posed by changes in the business environment during the Medium-Term '21 Plan period and the predicted transformative trajectory of the mobility field through 2030. We will work to create value by adapting our products, services, and targeted initiatives to reflect these changes.



Toyo Tire Materiality

At the Sustainability Committee meeting in June 2021, we decided our Group's material issues as key challenges that we need to address, which were approved by the Executive Committee in July 2021. Along with strategically investing our internal resources into initiatives related to the material issues, we also use this opportunity to foster a corporate culture where each employee addresses sustainability issues by connecting materiality to their own duties, as well as strengthen materiality-focused stakeholder engagement.



			SDGs	KPI (targets)	Key achievements of 2024
I Value creation	Unique value provided to customers and society through our products and services	1	Help create a society of sustainable mobility	● Product development based on plan to upgrade fuel efficiency at each model change ● Launch products for commercial EVs in Japan that conform to environmental regulations and address issues in logistics ● GHG emissions reduction targets Scope3 By 2030: Contribute to 20% reduction per tire against 2019	■ Launched PROXES CF3, OPEN COUNTRY H/T II* * Launch in 2025 ■ Launched NANOENERGY M151EV, M951 EV ■ GHG emissions reduction targets Scope3 Contribute to 1.6% reduction per tire against 2019
		2	Support the enjoyment of mobility for all	● Develop products with added value in both environmental performance and good design	■ Launched OPEN COUNTRY R/T TRAIL* utilizing sustainable raw materials ■ Launched OPEN COUNTRY H/T II* with design and quietness features * Launch in 2025
II Foundation for value creation	The base for value creation	3	Support diverse talent with motivating challenges and jobsatisfaction	● Promote organic teamwork and job satisfaction among diverse talent ● Cultivate individuality, quality and ability through talent development ● Improve health management indicators	■ Engaged in industry-academia partnership with Doshisha University through comprehensive partnership agreement ■ Updated level-specific company philosophy training program ■ Implemented specialized educational curriculum for R&D function ■ Selected as a KENKO Investment for Health 2025 company
		4	Continue innovating next-generation mobility technology	● Ratio of sustainable raw materials per products 40% by 2030 and 100% by 2050 ● Expand application of tire wear diagnosis technology	■ Ratio of sustainable raw materials per products: 28% (By weight in products produced at the end of 2024) ■ Participated in Dakar Rally with tires made of 55% sustainable raw materials ■ Acquired ISCC PLUS certification at two plants in Japan ■ Developed digital application to manage truck and bus tire conditions, and began test marketing toward logistics providers
III Risk management	Responsible business practices that protect the means of value creation	5	Pursue decarbonization in all corporate activities	● Reducing greenhouse gas (GHG) emissions Scope1, Scope2 Reduce GHG emission by 46% by 2030 compared to 2019 Carbon neutrality by 2050 Scope3 By 2030: Contribute to 20% reduction per tire against 2019 ● Percentage of electricity from renewable sources used at production sites By 2030: 90% or more	■ Acquired SBT certification for 2030 GHG emissions reduction targets ■ Reducing greenhouse gas (GHG) emissions Scope1, Scope 2 Reduce 46% compared to 2019 ■ Scope3 Contribute to 1.6% reduction per tire against 2019 ■ Percentage of electricity from renewable sources used at production sites 85.5% (on a purchased electricity basis) ■ Began full operation of internal carbon pricing (ICP) 10,000yen/t-CO₂ in 2024
		6	Promote supply chain sustainability	● Expand supplier sustainability By 2025: Conduct risk assessment for 95% or more of primary suppliers ● Promote sustainable use of natural rubber ● Percentage of truck use*¹ in mainline transportation*² in Japan By2033: 50% reduction against 2019 *1 During the fiscal year starting in April and ending the following March *2 Transportation related to tire products from plants to area warehouses or to export ports in Japan	■ Percentage of suppliers assessed for environmental and social risks: 90% of total transaction amount of raw materials for tires *100% of primary suppliers of natural rubber ■ Conducted assessment of manufacturing contractor and distributor progress in addressing human rights ■ Identified 40% of natural rubber harvest areas ■ Percentage of truck use*¹ in mainline transportation*² in Japan 33% reduction against 2019
		7	Ensure the fundamentals of manufacturing: quality and safety	● Meeting the quality standards of each country ● Establish process assurance system by visualizing product quality in manufacturing processes ● Increase users' safety awareness	■ Continued conforming to ISO 9001/ IATF 16949 ■ Launched MES* at Serbia Plant * Manufacturing Execution System ■ Conducted tire safety awareness activities with stakeholders

1 Help create a society of sustainable mobility

2 Support the enjoyment of mobility for all

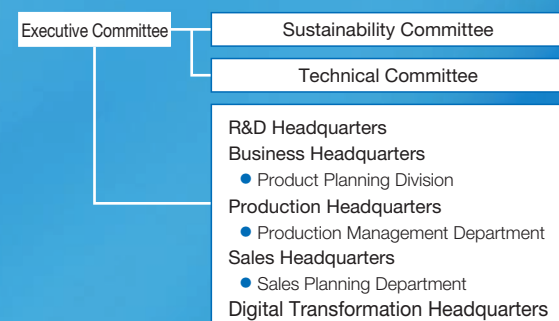
- Environmental contribution (CO₂ emissions reduction): Reducing tire rolling resistance, improving EV compatibility, saving resources
- Ultimate enjoyment of driving and sophisticated features
- Safety: Maintenance-free products, diagnosis of tire wear

Our policy

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

Organizational responsibilities (April 2025)

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



Toward a society of sustainable mobility

Reducing the environmental impact of mobility

● Improvements in fuel efficiency with each new model release

Reducing vehicles' CO₂ emissions is a challenging issue that needs to be addressed throughout the supply chain in order to achieve carbon neutrality by 2050. At Toyo Tire Corporation, our goal is to help reduce CO₂ emissions per tire by 20% by 2030 compared to 2019 levels and our functional organizations collaborate to develop products.

When planning model changes for priority, or core, products based on our medium-term product development plan, the product planning function works closely with the sales function to monitor trends in individual markets and also incorporates performance and functions that can also be applied to EVs, including fuel efficiency, into its product development requirements. In anticipation of potential trends in the automotive market and required levels of tire performance and functionality, our R&D function has established a technology development framework that collates repeated refinements of platform technologies over a medium-to long-term time span and achieves a high-level of product planning. We will continue to improve fuel efficiency across our product lineup to help reduce the environmental impact of mobility.

In April 2025, we launched the OPEN COUNTRY H/T II highway terrain tire*¹ in the Japanese market that complements the OPEN COUNTRY series' renowned designability with added quietness and fuel efficiency. After initially launching the OPEN COUNTRY series in Japan to coincide with the expansion of the SUV market, we received multiple requests from dealers and other channels to enhance the product lineup by offering an aggressive pattern design and performance that was more attuned to city driving. That feedback inspired the development of the OPEN COUNTRY H/T II. Nano Balance Technology was used to increase the amount of silica, thus improving rubber strength, and super active polymer was added to enhance silica dispersion, allowing us to optimize fuel efficiency, wet performance, and wear resistance to a high degree. Rolling

resistance has been reduced by 17% *² compared to the conventional OPEN COUNTRY A/T EX tire, boosting fuel efficiency.

*¹ A category of quieter tires that are better suited to driving on paved roads and highways and offer higher degree of driving comfort than the all-terrain category.

*² (Location) Toyo Tire Corporation indoor drum-type rolling resistance testing equipment

[Test conditions] ●Tire size: OPEN COUNTRY A/T EX225/65R17 102H, OPEN COUNTRY H/T II 225/65R17 102H ●Rim size: 17 x 6.5 ●Tire pressure: 210 kPa

●Load: 6.67 kW ●Speed: 80 km/h

* There is no guarantee that the exact same results would be generated even if the test was repeated under similar conditions.

* Detailed data from the above-illustrated test have been delivered to the Tire Fair Trade Council.



OPEN COUNTRY H/T II

● Our unique EV strategy

The global shift toward EVs may be slowing down, but they still represent one of the most effective ways of reducing automobile CO₂ emissions, so we expect the spread of EVs to continue as energy conditions and automobile usage in different countries and regions evolve.

For example, if we break down CO₂ emissions in Japan by sector, the transport sector accounts for roughly 20%*³ of total emissions, and modal shifts and other efforts to promote decarbonization are being pursued in earnest across the transportation industry. The shift toward EVs for transportation vehicles is also progressing, and commercial vehicle manufacturers have begun enhancing their EV truck lineup. Furthermore, now that major shipping and transportation companies are required to switch to non-fossil energy, demand for EV trucks will likely increase further going forward.*⁴

To address these trends, Toyo Tire Corporation introduced the NANOENERGY M151 EV ribbed tire specifically for light EV trucks into the Japanese market in June 2024, followed by the NANOENERGY M951 EV tire, the first studless model for light EV trucks in September of the same year.

Considerable emphasis is being placed on EV cruising range on a single charge, and tires are expected to achieve a

level of fuel efficiency (energy efficiency for EV tires) that helps extend that cruising range. Furthermore, we have to develop specific tire performance elements exclusively for EVs. This is because EVs exert a heavier load on tires due to their heavier weight when equipped with batteries and the increased acceleration performance generated by powerful EV driving force. The use of regenerative braking*⁵ can also affect the manoeuvrability of EVs.

When developing the necessary products, we designed an optimal compound using nano composite polymer (see P27), a material developed through our proprietary Nano Balance Technology, which reduced rolling resistance and improved wear resistance. With the NANOENERGY M151 EV in particular, we optimized the tire's aerodynamic characteristics*⁶ by using our proprietary aerodynamic simulation, which derives advance predictions of the level of air resistance that tires and vehicles will likely be subjected to during driving and incorporates those data into the product design. This is the first time this simulation has been used in truck and bus tire design.

These two NANOENERGY EV tires were recognized at the 2024 Good Design Awards sponsored by the Japanese Institute of Design Promotion. They were highly praised for addressing the shift toward EVs in the transportation industry from a design perspective and for generating high-level improvements in both performance and durability.

*³ National Institute for Environmental Studies, Japan
National GHG Inventory Document of JAPAN (P2-4)
https://www.nies.go.jp/gio/archive/nir/ua88o20000099s22-att/NID-JPN-2025-v3.0_gioweb.pdf

*⁴ Japan Trucking Association 2024 (P6)
https://jta.or.jp/wp-content/themes/jta_theme/pdf/aboutjta2024eng.pdf

*⁵ A form of electric braking that uses shaft rotation power to convert kinetic energy into electrical energy that can be captured and reused, as opposed to, under normal conditions, using a motor to convert electric power into a driving rotational force

*⁶ Special characteristics associated with air resistance and air flow exerted on an object that is moving or being propelled through air

 **GOOD DESIGN
AWARD 2024**



**NANOENERGY
M151 EV**



**NANOENERGY
M951 EV**

Ensuring safety and security in mobility

●Balancing safety and environmental performance

Demand for small deliveries and other logistics has been increasing in Japan as the e-commerce market grows, but, at the same time, the enactment of the Work Style Reform Act in April 2024 has capped overtime hours for truck drivers leading to greater hiring of less experienced drivers. We recognize this situation and the broader requirements for even higher safety performance of transport vehicles and tires.

In June 2024, we launched the DELVEX M135 tire for the Japanese market, a ribbed tire for light trucks that offers both impressive wear resistance and fuel efficiency, while maintaining a high level of wet performance. The tire's unique pattern design ensures strong tire grip over a wide range of truck loads, from fully loaded to near empty. Furthermore, the special wear-resistant LT compound developed using Nano Balance Technology has improved not only wear resistance and wet performance, which are considered to be the most important features for light trucks tasked primarily with small-lot deliveries, but also fuel efficiency. The estimated wear life on the DELVEX M135 tire has been improved by 32%*⁷ compared to the conventional DELVEX M134 tire, and rolling resistance reduced by 16%*⁸.

*⁷ [Test conditions]

- Evaluated size: 205/85R16 117/115N
- Location: General roads near the Toyo Tire Corporation tire test course
- Distance traveled: 12,000 km
- Vehicle used: 3-ton truck (Isuzu Elf TRG-NPR85AR), Engine capacity: 2.99 L, Axle arrangement: 2-D
- Rim size: 16X5 1/2J
- Tire pressure: 600 kPa
- With tire rotation
- Evaluation method: Comparison of total average estimated wear life of rear axle (calculated using a minimum remaining tread depth of 1.6 mm)

*⁸ (Measurement method) Measure rolling resistance values on the Toyo Tire Corporation indoor drum-type rolling resistance testing equipment

- [Test conditions]
- Evaluated size: 205/85R16 117/115N
 - Location: Toyo Tire Corporation Tire Technical Center
 - Testing equipment: Drum-type rolling resistance testing equipment
 - Test method: UN R117 force-type
 - Rim size: 16X5 1/2J
 - Tire pressure: 600 kPa
 - Load: 10.71 kN
 - Speed: 80 km/h

* There is no guarantee that the exact same results would be generated even if the test was repeated under similar conditions.

* Detailed data from the above-illustrated test have been delivered to the Tire Fair Trade Council.

* The rolling resistance test reduction rate does not match the actual fuel consumption reduction rate.

●Adapting to changing weather patterns and road surfaces

The warmer winter weather observed in Japan, Europe, and other regions over recent years has changed winter road surface conditions. More surfaces are getting slippery due to large temperature differentials and the repeated freezing and thawing of snow, with snow melting during warmer daytime temperatures, turning into slush, and then freezing again at night when temperatures drop, turning to ice. The performance of studless tires needs to be improved to address these changing conditions.

The Toyo Tire Group has especially been focusing on improving tire performance on ice because that has a significant impact on automobile driving safety. In August 2024, we launched the OBSERVE GIZ3 studless tire for the Japanese market with improved and longer-lasting braking performance and start-up traction on icy roads. Tire adhesion on icy road surfaces has been improved by using T-MODE snow prediction technology to design new tire patterns, along with rubber compounds that stay soft even in low temperatures thanks to a blend of new materials such as sustainable high adhesion gel and sustainer grip polymer. This has helped achieve a 22% improvement*⁹ in braking performance on icy roads over the previous model, the OBSERVE GIZ2.

*⁹ [Test conditions]

- Location: Winter tire test course
- Size: 195/65R15 91Q
- Vehicle used: Toyota Corolla HB (with ABS)
- Engine capacity: 1800 cc
- Driving system: 4WD
- Rim: 15x6
- Tire pressure: 250 kPa/240 kPa
- Road type: Icy road surface
- Testing method: Measure the distance when driving straight at a speed of 20 km/h between the brake being fully applied and the vehicle coming to a complete stop.

* This test is conducted on an ice-covered road so performance may vary depending on the environmental conditions



DELVEX M135



OBSERVE GIZ3

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

Our fundamental purpose is to support rich, high-quality mobility-related lifestyles by developing technologies and commercializing products that offer ultimate driving enjoyment and exquisite design features, while also fulfilling basic tire performance and sustainability requirements.

We are expanding the range of products on offer in our pillar OPEN COUNTRY series to address the diversifying needs of users in the SUV market in Japan.

The OPEN COUNTRY R/T TRAIL tire that we introduced for the Japanese market in March 2025 is a rugged terrain tire that sits between mud-terrain tires designed for full off-road use on uneven or muddy terrain and all-terrain tires that focus on achieving a good on-road/off-road balance. Being the first company to develop a pattern design for this tire category is a unique strength that sets us apart from other competitors. The tire offers both impressive designability and a high degree of comfort thanks

to high traction performance and noise suppression qualities acquired using pattern technology refined through participation in off-road races. Furthermore, the bead wire and other components have been made from race-verified sustainably recycled materials. At the BAJA1000 held in Mexico in November 2024, TEAM JAOS competed in a LEXUS LX equipped with these tires and won its class in the Stock Full Size category.

The OPEN COUNTRY H/T II released in April 2025 offers quiet, fuel-efficient performance for on-road driving on paved roads and highways, while also carefully heeding the need for exemplary designability. (see P38)



OPEN COUNTRY R/T TRAIL



TOPIC

Open Country R/T receives Minkara PARTS OF THE YEAR 2024 Hall of Fame Award (SUV/4X4 tire category) for the third year in a row*

Operated by LY Corporation, Minkara (short for “Everyone’s Car Life” in Japanese) is one of Japan’s largest specialist automobile social media platforms where car lovers post and discuss various car-related topics. Minkara aggregates the number of parts user reviews and the scores, and ranks parts with the highest support in its PARTS OF THE YEAR survey announced twice a year in the middle and the end of the year. OPEN COUNTRY R/T has been in the top rankings since the 2017 first-half awards, and was inducted into the Hall of Fame for the first time at the 2022 annual awards. 2024 marks its third consecutive year in the Hall of Fame. Going forward, we will continue to accurately grasp market trends

and attentively incorporate user insights to help develop highly unique and attractive products.



OPEN COUNTRY R/T



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

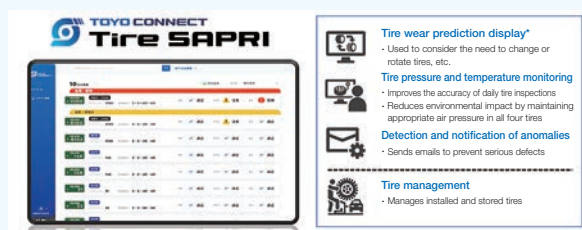
Providing value for evolving mobility in a changing society

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

●Supporting safe driving

Tires are the only components of a vehicle that actually come into contact with the road surface. We are developing sensing technology that can collect various types of information from tires and turning the concept of using tires themselves as devices for acquiring information into a reality.

In December 2024, we developed the Tire SAPRI digital application that clearly grasps and manages the usage environment and conditions for truck and bus tires. We have already begun test marketing the app to some customers. We first built a model capable of estimating a tire's state of wear without actually measuring it using a system that automatically collects and amasses changes in installed tires and other driving environment information according to the individual vehicle operational status and uses AI to analyze the data. The model has since undergone repeated demonstration experiments with the help of logistics companies, and is now in the test marketing stage. We will continue to refine our technology to promote the efficient management of vehicle operations by logistics operators and preempt operational issues by detecting and conveying any abnormalities through tire wear prediction and tire pressure and temperature monitoring.



●Maintenance-free airless tires

A likely effect of changes such as self-service gas stations, home charging of EVs and wider adoption of car sharing is that there will be fewer opportunities for drivers to get tires serviced by experts. Also, cars need to be lighter in order to save energy and resources, and tire manufacturers face the challenge of providing safety in the next generation of mobility without the need to carry a spare tire. We aim to use airless tires to create maintenance free tire solutions with no need for a spare tire.

Our “noair” airless concept tire achieves the level of durability and maneuverability close to that of pneumatic tires and can be fitted on passenger vehicles for driving. As part of the path to commercialization, we are currently trialing the “noair” tires on last-mile delivery vehicles.

We also provided electric cart vehicles equipped with “noair” tires as mobility vehicles designed to shorten the time spent moving about the venue for people involved in the holding and operation of the 2025 International Exposition, and to help make the whole process more efficient. We are conducting demonstration experiments and improving performance for practical use in areas such as green slow mobility, while remaining attentive to any legal and regulatory trends related to driving on public roads.



“noair” airless concept tire

Demonstration experiments

Domain II

Foundation for value creation

3

Support diverse talent with motivating challenges and job satisfaction

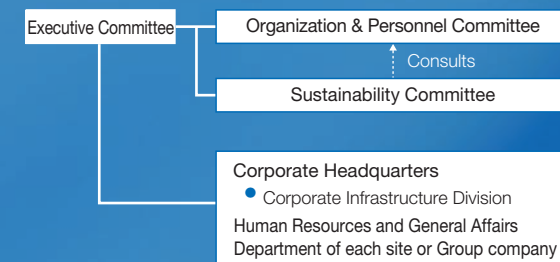
- Demonstrating ability and fostering motivation (developing talent)
- Securing diverse human resources (promoting diversity)
- Creating healthy working environments (reforming working styles)

Our policy

As part of our efforts to build a management foundation to support sustainable growth, we stipulated the development of a framework in the Medium-Term '21 Plan that would enable diverse human resources to work together organically and play an active role based on enthusiastic job satisfaction, as well as a training system that upholds individuality, quality and ability. We are committed to our human capital through medium- to long-term resource investment in developing talent, promoting diversity and creating healthy working environments.

Organizational responsibilities (April 2025)

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



Human resource base

Demonstrating ability and fostering motivation (developing talent)

Human resources are the source of the value we create for society through our business activities, and our most important form of capital that supports continuous business growth. We thus recognize the importance of human capital development. In unpredictable and uncertain business environments, our growth is supported by talent that continually strives to overcome increasingly complex and diverse issues and difficulties, and that can take on challenges using originality to solve problems, enabling us to create new value for society. Our policy is to build a human resource base by establishing a cycle of human resources measures and investments that fosters this kind of talent.

Based on this policy, in 2021 we launched a new human resources evaluation system for employees in career-track positions, and in 2023 expanded it to cover talent corresponding to technical and regional positions at production bases. This system defines a clearer picture of the type of talent we seek and role expectations at each level, enabling us to conduct evaluations and adjust treatment in a way that motivates each employee to achieve better results and to develop themselves. A survey conducted after its launch confirmed that the new system and related measures are increasing employee motivation as anticipated. In addition, we have been striving to increase talent retention for positions that have had issues with working environments or treatment and revise our human resources system.

Furthermore, as part of developing a training system that upholds individuality, quality and ability, in 2022 we reviewed our training system and restructured the content. We incorporated this into level-specific training to deepen understanding of the corporate philosophy that underpins our management, the role expectations defined by our human resources system, and the fundamental knowledge that should be held by core employees, such as digital transformation and ESG. Our programs run over several months in order to ensure focused learning and workplace application of the mindset and skills required to fulfil role expectations at each level. In our training for general managers and divisional general managers, we aim to encourage personal transformation to strengthen management ability and improve leadership to facilitate

medium- to long-term problem solving. To further develop future globally-minded business management candidates, for selected mid-career employees, we conduct selective training, cross-border training at universities, and planned personnel transfers that include overseas assignments.

So that employees are motivated to achieve future goals,

we have also defined an internal career education policy, regularly review employee career development, and conduct meetings between employees and their line managers. We also create personnel plans that include human resource rotation with a medium- to long-term focus, which we use to promote human resource transfers at a company-wide level.

Training by level held in FY2024 (Toyo Tire Corporation)

Name		Hours to complete	Training aim
New recruit training		93	To gain understanding of our management policy and strategy necessary for workplace application, and acquire social skills
Follow-up training		12	To review new recruit period and foster a mindset for the next fiscal year
Training for new senior-level administrative staff		11	To acquire the skills and outlook needed to apply specialized expertise as mid-career employees
New assistant manager training		34	To acquire the skills necessary for a position responsible for executing tasks as an entry-level manager
New manager training		34.5	To foster talent that can understand the roles and achievements required of managers, deliver organizational results, and contribute to business performance
New general manager training		18.5	To foster talent capable of leading organizational management, driving business innovation and creating higher added value
New section leader/assistant supervisor/ assistant manager training		8	To foster talent that can act as workplace leaders and appropriately manage subordinate employees
Mandatory programs ^{*1}	Corporate philosophy	2.5	To promote the application and integration of our philosophy-based business thinking across all levels
	Digital transformation	1.5	To foster awareness of digital transformation by understanding our DX initiatives and reflecting on their application in employees' own duties
	ESG	1.5	To promote understanding and practice of ESG perspectives in the workplace, recognizing its link with the environment surrounding the company and employees' own duties

^{*1} Included in the training hours of the training by level

Securing diverse human resources (promoting diversity)

In our promotion, we have added aspects such as identification with and embodiment of our corporate philosophy as assessment items in addition to ability, suitability and track record, and strive to achieve optimal allocation of human resources by assessing each individual's motivation. We are also creating workplaces where diverse talent can flourish regardless of nationality, gender or age.

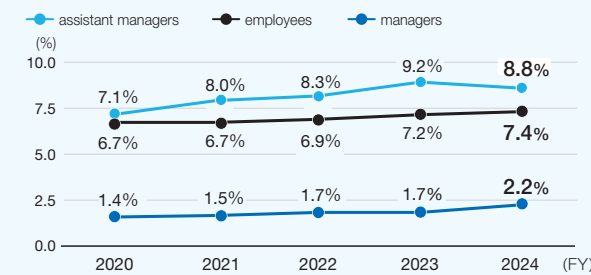
For new graduate hiring, we work with universities to open our doors to both foreign students studying at Japanese universities and Japanese students studying overseas, while actively seeking to attract individuals with strong practical potential, including those with doctorate degrees. At the same time, we are striving to increase our proportion of mid-career hires with experience at other companies, who are important in supporting our growth stage. We are also actively working to provide diverse opportunities for people to thrive in the workplace, including employing people with disabilities and rehiring employees at retirement age. In 2024 we made our employment system more flexible to retain employees who are approaching retirement age but possess valuable strengths.

These include individuals with outstanding management skills and strategic driving power, as well as experts in specialized fields who can contribute to the transfer of technology and skills. This promotes motivation in older employees and helps prepare successors. We also expect this to have a positive impact within the company and lead to organizational vitality.

While the Group has a uniform compensation system for men and women with the same job qualifications and the same level of responsibility, our analysis shows that the differing ratios of men and women in management positions affect wage performance. In efforts to change this, we have a number of measures in place including diversity and inclusion e-learning to improve employee awareness, and lectures by external experts to promote women's empowerment. In addition, we are actively promoting the development and promotion of women employees to enable us to ultimately eliminate wage disparities. In specific terms, over five years from 2016 to 2020, we doubled the percentage of women at the junior management level (assistant managers who become candidates for managerial positions) from 2.0% in 2016 to

4.7% in 2020. In further efforts to promote more women into management, since 2021 we have set a target for promotion from junior management level to manager level or higher, with the ratio of women promoted to be 0.8-1.2 times that of men.

The ratio of women employees / assistant managers / managers (Nonconsolidated)



Employee diversity

(Toyo Tire Corporation, full-time employees)

Total	3,705 (+0.9% y/y)	
By age	Under 30	17.9%
	30-50	60.8%
	Over 50	21.3%
By gender ^{*2}	Male	92.6% (-0.2 pts y/y)
	Female	7.4% (+0.2 pts y/y)
People with disabilities	79 / 2.58% (As of June 1, 2024)	
Employees from countries other than Japan ^{*3}	20	
Management by gender	367	
Employees from countries other than Japan ^{*2} in management	Male	97.8% (-0.5 pts y/y)
	Female	2.2% (+0.5 pts y/y)

^{*1} Data by gender: Refers to data based on the sex assigned at birth. We do not have quantitative data on gender identity because it is difficult to obtain, but we aim to create workplaces where all employees can take an equal active part.

^{*2} Data on employees from countries other than Japan: Refers to data on foreign nationals as defined in the Nationality Act of Japan.

Creating healthy working environments (reforming working styles)

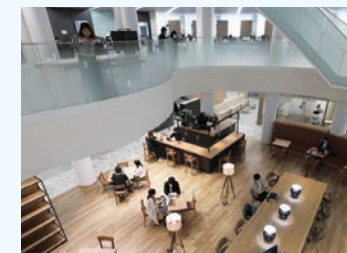
We believe that our unique work styles and working environments maximize the capabilities and vitality of diverse human resources and organizations.

In 2023, we introduced a new working style system with a remote work option, which had been established during COVID-19 pandemic. At our head office, we also renovated our work spaces so that employees can choose their own seat each day, allowing them to concentrate and be more productive while also fostering better collaboration with colleagues. Survey results show that over 90% of employees are satisfied with these broader working style options and our new office style where they can work freely and autonomously. Our renovated head office also received an encouragement award from Nikkei Inc. and the New Office Promotion Association.

In 2024, we recommended employees work 100% remotely during heat waves to reduce the stress of commuting. We confirmed that this decision led to a high level of employee satisfaction from a work-life balance perspective, so in November of the same year, we added the 100% remote work option to

our permanent system.

Regarding the need to help employees achieve a good work-life balance, we seek to improve our understanding of any changes in our employees'



Workspaces at our head office

lives caused by different life events and to provide ways to help them achieve a healthy work-life balance. We support employees in their childcare and nursing care responsibilities through systems such as leaves that enable employees to concentrate on raising children up to two years of age and caring for family members. We have also established systems and a workplace environment that are more conducive to men taking childcare leave, and established a system that allows employees to reinstate and use annual paid leave that expired from two years ago in the event of an injury or illness, childcare or nursing care, volunteer activities, hospital visits, hospitalization, pregnancy, infertility treatment, or other reasons. Meanwhile, following labor-management consultations, our administrative and technical bases have designated several promotional days a year for encouraging employees to take their annual leave and achieve a better work-life balance. At the same time, we encourage employees at production sites to systematically take annual paid leave in line with the annual production plan. In fiscal 2024, the annual leave utilization rate stood at 71.4%, an increase of 17 points over the past three years.

The action plan formulated based on Japan's Act on Advancement of Measures to Support Raising Next-Generation Children was revised in 2024 to help expand our childcare support systems and improve working environments. The revision is designed to boost childcare leave utilization rates to 100% for both men and women by, for instance, offering paid parental leave to care for a sick child and possibly expanding the number of eligible paid childcare leave days.

Childcare leave utilization update

	FY2021		FY2022		FY2023		FY2024	
	Utilization rate	Number of employees	Utilization rate	Number of employees	Utilization rate	Number of employees	Utilization rate	Number of employees
Male employees (No. of employees taking over one week's leave)	16.9%	22 (7)	35.4%	34 (12)	50.5%	51 (38)	66.7%	62 (42)
Female employees	100%	3	100%	7	100%	12	100%	14

Employee opinion survey

It is important that our employees should feel proud of what they do and are motivated to create value.

We have been conducting an employee awareness survey once every two years since 2021 to capture a snapshot of our organizational culture. The survey results and detailed analysis are shared with the Executive Committee and feedback is provided to each department. Our efforts to create and implement improvement action plans based on deep reflection are starting to bear fruit as the cycle takes hold. Each department is encouraged to implement

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

Joint human resource development program with Doshisha University

In March 2024, we entered into a five-year comprehensive partnership agreement with Doshisha University, and began a joint project to develop next-generation technologies and human resources.

In the first year, 26 employees — primarily junior members and those from our next-generation leader class — joined a graduate school education program that is part of the university's integrated humanities and

sciences curriculum. By learning together through active discussions with graduate students from a variety of research disciplines, our employees can foster perspectives that enable them to consider how our technologies and products can be utilized for sustainable development around the world. We expect a similar number of participants for 2025, and will proactively utilize this as a recurrent educational opportunity for employees.

TOPIC First selection as a Health & Productivity Stock

For the first time, we were included in the 2025 Health & Productivity Stock* by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in recognition of our health management initiatives. In 2024, all of our Group bases became smoke free, and we made the recommendation of 100% remote work to reduce the stress of commuting during heatwaves a permanent option at our head office and other office sites. We are also working to improve comfort and safety at our production bases.

We will continue creating sound and healthy working environments where everyone can thrive, based on the belief that ensuring employees can carry out their duties in good health and well-being increases productivity and organizational activity, which as a result leads to business development and creation of social value.

* Certified as a Health & Productivity Management Outstanding Organizations (White 500) company, selected from listed companies that fulfill requirements such as no serious legal violations, taking into account ROE trends and dialogue with investors.



4

Continue innovating next-generation mobility technology

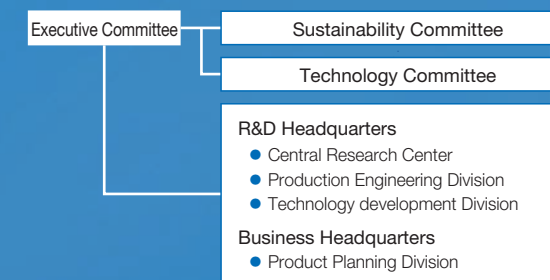
- Developing products, materials and technology for a society of next-generation mobility
- Creating recycling technologies for products and raw materials
- Innovating low-impact alternatives to substances of concern

Our policy

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

Organizational responsibilities (April 2025)

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



Platform technologies

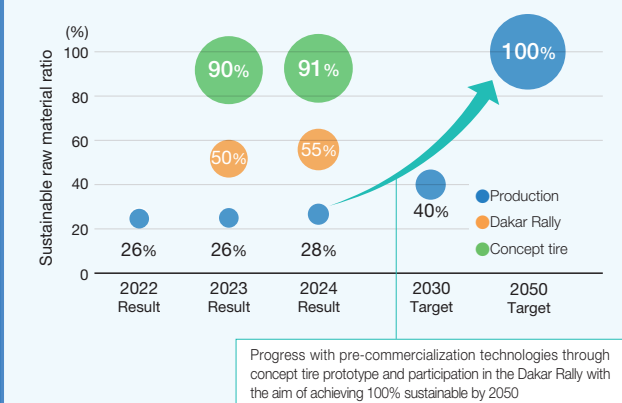
Expanding the use of sustainable raw materials

We believe it is our mission as a manufacturing company to help promote the transition from a society that consumes resources to a society that circulates resources. We conduct research and development with the aim of increasing the ratio*¹ of sustainable raw materials*² used in our products to 40% by 2030, and 100% by 2050. That ratio reached 28% at the end of 2024. Going forward, we will continue developing technologies to increase the use of recycled raw materials such as reclaimed rubber made from used tires, recovered carbon black (rCB) and recycled bead wire, as well as renewable raw materials such as synthetic rubber made from biomass (biomass-derived butadiene rubber and biomass-derived styrene butadiene rubber) and rice husk ash silica. This would lead to a reduction in the amount of petroleum-derived raw materials used, which have a large impact on climate change, and help reduce GHG emissions over the tire lifecycle.

*¹ The ratio is based on the weight of sustainable raw materials used in products at the end of each year.

*² Toyo Tire Corporation defines sustainable raw materials as recycled raw materials and renewable raw materials.

Ratio of sustainable raw materials: targets and actual results

ISCC PLUS Certification*³ Received

In December 2024, the Sendai Plant (located in Iwanuma City, Miyagi Prefecture), our main tire manufacturing site in Japan, received ISCC PLUS certification along with our manufacturing subsidiary Fukushima Rubber Co., Ltd.

(located in Fukushima City, Fukushima Prefecture). ISCC PLUS is one of the International Sustainability and Carbon Certification schemes for sustainable products.

The two plants that received certification can now handle certified raw materials in compliance with the mass balance approach.*4 Looking ahead, Toyo Tire will continue systematically increasing its use of sustainable



raw materials including those that are certified.

*3 Estimated by the weight of sustainable raw materials included in products.

*4 An accounting method used when products contain a mixture of raw materials with differing characteristics. It enables a certain percentage of any manufactured products to be assigned a characteristic (e.g., certification as recycled) according to the input volume of raw materials with that characteristic.

Efforts to reduce TRWP*5

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

We also actively participate in industry groups, the Tire Industry Project (TIP)*6 and JATMA, to conduct research

and study ways to mitigate the impact of TRWP since there are still many things about TRWP that have yet to be determined. We will continue to contribute to the industry's efforts in this area, while also using any knowledge we acquire through these industry-wide activities to improve our own initiatives on reducing TRWP.

In addition, TRWP contains 6PPD*7, a widely used anti-degradant in the global tire industry. Studies in the U.S. have highlighted that 6PPD-quinone, which can form when 6PPD reacts with oxygen or ozone, is toxic to some fish species. As a member of the tire industry, we are actively engaged in wide-ranging research and testing various alternatives.

*5 Tire and Road Wear Particles

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

*7 N-(1,3-dimethylbutyl)-N'-phenyl-p-phenylenediamine, an anti-degradant additive used to prevent the tire surface from cracking and degradation

Intellectual property

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

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

TOPIC Developing concept tires made from 91% sustainable raw materials

We have developed a tire made of 91% sustainable materials, the highest sustainable raw material content in the industry (source: Toyo Tire Corporation), and exhibited it at the Tokyo Auto Salon 2025. The product contains 62% renewable raw materials and 29% recycled raw materials. The prototype is an Open Country R/T produced to the

road-ready strength and quality specifications to demonstrate that off-road tires can be sustainably produced. Going forward, we will continue to perfect this tire's technological innovation and press for early commercialization as a product that can help realize an era of sustainable mobility.



Risk management

5 Pursue decarbonization in all corporate activities

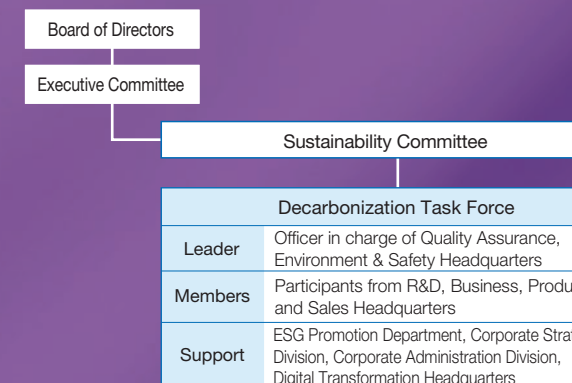
- Responding to climate change risks and opportunities (TCFD)
- Reducing greenhouse gas emissions (GHG)

Our policy

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

Organizational responsibilities (April 2025)

The Toyo Tire Sustainability Committee is chaired by the president and meets four times a year. The committee reports, deliberates and makes decisions on how to respond to climate-related and other sustainability issues, and what progress is being made. The Decarbonization Task Force, which sits under the Sustainability Committee, discusses climate-related activity plans, targets and KPIs, and the Sustainability Committee regularly confirms and monitors the status of those activities. Any climate-related matters that have been debated and approved in the Sustainability Committee are then reported to or debated in the Executive Committee and reflected in the formulation or review of our annual and medium-term business plans. The developments are reported to the Board of Directors in a timely and appropriate fashion.



Decarbonization

Responding to climate change risks and opportunities (TCFD)

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

Scenario analysis process



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

We selected baseline (rise of 3-4°C) and transition (rise of 1.5°C) scenarios with the following outlooks.

Baseline scenario	Transition scenario
<Scenario outlook> ● No new political policies or stronger regulations other than what is currently envisioned ● GHG emissions increase in some areas following economic growth ● Extreme heat, heavy rainfall and other natural disasters intensify as temperatures rise	<Scenario outlook> ● New policies and stronger regulations are enacted to curb climate change ● Global GHG emissions decline to net zero by 2050 ● Climate change causes sea level rises and changes in weather patterns, but they remain below those in the baseline scenario
<Main scenarios referenced> ● IEA Stated Policies Scenario (STEPS) ● IPCC SSP5-8.5	<Main scenarios referenced> ● IEA Sustainable Development Scenario (SDS) ● IEA Net Zero Emission Scenario by 2050 case (NZE) ● IPCC SSP1-2.6

2 Investigate risks and opportunities

3 Assess the significance of risks and opportunities, identify those of high significance and establish measures against risks

We identified climate-related risks and opportunities for each scenario and evaluated the significance of risks and opportunities based on the probability of certain events occurring that could prove to be pertinent factors in each risk and opportunity and the degree of impact on the expected costs and other factors in our business. We also established measures against risks of high significance.

Highly significant risks

Scenario	Type	Climate-related events	Impact on business	Main financial impact	Measures against risks
Baseline	Chronic	Changes in climate patterns	● Migration of natural rubber tree crop zone, decline in quality	● Increased raw material prices (natural rubber)	(i)
			● Energy supply system instability	● Increased R&D costs (alternative raw materials)	(ii)
			● Increase demand for fossil fuel	● Decreased sales (decreased tire production)	(iii)
	Acute	Temperature rises	● Deterioration of roads	● Increased R&D costs (heat resistance)	(ii)
			● Reduced areas of snowfall	● Decreased sales (decreased winter tire production)	(iv)
		Sea level rises	● Reduced natural rubber harvests	● Increased raw material prices (natural rubber)	(i)
Transition	Policy		● Compromised ports and warehouses	● Decreased sales (decreased tire production, stopped production)	(iii)
			● Inventory/product damage (flood damage)		
	Market/Reputation	Increase in extreme weather	● Compromised infrastructure networks	● Decreased sales (business slowdown, production plan revision)	(v)
		Frequent and Severe heavy rainfall and tropical cyclones	● Transport network disruption, loss of commuting options	● Increased raw material prices (natural rubber)	
			● Flooding of natural rubber plantations	● Increased transport costs	
Transition	Policy		● Marine transport delays, accidents	● Inventory/product damage	
	Market/Reputation	Increase raw material costs	● Fewer rubber plantations due to poor profitability	● Increased raw material prices due to decreased natural rubber production	(i)

Measures against risks

(i)	Develop technologies that reduce tire weight to minimize raw material usage (Material issue 1, 2)
(ii)	Develop high efficiency, high precision tires using NANO BALANCE TECHNOLOGY and T-MODE to reduce R&D costs (Material issue 1, 2)
(iii)	Strengthen supply capacity at production bases in Europe and the United States to create an agile and optimized global supply system and lessen the impact of reduced production and rapidly rising distribution costs (Medium-Term '21 Plan Growth Strategy: Production and Supply)
(iv)	Expand entry into next-generation vehicle tire market (Material issue 5: Climate change-related (TCFD) opportunities)
(v)	Minimize damage and loss and restore operations promptly using business continuity plans (Enterprise risk management)
(vi)	Promote GHG emission reduction throughout the supply chain as part of obtaining SBTi certification (Material issue 5)

Highly significant opportunities

Scenario	Type	Climate-related events	Impact on business	Main financial impact
Baseline	Chronic	Changes in climate patterns Increase in extreme weather	● Increased competitiveness through development of differentiated products (high durability, wet performance, etc.)	● Increased sales (Increased sales volume)
Transition	Market	Greater eco-conscious behavior by stakeholders	● Acquisition of new business partners through focus on the environment ● Increased added value of eco-conscious products and greater demand	● Increased sales (Expanding business partners, improving added value, and products for next-generation vehicles)
	Products/services	Growth of next-generation vehicles	● Greater demand for products for next-generation vehicles ● Faster development and sales	
	Energy	Skyrocketing fossil fuel	● Expansion of next-generation vehicle market	

4 We calculated the financial impact of any risks that are expected to have a significant impact over the medium to long term, and examined possible countermeasures.

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

Climate-related events/financial impact on business	Impact amount/impact timing	Calculation method	Countermeasures
Changes in climate patterns Changing climate patterns will generate changes in the areas in which natural rubber plants can grow, a deterioration in quality and other issues, all of which could increase the cost of natural rubber procurement	Approx. 0.7 to 9.7 billion yen (Medium-term: 2030)	(Minimum) Volume of natural rubber procurement × Increase in natural rubber prices ● The estimated volume of natural rubber procurement for 2030 is calculated on past trends ● The increase in natural rubber prices is calculated by averaging out the price increase in past months of high flooding across the whole year (Maximum) Increase in natural rubber procurement cost × Percentage increase in natural rubber procurement volume ● The increase in natural rubber procurement cost is set at the same level as the increase in procurement cost in years when large-scale flooding occurred ● The percentage increase in natural rubber procurement volume is the estimated percentage increase in procurement volume between the year when large-scale flooding occurred through to the year 2030	● Reduce the amount of natural rubber used in each tire by seeking to reduce tire weight while also paying due attention to reducing rolling resistance ● Continue efforts to increase the usage of sustainable raw materials and reduce consumption of natural rubber by gradually introducing products made from recycled raw materials such as recycled rubber from used tires ● Achieve stable natural rubber procurement by encouraging the entire supply chain to build solutions to issues faced by natural rubber production sites (deforestation, infringement of local residents' rights)

2. Impact of carbon pricing mechanism(risk)

Climate-related events/ financial impact on business	Impact amount/ impact timing	Calculation method	Countermeasures
Introduction of carbon pricing Introducing carbon pricing will boost the cost of CO ₂ emissions.	Approx. 0.5 billion yen (Medium-term: 2030)	Shortfall in CO ₂ reduction target × Carbon tax ● The shortfall in CO₂ reduction targets is the volume outstanding supposing the Company's targeted CO₂ volume reduction in 2030 is lower than expected by 10% ● The carbon tax is the 2030 carbon tax for developed countries designed to help achieve the 2050 net zero emissions target announced by the IEA ● The percentage increase in natural rubber procurement volume is the estimated percentage increase in procurement volume between the year when large-scale flooding occurred through to the year 2030	● The Toyo Tire Group will continue to reduce CO₂ emissions through efficient energy use in our products and business activities inside and outside the organization ● Help reduce CO₂ emissions by promoting the procurement of renewable energy at production sites using internal carbon pricing (ICP), as well as fuel conversion and equipment upgrades
	Approx. 5.7 billion yen (Medium-term: 2030)	$CO_2 \text{ emissions} \times \text{Carbon tax}$ ● <i>CO₂ emissions are the company's target for CO₂ emissions in 2030</i> ● <i>The carbon tax is the 2030 carbon tax for developed countries designed to help achieve the 2050 net zero emissions target announced by the IEA</i>	

Climate-related metrics

• Greenhouse gas (GHG) emissions (Scope 1, 2, 3)
→2019-2024 results 

• GHG emissions intensity
→2019-2024 results 

Climate-related targets

● GHG emissions reduction targets

Decided by the Sustainability Committee in November 2021 and approved by the Executive Committee in December 2021. Announced on February 15, 2022

Scope1, Scope2	GHG emissions: Reduce GHG emission by 46% by 2030 compared to 2019 and aim to achieve carbon neutrality by 2050.
Scope3	GHG emission per unit: Aim to help reduce GHG emissions per tire in 2030 by 20% compared to 2019.

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

Reducing greenhouse gas (GHG) emissions

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

Scope 1, Scope2 initiatives

While energy consumption inevitably increases with production volume, we are striving to address Scope 1 and Scope 2 emissions with initiatives such as the following.

- Reinforcing heat insulation of steam pipes to reduce loss of heat through dissipation
- Applying radiative cooling paint to building roofs and exteriors to prevent heat penetration and reduce cooling load
- Upgrading equipment to highly efficient energy-saving models to increase energy efficiency.
- Reusing flash steam in steam drains to effectively use waste heat
- Converting forklift trucks to electric power. In 2024, 13 units were converted, achieving an annualized CO₂ emissions reduction of approximately 400 tons
- Converting boilers to gas fuel with fewer GHG emissions. This has been done at all bases in Japan, except where extensive gas infrastructure still needs to be built

Scope 3 initiatives

The Toyo Tire Group aims to contribute to a 20% reduction in Scope 3 GHG emissions per tire by 2030 compared to 2019. A calculation of GHG emissions throughout the Group's value chain based on the Japan Automobile Tyre Manufacturers Association's (JATMA) Tyre LCCO₂ Calculation Guidelines Ver. 3.0.1 revealed that emissions from the Category 11 product use phase account for at least 80% of overall GHG emitted. According to the guidelines, fuel-efficient tires can reduce CO₂ emissions during use (during vehicle driving) by 95.4 kg CO₂e per tire for passenger car radial (PCR) and 879.0 kg CO₂e per tire for truck and bus radial (TBR) compared to standard tires. Our technical division is working to develop technologies to enhance fuel efficiency of tires by reducing their rolling resistance and weight. Over the medium to long term, the Group is planning to enlist the help of the Product Planning Division in upgrading fuel efficiency performance each time we change a tire model. As of 2024, emissions from PCR have been reduced by 2.2% compared to 2019, which is a reduction of 140 thousand tons-CO₂e.

Increasing use of clean energy

From the second half of 2022, the Toyo Tire Group began switching electricity purchased primarily at production sites to power derived from renewable sources. We will systematically promote efforts to achieve a global 90% renewable energy usage ratio by 2030. That ratio stood at 85.5% on a purchased electricity basis at the end of 2024 (on a purchased electricity basis).

We are also actively introducing photovoltaic (PV) power generation systems for in-house use. At our tire plant in Malaysia, in 2024 we expanded the PV power

generation system that went into operation at the end of 2023. The rooftop system is now in full operation with a generation capacity of 15.8 MW (up from 14.0 MW at the end of 2023). It is expected to generate 21,000 MWh and reduce CO₂ emissions by approximately 13,000 tons per year.

Energy Consumption

	Energy consumption(thousand GJ)			
	2021	2022	2023	2024
Total energy consumption	6,992.9	7,370.8	7,686.9	7,328.5
Consumption of fuel from non-renewable energy	4,735.7	5,130.8	5,302.7	5,133.2
Purchased electricity consumption	1,944.2	1,923.5	2,027.6	1,853.7
Consumption of purchased electricity from renewable energy sources, consumption equivalent to procurement of non-fossil certificates	0.0	114.2	1,442.5	1,584.2
Percentage of purchased electricity with a renewable energy certificate	0.0%	5.9%	71.1%	85.5%
Consumption of fuel from renewable energy sources (photovoltaics)	0.80	0.73	41.08	112.5
Purchased steam consumption	312.2	315.8	315.4	229.1

Total energy consumption

	GHG emissions (Thousand t-CO ₂ e)					
	2019	2020	2021	2022	2023	2024
Total direct (Scope 1) GHG emissions (CO ₂ emission derived from energy)	296.3	263.8	268.2	265.3	274.5	265.1
Total direct (Scope 1) GHG emissions	—	—	—	—	—	3.6
Total indirect (Scope 2) GHG emissions (Location based)	294.6	271.6	284.4	253.6	280.5	244.6
Total indirect (Scope 2) GHG emissions (Market based)	—	—	—	—	105.8	55.2
Total other indirect (Scope 3) GHG emissions	—	—	—	—	—	14,785.5
Category 1	—	—	—	—	—	2,325.0
Category 2	—	—	—	—	—	81.7
Category 3	—	—	—	—	—	106.4
Category 4	—	—	—	—	—	140.1
Category 5	—	—	—	—	—	11.1
Category 6	—	—	—	—	—	1.6
Category 7	—	—	—	—	—	5.4
Category 10	—	—	—	—	—	4.0
Category 11	—	—	—	—	—	11,879.0
Category 12	—	—	—	—	—	227.7
Category 15	—	—	—	—	—	2.5

SBTi* initiatives

Toyo Tire Corporation received SBT certification from the Science Based Targets Initiative (SBTi) for its GHG emissions reduction targets set for 2030, which are based on scientific evidence to limit global warming to within 1.5°C in November 2024.

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

Classification	Target
●Scope 1, Scope 2	46.20% reduction in total emissions by 2030 (compared to 2019)
●Scope 3 Category 1	Science-based targets to be set by suppliers accounting for 89.00% of emissions connected to purchased goods and services by 2029.

6

Promote supply chain sustainability

- Procuring sustainable natural rubber
- Implementing supplier management, Responding to conflict minerals risks,
- Promoting efficient logistics

Our policy

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

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

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

Organizational responsibilities (April 2025)

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

Executive Committee

Sustainability Committee

Sustainable Supply Chain Task Force

Leader	Vice President of Business Headquarters
Members	Procurement Division, Environment & Safety Division, Quality Assurance Division, SCM Division
Support	ESG Promotion Department, Compliance & Legal Division

Supply chain

Procuring sustainable natural rubber

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

International cooperation for building a sustainable supply chain

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

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



Global Platform for Sustainable Natural Rubber

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

Promoting sustainable procurement

Following the guidance provided by GPSNR encouraging tire manufacturers to incorporate the platform's Principles of Sustainable Natural Rubber into their business activities, we conducted a thorough review of the items related to natural rubber procurement that were determined as part of our CSR Procurement Guidelines. Then, from 2021, we strengthened our system based on the separate Sustainable Natural Rubber Procurement Policy. That policy is designed to improve the effectiveness of initiatives relating to healthy ecosystems, human rights, communities and other issues based on input from environmental NGOs. Currently, in addition to conveying this policy to suppliers and asking for their cooperation, we are

promoting activities that ensure traceability and protect the environment in accordance with the medium- to long-term action plan stipulated by our Supply Chain Task Force. Of those activities, we have made steady progress in preparing for the enforcement of the EU Deforestation Regulation (EUDR), which covers natural rubber, and as of the end of 2024 we have identified harvest areas that account for approximately 40% of our total procurement volume. In addition, since 2023 we have been making annual donations to an international environmental organization to help protect forests. We have also set up a dedicated contact point specifically for the natural rubber supply chain. We received no reports in 2024.

Supplier management

Using guidelines to engage suppliers

We request that all of our suppliers pursue activities in accordance with the Toyo Tire Group CSR Procurement Guidelines to help address environmental and social issues across our entire supply chain. We also request their cooperation in conveying the purpose of these guidelines further up the supply chain.

To ensure the fair and objective assessment of supply chain risks, we formed a contract with EcoVadis, a third-party organization that conducts CSR assessments in 2022, and since then have been commissioning sustainability assessments of our suppliers' environmental and social initiatives, including those on decarbonization, water management, human rights, safety and anti-corruption. By the end of 2025, we aim to have fully audited suppliers accounting for 95% or more of the total transaction value of our tire-related raw materials. At the end of 2024, we finished evaluating suppliers that account for over 90% of that total transaction value, including

natural rubber suppliers. For evaluation scores, we have set a benchmark of 45 points and plan to urge suppliers who score below this level to undergo annual assessments and attend seminars. For suppliers that score below 45 points for three or more years in a row, or that have yet to undergo score assessment, we are considering internally re-examining the business partnership.

With regard to our decarbonization initiatives, we have been conducting a proprietary survey of existing suppliers since 2021, and are tackling related issues to help reduce the environmental impact of our supply chain. To improve risk management, in 2025 we also expanded our previously-implemented sanctions list and legal risk checks to cover all suppliers, so that they are now in full operation.

Moving forward, we will use these methods to conduct combined evaluations as we continue promoting supplier engagement, working together to tackle supply chain issues.

Fair and transparent transactions

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

For instance, the Group seeks to ensure business activities are based on fair and free competition by

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

Responding to conflict minerals risks

Conflict minerals response

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

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

Efficient logistics

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

To promote efficient logistics, Toyo Tire Corporation is instigating a modal shift to ships, national railways and large trailers for the long-distance transportation of goods in Japan dispatched from our factories. We have already shifted over 50% of transportation to these new modes, and we aim to reduce long-distance truck transportation to roughly half of 2019 levels by 2033. Furthermore, ensuring safer and more efficient cargo handling operations will not only reduce the burden on drivers, but will also fuel economic growth and create higher levels of job satisfaction.

Specific initiatives

- Promoted a modal shift in long-distance truck transportation, where the burden on drivers is high
 - 1) Introduced and expanded coastal container transportation from the Kuwana Logistics Center
 - 2) Introduced and expanded JR large container transportation from the Sendai and Kuwana Logistics Centers
- Installed safety fences in warehouses at our Sendai and Kuwana Logistics Centers following a risk assessment (to prevent tire racks from toppling or items from falling in the event of an earthquake)
- Installed monitoring cameras at logistics centers in each plant and distribution centers in Japan to ensure safe operation; installed monitoring cameras to ensure safe forklift operation
- Improved the efficiency of truck cargo handling; visualized and reduced stand-by times

TOPIC

Joint winner of the Low Carbon Logistics Promotion Award in the Logistics Environment Awards

Our modal shift in tire shipping within Japan, conducted in partnership with three logistics providers, won the Low Carbon Logistics Promotion Award*¹ at the 26th Logistics Environment Awards. Our company was also awarded the Maritime Modal Shift Grand Prize *² as a 2024 Eco-Ship Mark-certified business.

This modal shift involved switching part of our tire shipments from overland trucking between the Kuwana Plant (Mie Prefecture) and Hiroshima Prefecture to coastal shipping between the Port of Yokkaichi and the Port of Hiroshima. This shift reduced CO₂ emissions on the route by 56%. *³ As the containers used for these

shipments had previously been returned empty from the Port of Yokkaichi to the Port of Hiroshima, this move also further increases transport efficiency and reduces costs. The Kuwana Plant's export conveyor is now also used for loading containers, halving the workload of truck drivers in handling cargo. Furthermore, proper inventory management conducted in warehouses around the plant and in Hiroshima Prefecture minimizes the risk of delays during sea transportation due to weather and other factors. We will continue pursuing modal shifts in efforts to reduce environmental impact and solve logistics infrastructure issues.

*¹ An award presented by the Japan Association for Logistics and Transport to organizations, companies or individuals contributing to the sound development of logistics through initiatives such as promoting modal shifts, consolidating transport networks, and creating joint distribution systems that reduce greenhouse gas emissions, in order to promote environmental protection and elevate environmental awareness in the logistics sector.

*² Under the Eco-Ship Modal Shift Business Execution Committee's Eco-Ship Mark certification system, shippers and logistics suppliers that contribute to improving transportation efficiency and reducing environmental impact by shifting to sea transport are selected as Excellent Businesses, and particularly distinguished businesses are awarded with this prize.

*³ Percentage of CO₂ emissions reduced compared to transporting the same quantity of goods by truck.

7

Ensure the fundamentals of manufacturing: quality and safety

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

Our policy

Our principle for manufacturing is to provide high-quality and safe products and services that are useful to society, and we state our basic policy for product quality and code of conduct in the Toyo Tire Group Global Product Safety Policy. The policy clearly states that product safety and global environmental protection must be taken into consideration throughout the value chain, from the product planning, development and design stages to production, sales, use and after-use. We operate a quality management system based on IATF 16949 (or ISO 9001 at some production sites) predominantly at our production bases, and take measures against risk.

—ISO 9001 certification (as of the end of May 2025)

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

Sales bases (affiliated companies): 1 site

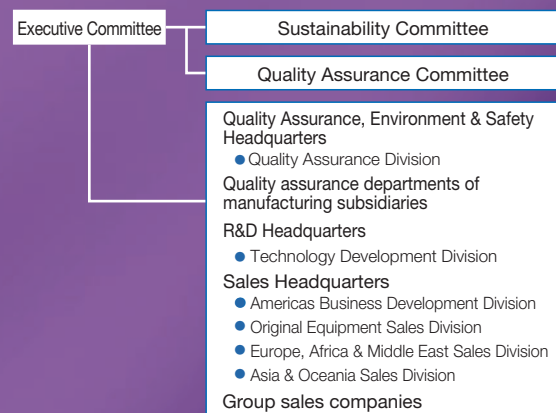
* The Kuwana Plant has independently acquired certification at two sites: its tire production plant and automobile parts plant.

—IATF 16949 certification (as of the end of March 2025)

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

Organizational responsibilities (April 2025)

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



Quality

Improving product quality

Meeting the quality standards of each country

In the face of factors such as greater climate change risks, many countries are rapidly introducing new regulations related to the environmental performance and quality of vehicles to promote higher fuel efficiency and reduce the CO₂ emissions. We are working to strengthen our response to quality standards throughout the Group to ensure we comply with the increasingly complex quality-related regulations in each country. Our tire and automotive parts businesses each hold annual Global Quality Management Committee (Global QMC) meetings, bringing together quality assurance managers and relevant representatives from manufacturing bases worldwide to share and discuss each site's initiatives related to product quality, improvement of quality assurance systems for production, and quality-related demand of our business partners. In addition, at the four tire testing and evaluation sites in Japan, we test our tires in compliance with ISO/IEC 17025 (general requirements for the competence of testing and calibration laboratories) since our initial certification in 2013, and have been working to improve test accuracy and reliability to continue conducting tests in accordance with standard requirements.



Example Efforts to Meet Quality Standards

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

Increasing customer satisfaction

Improving quality and customer satisfaction

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

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

Visualizing manufacturing quality using manufacturing execution systems (MES)

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

it possible to analyze and monitor collected data to detect changes in process trends. We started by launching this manufacturing execution system (MES) at our Serbia Factory in 2024. We plan to expand its implementation to quality domains and analyze the results to introduce MES at other production bases. We are also working to foster data-centric talent and corporate culture.

Tire safety awareness activities

We believe that one of our most important duties is to help drivers learn how to use tires appropriately. Since 2019, we have offered a workshop where drivers can use our proprietary driving simulator to experience the impact of a tire burst, the difference between worn and new tires when braking on wet roads, and maneuverability under different tire pressures.

In 2024, we worked with Itami City, where we are headquartered, as well as the Japan Automobile Federation (JAF) and nearby police departments to provide this experience to 3,513 people at 72 shopping

centers, partner retail outlets and other locations around Japan. We confirmed the effectiveness of the workshop with 97% of post-workshop questionnaire respondents indicating that their awareness of tire safety has increased.

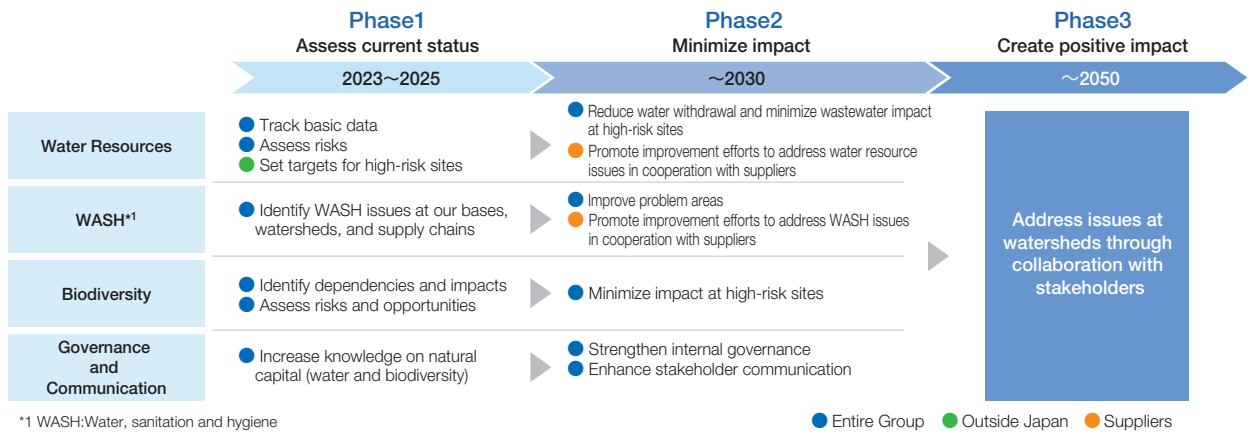


A participant using the driving simulator

Natural Capital

Our policy

In 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) published version 1.0 of its recommendations and the Science Based Targets Network (SBTN) published version 1.0 of its guidance for setting Science Based Targets for Nature (SBTs for Nature), which clearly set out the role that companies must play for nature: avoid and reduce the impact of their business activities, and regenerate and restore ecosystems. We recognize that our operations depend on natural capital including natural rubber and water resources, and that we as a company have a significant impact on nature. In 2023, we established a long-term roadmap that guides our operations onto a sustainable footing by assessing the current status of the locations where we operate, minimizing our negative impact on nature, and creating a positive impact.



Addressing nature-related risks and opportunities

While continuing with the work on water resources that began in 2023, we started assessing the current status of WASH (water, sanitation and hygiene) and biodiversity in 2024.

Addressing water resources

In 2023, following the Aqueduct assessment that found our Chinese operations to be high risk for water depletion, we set a target of reducing water withdrawal intensity at our bases in China by 10% by 2030 compared to the 2023 levels.

Water Depletion =
$$\frac{\text{Total water consumption in the basin}^{*2}}{\text{Volume of usable water in the basin}^{*3}}$$

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

Addressing WASH

There are wide-ranging factors contributing to WASH issues from water resource scarcity and water pollution to a lack of sanitation facilities. In order to gain a clear understanding of the WASH challenges faced in our bases, their watershed areas and supply chains, we have started gathering and sorting information on WASH in the

By continuing the program of facility improvements to maximize the recycling and reuse of water used in production processes as well as implementing water withdrawal management with a focus on raising awareness of the importance of natural capital through measures such as section-level target-setting, we have reduced water withdrawals per unit of production from 7.7 (m3/t) to 7.1 (m3/t) in 2024. This represents 8.0% of the 10% reduction target for 2030. At our kay global bases where the water depletion risk was not deemed high, we will continue monitoring causes of water withdrawal fluctuations, gathering more and better data on water discharge volumes and quality and conducting risk assessments.

locations associated with our operations. The insights gained through this exercise will be used to implement improvements where WASH issues are present, with an approach that seeks harmonious coexistence with local communities that live on the natural capital we draw from.

Understanding access to safe drinking water and sanitation (drainage and sewage management)

We have looked into the ratio of the population that has access to drinking water and sanitation facilities that meet a certain service level*4 in countries where our production bases are located. Our findings show that a relatively small proportion of the population has access to drinking water in China and Thailand and to sanitation facilities in Serbia and Thailand.

Going forward, we will conduct studies focusing on the local areas of our production bases and review what WASH issues to be addressed, including the expected future trends. Where we find significant WASH-related problems, we plan to develop and implement a program of improvement.

*4 Monitoring data from the WHO/UNICEF Joint Monitoring Programme for Water Supply, Sanitation and Hygiene (JMP) was referenced and service levels assessed using the WHO/UNICEF recommended methodology based on factors such as the condition of facilities, treatment process and access time.

Country	Population with access to drinking water (%)
Japan	90-100
China	40-50
Malaysia	90-100
Thai	40-50
America	90-100
Serbia	80-90

Country	Population with access to sanitation facilities (%)
Japan	90-100
China	80-90
Malaysia	90-100
Thai	60-70
America	90-100
Serbia	60-70

Addressing biodiversity

Guided by the approach recommended by the TNFD, we have started assessing the dependency and impact of the business activities of our production bases and supply chains on natural capital including biodiversity, as well as the state of natural capital where our activities are located.

Dependency and impact of the activities of our production bases and supply chains on natural capital

Using the tool recommended by the TNFD for assessing dependencies and impacts on natural capital (ENCORE*5), we have conducted assessments of the dependencies and impacts of our business activities based on the actual processes they involve and identified areas of relatively high dependency and impact as shown in the table below. This exercise has revealed that the

Company's manufacturing activities and the chemical processing of natural rubber in the upstream rely heavily on nature's services to supply purified freshwater, and that their water and land use, as well as their waste discharge and disturbances (such as noise and light), impact nature significantly.

*5 A tool that helps users to examine their exposure to nature-related risks and understand their dependencies and impacts on nature.

Dependencies/Impacts			Dependencies												Impacts						
Category			Provisioning services		Regulating and maintenance services							Cultural services		Re-sources	Changes in use	Emissions and discharges					
Sub-category			Biomass provisioning	Freshwater provisioning	Other provisioning	Global climate regulation	Rainfall pattern regulation	Soil and sediment retention	Solid waste remediation	Water purification	Water flow regulation	Flood mitigation	Storm mitigation	Biological control	Education, scientific and research	Spiritual, artistic and symbolic	Water use	Area of land use	Emissions of toxic pollutants	Release of solid waste	Disturbances (noise, light)
Operational stages	Upstream	Chemical processing of natural rubber																			
	Direct operations	Tire manufacturing																			
		Automotive part manufacturing																			

Dependency/impact level High Moderate Low

State of natural capital where our manufacturing operations are located

We are conducting assessments of the state of nature in the local areas around our production bases and processing plants for the relatively high dependency/impact categories identified above. Some of the assessment results for tire production are shown in the

heatmap below, which shows the level of dependency/impact of each tire production base on different ecosystem services.

Production bases (tire manufacturing)

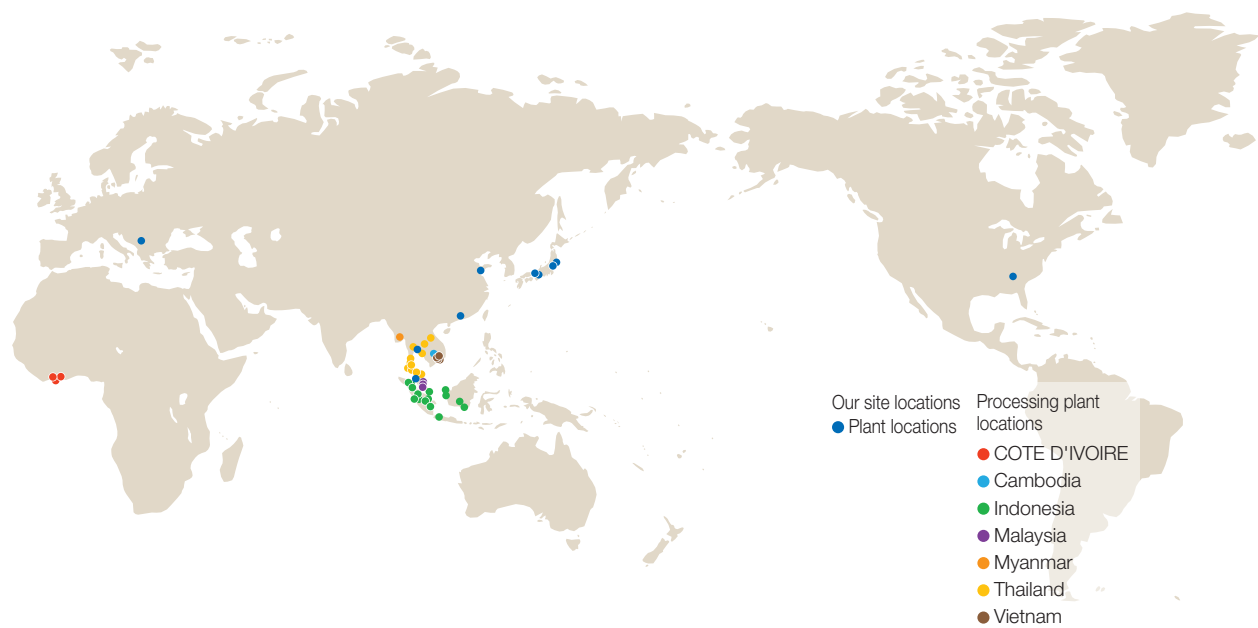
Production base (tire manufacturing)	Dependencies			Impacts				
	Water provisioning	Water purification	Maintenance of healthy water cycle	Water use	Emission of air pollutants	Emission of toxic pollutants to water and soil	Release of solid waste	Disturbances (e.g., noise, light)
Japan (Sendai)								
Japan (Sendai)								
Japan (Sendai)								
North America								
China								
Malaysia								
Serbia								

Assessment tools: WWF Biodiversity Risk Filter, WWF Water Risk Filter, Aqueduct, and Integral Biodiversity Assessment Tool

We will continue expanding the scope of our studies while conducting assessments of ecologically sensitive areas in order to identify priority areas for improvements and appropriate measures to implement. We will

also ensure that timely disclosures are made to our stakeholders.

Our bases and rubber processing plants



Human Rights

Our policy

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

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

Global Human Rights & Labor Policy

Organizational responsibilities (April 2025)

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

Human rights due diligence

In accordance with our Global Human Rights & Labor Policy, we conduct human rights due diligence to identify and address any adverse human rights impacts (human rights risks) within our own business activities and our supply chain.

In 2023, we worked with external experts to identify important risks related to business and human rights.

Identifying important risks

1 Identifying human rights risks

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

2 Assessing the significance of human rights risks

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

3 Identifying important human rights risks

The results of this assessment were used to identify important risks of priority to the Group.

Identified important risks

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

Preventing forced and child labor

We are aware of the risks of forced and child labor throughout our supply chain, and their potential to cause enormous and serious harm to rights holders. We have

thus established specific action plans for each type of rights holder and are working to prevent these risks.

●Structuring a system to prevent forced and child labor within the Group

In 2023, we confirmed that there is no one under the age of 18 employed at any of our Group bases around the world. In 2024, we created guidelines for production bases to communicate the internationally-recognized definitions of forced and child labor, important information regarding labor practices and routine prevention measures and incidence response processes across the Group. In 2025, we used these guidelines to conduct self-assessments at all production bases globally, which confirmed that there have been no forced or child labor incidents and that hiring processes are in place to prevent child labor. Going forward, we will continue strengthening systems to prevent human rights violations at production bases.

Self-assessment period: Jan-Mar 2025
Production bases assessed: 13
Assessment topics: Forced labor, child labor
Assessment items: 19
Example assessment items:
• Is employee movement away from workplaces, dormitories or factories restricted outside of working hours?
• Is candidate age verification using official documents required during the hiring process?

●Strengthening manufacturing contractor and distributor management scheme

In 2024, we distributed the Toyo Tire Group CSR Procurement Guidelines to 17 warehousing contractors in Japan and 31 manufacturing contractors around the world, focusing on those that need to take important risks into account based on the work we outsource, and requested again that they support our Group’s standpoint and promote these initiatives. We conducted a survey at the same time, and received responses back from all companies that confirmed no serious human rights

Grievance mechanism

We have set up a number of grievance intake systems, including a natural rubber supply chain complaint desk and a harassment advice desk for employees. With each system, reports and concerns are investigated internally as needed, giving due consideration to the protection of privacy for those involved, and corrective action is taken

violations such as forced or child labor. We will continue engaging with our business partners to work toward the ongoing prevention of human rights violations.

Survey period: Sept 2024-Feb 2025
Respondent companies: 17 warehousing contractors in Japan, 31 manufacturing contractors globally (with one company providing responses for two locations)
Survey topics: Forced labor, child labor, long working hours, insufficient or non-payment of wages, occupational health and safety
Questions: 29
Example questions:
• Do you have company rules or regulations about child labor?
• Do you conduct education or awareness-raising about health and safety?

📄 TOYO TIRE Group CSR Procurement Guidelines

●Strengthening raw material supplier management scheme

We are promoting engagement with our raw material suppliers.

📄 Supply Chain P56

Results of initiatives for other important risks can be found on [our website](#)📄.

Raising awareness of respect for human rights —

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

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

when issues are found. There were no cases of serious human rights violations in 2024.

Governance

Sound governance📄

Our policy

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

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

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

Governance structure

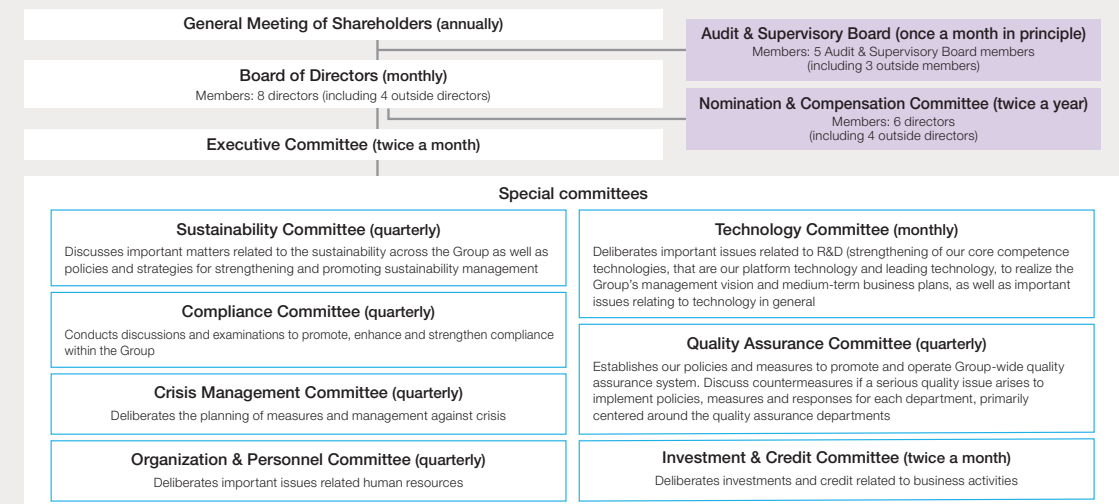
Our corporate governance system consists of the Board of Directors, which is responsible for decision-making and supervisory functions, and, under that, the Nomination & Compensation Committee, which acts as an advisory body to the Board of Directors on personnel affairs, compensation and other matters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

We also have an Executive Committee that makes decisions on business execution, under which various special committees that deliberate and consult on individual fields. Additionally, we have an Audit & Supervisory Board that audits the Board of Directors and the execution of directors’ duties. This system enables all these functions to be fully exercised.

The Board of Directors meets, in principle, once a

month to supervise the execution of duties by directors and decide important matters, including the appointment of the representative director and executive directors, determination of basic management policies, approval of important investment plans, determination or approval of the convening of general meetings of shareholders, agenda items to be presented and the proposals and documents to be submitted (including financial statements and supplementary statements) at the general meeting of shareholders, and to hear reports on the status of business execution. Outside directors attend Board meetings, where they actively exchange opinions, and monitor and supervise management. The Board of Directors also receives regular reports on important management risks debated in the Executive

Governance structure (April, 2025)



Committee and the Sustainability Committee, supervises risk management and assesses its effectiveness.

The Nomination & Compensation Committee, which acts as an advisory body to the Board of Directors,

met three times in fiscal 2024 to discuss executive candidates, executive compensation policies, and the amount of executive compensation, and to give advice, recommendations, and reports to the Board of Directors.

Governance overview

• Organizational format Company with an Audit & Supervisory Board	• Directors 8 • (outside directors: 4) • (female directors: 1)	• Audit & Supervisory Board members 5 • (outside members 3)	• Independent officers (including Audit & Supervisory Board members) 7	• Number of Board of Directors' meetings (FY2024) 17	• Attendance of outside directors at Board meetings (FY2024) 100 %
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Appropriate composition of Board of Directors

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

“legal and risk management.” We have therefore positioned these areas of expertise as core qualities for ensuring the effectiveness of management oversight and decision-making functions.

Moreover, in order to deepen discussions on growth strategies, we have worked to ensure that the Board of Directors is well balanced overall, by appointing one or more persons with expert knowledge and experience in the areas of “sales and marketing,” “research and development,” “manufacturing and quality assurance,” “experience outside Japan,” “digital transformation,” and “sustainability.”

 Skills Matrix P75

Assessing the effectiveness of the Board

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

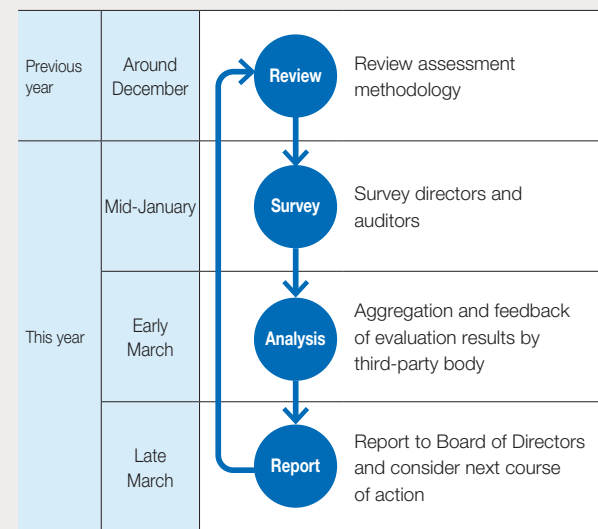
evaluate survey results.

The main updates made this year relate to the assessment criteria. To complement the current criteria, we have added questions related to digital transformation (DX), which is also listed in the Medium-Term ’21 Plan, as one of the fundamental management pillars supporting the sustainable growth of the Company.

Overview of assessment

Assessment subject	Self-assessment by directors and auditors, with third-party evaluation
Methodology	Questionnaire (19 questions)
Questionnaire design	Five-point scale scoring with comment field for each question
Assessment criteria	①Composition and operation of Board of Directors (10 questions) →Board size, composition, operational status, quality of information provided, etc. ②Management strategy & management planning (5 questions) →Discussions and the level of contribution surrounding the forming of strategy and overall direction, sustainability initiatives based on risks and opportunities, reports and discussions related to the promotion of DX, etc. ③Risk management (2 questions) →Encouraging a measured risk-taking approach, supervising management, etc. ④Overall assessment (2 questions)

Assessment process



Overview of FY2024 assessment results and next course of action

Most of the assessment results have been positive, and improvements have been made in areas where issues were raised in the last year, which suggest that the Board of Directors as a whole is functioning effectively. The third-party evaluation has also confirmed that our Board of Directors is functioning properly in general, and that it is structured in a way that assures effectiveness.

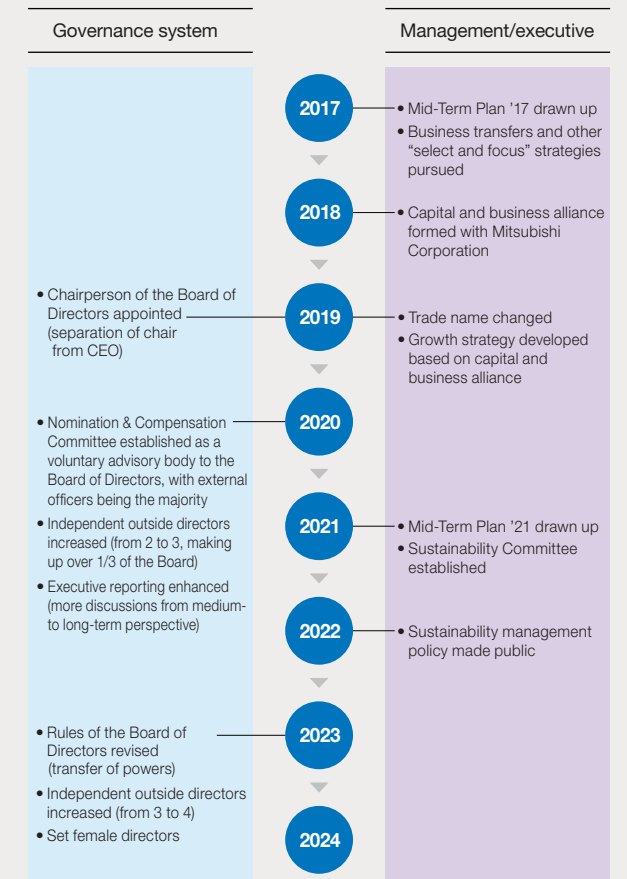
Among the individual assessment criteria, management supervision was once again highly evaluated. The situation regarding the quality and timing of information provision, which has been an issue in the past, was judged to be improving in terms of quality with the provision of enhanced reporting on business execution. With regard to the timing of information sharing, we have further accelerated the provision of advance materials for Board meetings, and are constantly working to improve the ways in which we provide information.

Some people felt that, while the Board ensures members can voice their opinions freely and frankly, more effort is needed to stimulate vigorous debate. We will consider how to secure sufficient time for deliberation, provide the best explanations, and prepare the best materials for clarifying the content of items requiring discussion.

With regard to the newly added questions on reporting and discussion on DX promotion, we have already acknowledged the need for further discussion on how to best utilize DX in the future. We are currently striving to secure opportunities for deliberating these issues and considering appropriate responses.

Progress in governance

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



Engaging in dialogue with shareholders and investors

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

In 2024, senior executives engaged with shareholders and other institutional investors and securities analysts on six occasions, with 87 attendees from 76 institutions, and IR staff responded to requests for individual interviews with 418 attendees from 280 institutions. In October, we held our first ESG briefing via web conferencing, which provided an opportunity to promote fruitful discussion between institutional investors and securities analysts and relevant Company officers. At the briefing, the Integrated Report, which had been updated and published in July of the same year, was used as a common point of reference, encouraging an exchange of views on material issues, governance, and other ESG-related activities.

Moreover, our Shareholder Relations (SR) staff continues to engage in dialogue with shareholders,

including institutional investors in Japan, focusing on topics such as our governance structure and sustainability initiatives. Opinions and requests obtained

through such dialogue are promptly fed back to the company, leading to improvements, such as the enhancement of disclosed information.

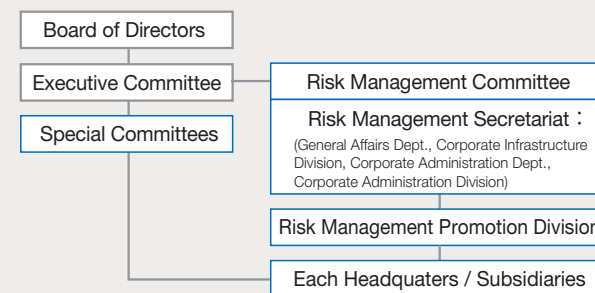
Company-wide risk management system

Our Policy

We will manage any risks that might affect the Group' s business activities on a company-wide basis through our basic approach set out in the Risk Management Policy and Risk Management Rules. We will thus strive to promote sustainable growth, uphold our corporate value and fulfil our responsibilities to our stakeholders. The Group conducts risk management from two perspectives, namely the management of risks that we could potentially face and the response to any crisis events that might occur when a risk does materialize.

Organizational responsibilities (April 2025)

The Group has a Risk Management Committee that operates independently from the Audit & Supervisory Board and sits under the Executive Committee, which is the decision-making body for business execution. The Risk Management Committee meets, in principle, four times a year to improve risk management and crisis management frameworks and monitor their progress. The details of that progress are reported twice a year to the Executive Committee and once a year to the Board of Directors.

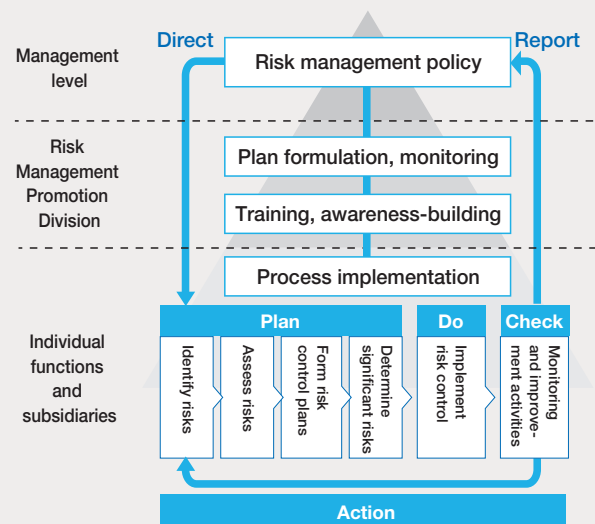


Risk management initiatives

We recognize that, as the Group's business activities and supply chain expand globally, a wide variety of risks become more intricately linked and complex. The Risk Management Committee is in charge of group-wide risk management and, as such, the Committee identifies potential risks in the Group's value chain based on individual factors that might cause those risks to occur, and inspects and manages those risks on a lateral and regular basis. Within that framework, the Committee works continuously and strategically on particular risks that could have a significant impact on the Group's long-term business operations if they were to occur or materialize, and positions those risks as "significant risks" that should be addressed with the utmost priority. In recent years, we have identified potential risks such as system failures and information leaks caused by cyberattacks, as well as geopolitical risks due to conflicts and policies in different countries, and are prioritizing the formulating of measures to counter these risks.

The Corporate Headquarters identifies risks associated with climate change and human rights risks in all our business activities, including our supply chain, and assesses their significance, formulates

countermeasures in cooperation with relevant divisions and reports on such activities to the Sustainability Committee. The Risk Management Committee, which oversees company-wide risk management, investigates



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

Each year, the Risk Management Committee identifies and assesses risks, and plans and implements risk control measures. The Committee also reviews significant risks when deemed necessary in light of changes in the external environment or the Group's business environment.

Crisis management initiatives

We appoint a crisis management officer for each major crisis event expected to exert a significant impact on the Toyo Tire Group, and compile individual response manuals specifying the measures to be taken both regularly and in times of emergency. If an emergency does occur, the Chief Risk Management Officer will convene an emergency response meeting to ascertain the optimal course of action based on the magnitude of

the emergency's impact on the Toyo Tire Group and its stakeholders, and strive to solve any issues that arise. We have also prepared business continuity plans (BCP) for events, such as large-scale natural disasters or pandemics, based on the scale of estimated damage. We conduct systematic BCP drills, and work tirelessly to improve those plans through various business continuity management initiatives.

Compliance

Our policy

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

Organizational responsibilities (April 2025)

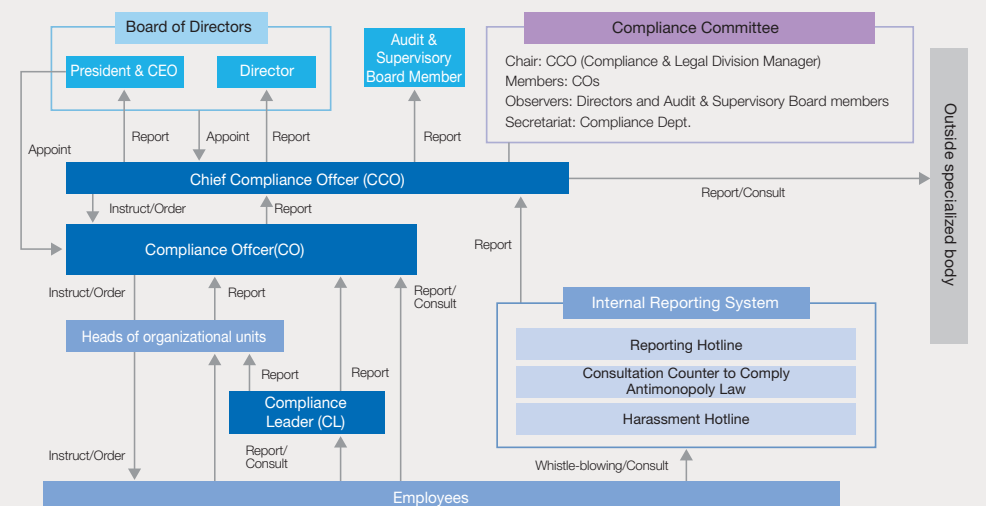
We set up the Compliance Committee as one of the special committees under the jurisdiction of the Executive Committee to consult and investigate ways to promote compliance. The Chief Compliance Officer (CCO), compliance officers (CO) and compliance leaders (CL) play a key role in promoting compliance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

The Compliance Committee, chaired by the CCO appointed by the Board of Directors, meets quarterly in principle, and reports the results of its discussions twice a year to the Executive Committee, which is supervised by the Board of Directors. The status of activities to promote compliance is also reported to the Board of Directors as appropriate.

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graph TD
    Board[Board of Directors] -- Appoint --> CEO[President & CEO]
    Board -- Appoint --> Director[Director]
    CEO -- Report --> Board
    Director -- Report --> Board
    Director -- Appoint --> CCO[Chief Compliance Officer CCO]
    CCO -- Report --> Board
    CCO -- Report --> ASBM[Audit & Supervisory Board Member]
    CCO -- Report --> CO[Compliance Officer CO]
    CO -- Report --> CCO
    Board -- Instruct/Order --> CO
    CCO --> CC[Compliance Committee]
    subgraph CC [Compliance Committee]
        Chair[Chair: CCO Compliance & Legal Division Manager]
        Members[Members: COs]
        Observers[Observers: Directors and Audit & Supervisory Board members]
        Secretariat[Secretariat: Compliance Dept.]
    end
    CCO -- Report/Consult --> OSB[Outside specialized body]
  
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The Compliance Department provides support at all stages so that the system functions properly and effectively.



CCO: Investigates, gives instructions and orders (including the suspension of operations and shipments, etc.) and makes suggestions on compliance matters for the entire Group

CO: Investigates, gives instructions and orders (including suspension of operations and shipments, etc.) and makes suggestions on compliance matters in their department

CL: Assists COs and reports to department managers and COs upon becoming aware of a compliance incident when promoting compliance activities in the workplace

Instilling the Group Charter of Corporate Behavior and Code of Conduct

We have developed the Global Code of Conduct Handbook, which provides guidance for employees to put the Toyo Tire Group Charter of Corporate Behavior and the Toyo Tire Group Code of Conduct into practice. The handbook has been translated into the local languages of the countries and regions in which our bases are located in the effort to instill the principles of the Charter and the Code into every Group employee and strengthen compliance.

In Japan, we conduct read-along training sessions every year for all executives and employees, including those of Group companies, using the Code of Conduct Handbook and the Supplementary Reader that gives specific examples relevant to front-line production and sales staff. Upon completing the training, each participant submits a written pledge to promote compliance.

Conducting compliance awareness surveys

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

2024 compliance awareness survey results	
Response rate	90% (2023: 89%)
Implementing activities to promote compliance	
Made one or more attempts to raise compliance awareness over the past year	95% (2023: 94%)
Degree of compliance awareness and understanding	
Understand what compliance means	89% (2023: 89%)
* Toyo Tire compliance: Instead of simply adhering to laws and regulations, we must comply with laws, regulations and internal rules, and be guided in our actions by a keen sense of ethics.	
Degree of embedding of compliance	
Remain conscious of compliance when conducting own work activities	95% (2023: 94%)

Whistleblowing system

The Toyo Tire Group has been operating a whistleblowing system since 2006. We have set up whistleblowing hotlines within and outside the Company through which our Group employees can report or consult directly on compliance matters and other concerns that they fear could develop into a crisis event. This system enables us to respond to reported cases in accordance with the Whistleblower Protection Act. The hotlines can be accessed through multiple channels and accept anonymous reports as well as reports from former employees, suppliers and customers so that the information needed to address the issues is more likely to reach the governance bodies. In fiscal 2024, the hotlines received 24 reports and consultations. While relatively many of them tend to be about internal rules, all are investigated swiftly and, where necessary, actions are taken to remedy the issue or prevent recurrence.

To detect and solve harassment incidents at an early stage, we have also set up harassment hotlines for employees and assigned counselors at each of our business sites in Japan. Their contact details are posted on noticeboards and rest areas in company premises, and the counselors are given relevant training to ensure

they can handle matters reported to them appropriately. In addition, we conduct training sessions for employees as well as managers and supervisors from time to time to promote awareness and provide correct information on how to prevent harassment. In fiscal 2024, the harassment hotlines received 17 reports, and all have been dealt with and investigated in accordance with the defined process for handling harassment cases.

We have also set up a customer service center and web-based inquiry form for consumers, local communities, and other members of the general public to better address a wider range of opinions and questions.

Message from the Chairman of the Board of Directors

Robust oversight enables us to leverage our strengths and look squarely at our weaknesses

Director, Chairman of the Board
Yasuhiro Yamada



The fiscal 2024 annual results were record-breaking, with net sales, operating income and net income all reaching historic highs. Even operating income margin, the only Medium-Term '21 Plan target that had not previously been met, far exceeded the 14% target ahead of time, and ROE was also substantially higher than the 12% target. These positive numbers show that our story of value creation has taken root and is bearing fruit, boosting our earning power further.

Why do we emphasize the importance of our earning power? It is because earning power is the foundation of business and the fundamental prerequisite for realizing our Philosophy. While there are some concerns we need to address in the short term such as the U.S. tariffs, we will be faced in the future with more and more challenges that will test our determination to increase our corporate value in the medium-to-long term. It is my belief that, in order to meet these challenges, we need to strengthen our earning power and increase our growth potential.

I think there are three elements that are important for the Board of Directors in order to become more effective.

The first is the quality and caliber of outside directors. I consider their business acumen particularly important. When faced with serious business challenges, what we need is business acumen honed through extensive outside experience of making courageous management decisions to overcome difficulties. Outside directors equipped with such a quality are also frank and able to speak truths that the executives may find painful to hear.

The second is a relationship of trust between the executive team and outside directors. Only when there is a relationship of trust can the executives accept constructive criticisms in good faith and respond by making further efforts, and such a relationship is also vital in order for outside directors to delegate greater authority to the executives. People are ultimately responsible for governance, so it only stands to reason that a relationship built on the bond of mutual trust between the people is essential for good governance.

The third is the quality of debate at board meetings. As the chair of the Board of Directors, what I care most is to set the right agenda for this oversight body and encourage free, lively and wide-ranging debate in order to improve the quality of debate.

Our Board of Directors has four outside directors, who bring diverse perspectives rooted in their own experiences, which gives them a good grasp of the Company's strengths and weaknesses. They give the executive team sharp observations as well as constructive criticisms at every Board meeting, which ensures that the team is always alert and focused as it carries out the day-to-day task of running the Company's operations. I believe that this has enabled the Board of Directors to function as an effective oversight body that bolsters the Company's strengths while keeping a watchful eye over its weaknesses.

In order to strengthen our earning power and increase our growth potential into the future, we must work relentlessly to sustain robust and substantive corporate governance. I recognize that, as the chair of the Board of Directors, my most important duty is to guide the development of a growth strategy for the medium-to-long term. This requires the executive team to take a company-wide, cross-departmental perspective to examine how our current business model should be reformed, how we can secure the operational resources needed and how those resources should be allocated. The resulting proposals of executive team then need to be debated fully and in depth by the Board of Directors. Through these steps, I intend to lead the formulation of our next medium-term business plan. I will also continue working on the three elements needed to make the Board of Directors more effective while nurturing the unique culture of our Board in order to pursue our quest to enhance corporate value creation and sustained growth.

Messages from the Outside Directors

Toward clear R&D and product strategies, and empowered discussions and proposals

With fiscal 2024 results almost right on target and good overall profitability, from a short-term perspective I think our company can be praised to a certain extent. Yet over the long term, the scale of our business and our sales regions have not expanded significantly over the past 10 years, and our product mix has also remained the same. Our stance on which direction to head feels a little unclear: do we aim for steady improvement by continuing with this business strategy, or go for scale and aim to actively grow our market presence and sales volume?

When a company of our size strives to demonstrate its true value and establish a solid position in an area where it excels, both its efforts and presence are meaningful from a social perspective. Despite this, we need shift our perspective from now to the future, and create a new vision for what our company should be in 10 or 20 years. No matter which direction we choose, it is both necessary and vital to have defined R&D and product strategies to serve as resources, and we must not fail to prepare development for them.

Alignment between manufacturing, sales and R&D is



Outside Director **Ken Morita**

vital in achieving this, yet I think there is a lack of mutual discussion about our direction and challenges, as well as the proactive proposals needed to solve problems. Building on the points raised by outside directors at Board meetings, I would like the company to engage in deeper discussion that leads to a further evolution in management.

I also think the company needs a greater dynamism, where employees in positions of responsibility are empowered to discuss their own ideas with their peers and make proposals to senior management. I look forward to the establishment of the next medium-term business plan with a new future in mind, based on a committed and carefully-considered R&D strategy.

Toward greater business development and solving social issues

In fiscal 2024, we achieved our highest-ever net sales and income, which deserves to be fully commended. These achievements are largely due to improved price mix in terms of sales and operational improvements at our plants in Serbia and the U.S., and we've had an extremely good start to fiscal 2025.

Our presence in the U.S. market is our strength. We have unshakable brand and product power that are both thanks to all of our past distribution measures, brand strategies and product development. On the other hand, there have been challenges with operational stability, productivity and capacity improvement at our U.S. plant, and I believe the measures implemented should be further expanded and reinforced. The role of our Serbia Factory is also important, and we need to quickly integrate and stabilize manufacturing, sales and R&D in the European market. In addition, I see it essential to invest in further improving the efficiency of production and distribution systems throughout the Group, including refurbishing our plants in Japan.

Adding to the above views, with the next medium-term business plan, I would like us to establish a business model within Japan that considers sustainable



Outside Director **Atsushi Takeda**

mobility in the society of tomorrow, and develops and implements the technologies that will fundamentally support it. Japan is one of the world's "advanced nations" when it comes to aging societies, and I think such a business model would eventually be adopted around the globe.

In a time of uncertainty in the business environment, our first priority should be issues that are not influenced by external factors and that can be solved within the company. It is important to deal with external changes resourcefully as they arise, and whenever we face situations that are difficult to resolve, it is vital for us to return to our corporate philosophy so that we may move resolutely and confidently forward.

Toward our 100th anniversary: Becoming an adaptable, flexible, innovative company

In 2024, Toyo Tire Corporation generated record net sales and profits for the second year in a row and achieved the targets laid out in the Medium-Term '21 Plan ahead of schedule. While there were some external factors including exchange rates at play in some areas, we see this as proof of steady progress in the Company's commitment to quality-focused management stipulated in the medium-term plan.

The Toyo Tire Group has two major strengths. One is its ability to concentrate limited management resources in a single mobility-focused business strategy and conduct agile management. The second strength is its established presence in the United States, the world's largest market. Having said that, having an earnings structure that is overly reliant on the United States is also an issue, so we need to discuss how to develop global business going forward and actively implement strategic growth investment while also maintaining a sound financial position.

Over the past year, we have reviewed our Group-wide risk management frameworks, and I feel that general sensitivity to risk has gradually increased. Going



Outside Director **Michio Yoneda**

forward, it will be important to appropriately manage increasingly diverse management risks through active discussions in Board of Directors meetings and other venues, and find ways of linking those risks to business opportunities.

As expressed in the principles of fluidity and immutability that stem from Japanese haiku poetry, while some things should be fiercely protected for all time, we also need to develop the ability to respond swiftly to more frequently occurring changes. In 20 years' times, Toyo Tire Corporation will celebrate its 100th anniversary. I hope the Company will use that time to develop as an innovative company with the adaptability and flexibility to imagine the shape of future mobility societies and adjust its business accordingly.

Expect to see aggressive management inspired by steady progress on Medium-Term '21 Plan

Toyo Tire Corporation's strong performance in these past years can be put down to the steady implementation of the Medium-Term '21 Plan, with a focus on offering differentiated products primarily for the North American market. The Toyo Tire Group management team has responded to major changes in the market environment, including the entry of competitors with their low prices, by swiftly and flexibly revising the course of its strategies and steering its business in new directions, while remaining true to the Company's inherent strengths and values.

Meanwhile, outside North America, standards for functional quality, including the environmental performance of tires, and customer scrutiny are growing increasingly strict, especially in Europe. The key to challenging already established European manufacturers is to coordinate centralized production and sales functions in Serbia and hone an astute ability to sensitively address and satisfy market demands. Strengthening the human capital base at production sites, which form the bedrock of the manufacturing industry, is also a top priority. It is important to consider the different labor market characteristics in each nation,



Outside Director **Yukiko Araki**

and then enhance systems and environments to enable employees to make autonomous choices in their work, ensure employee achievements and efforts are properly evaluated and rewarded, and provide opportunities for personal growth that inspire greater enthusiasm and sense of fulfillment. I think that is what investing in human resources is all about.

The outlook for the business environment is expected to remain uncertain for some time. Yes, it is important to take firm measures that thoroughly ascertain the Company's position, but I hope the Company will also capitalize on the global management foundations that it has established through the steady execution of the Medium-Term '21 Plan and exhibit a spirit of even greater challenge and aggressive management in the next medium-term business plan to ensure further dramatic progress going forward.

Directors, Audit & Supervisory Board Members and Corporate Officers

Directors



Director, Chairman of the Board

Yasuhiro Yamada

Date of birth: April 8, 1958

Number of shares of the Company held
5,671

Career summary, positions, assignment and significant concurrent positions

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



Representative Director, President & CEO

Takashi Shimizu

Date of birth: April 2, 1961

Number of shares of the Company held
34,281

Career summary, positions, assignment and significant concurrent positions

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



Director, Corporate Officer

Satoru Moriya

Date of birth: December 23, 1965

Number of shares of the Company held
11,818

Career summary, positions, assignment and significant concurrent positions

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



Director, Corporate Officer

Kiyohito Hasumi

Date of birth: June 22, 1973

Number of shares of the Company held
5,722

Career summary, positions, assignment and significant concurrent positions

Apr. 1996 Joined the Company
Jan. 2014 President, Toyo Tire Canada Inc.
Jan. 2017 General Manager, North America Business Development Dept., North America Business Development Division; Executive Vice President, Toyo Tire Holdings of Americas Inc.
Jan. 2019 Division General Manager, Americas Business Development Division; Executive Vice President, Toyo Tire Holdings of Americas Inc.
Apr. 2019 Division General Manager, Americas Business Development Division; Executive Vice President, Toyo Tire Holdings of Americas Inc.; President, NT Mexico S. de R.L. de C.V.
Oct. 2019 Division General Manager, Americas Business Development Division, Sales Headquarters; Executive Vice President, Toyo Tire Holdings of Americas Inc.; Chairman, NT Mexico S. de R.L. de C.V.
Oct. 2021 Corporate Officer; Vice President, Business Headquarters (current position)



Outside Director

Ken Morita

Date of birth: October 24, 1948

Number of shares of the Company held
0

Career summary, positions, assignment and significant concurrent positions

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



Outside Director

Atsushi Takeda

Date of birth: February 27, 1947

Number of shares of the Company held
0

Career summary, positions, assignment and significant concurrent positions

May 1970 Joined Nippon Steel Corporation
June 2002 Director, Nippon Steel Corporation
Apr. 2006 President and Representative Director, Nippon Steel Coated Sheet Corporation
June 2014 Director and Advisor, Nippon Steel Coated Sheet Corporation
Mar. 2016 Outside Director, the Company (current position)



Outside Director

Michio Yoneda

Date of birth: June 14, 1949

Number of shares of the Company held
0

Career summary, positions, assignment and significant concurrent positions

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

[Significant concurrent positions]

Outside Corporate Auditor, Sumitomo Chemical Company, Limited



Outside Director

Yukiko Araki

Date of birth: December 13, 1960

Number of shares of the Company held
0

Career summary, positions, assignment and significant concurrent positions

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

[Significant concurrent positions] Outside Director, Fuji Pharma Co. Ltd.
Outside Director, Nakanishi Inc.
Outside Director, Hirose Electric Co., Ltd.

Audit & Supervisory Board Members

Standing Audit & Supervisory Board Member Mitsunobu Kohnno
Standing Audit & Supervisory Board Member Satoshi Takashina
Audit & Supervisory Board Member Yasuhiro Kitao
Audit & Supervisory Board Member Tsukasa Takahashi
Audit & Supervisory Board Member Kenji Fukuda

Yasuhiro Kitao, Tsukasa Takahashi, Kenji Fukuda are outside auditors.

Corporate Officers

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

*Indicates post concurrently with that of director

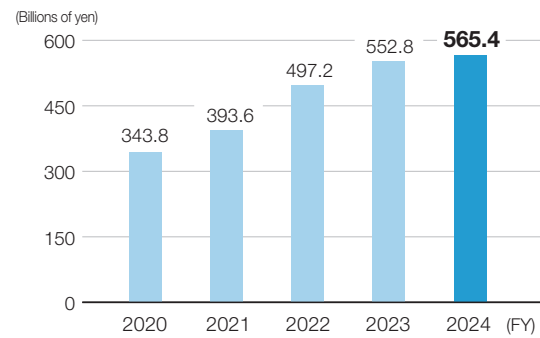
Skills Matrix

○Major skill / ●Other skill

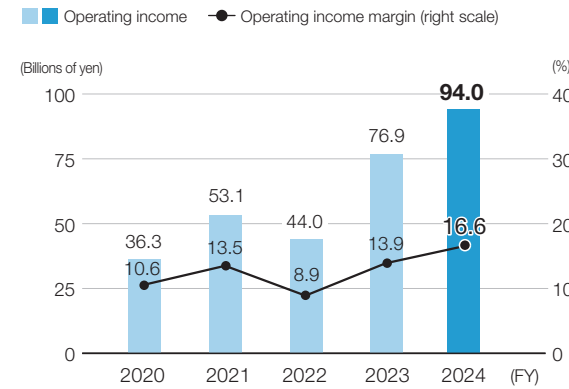
Name	Officer category	Outside	Area able to exhibit particular expertise									Nomination and Compensation Committee
			Corporate management	Sales and marketing	Research and development	Manufacturing and quality assurance	Finance and accounting	Legal and risk management	Experience outside Japan	Digital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

Financial Highlights / Non-financial Highlights

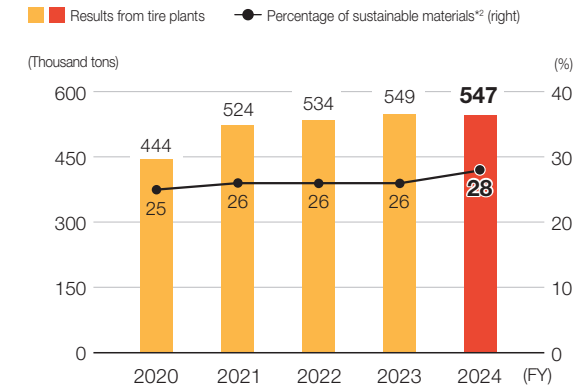
Net sales



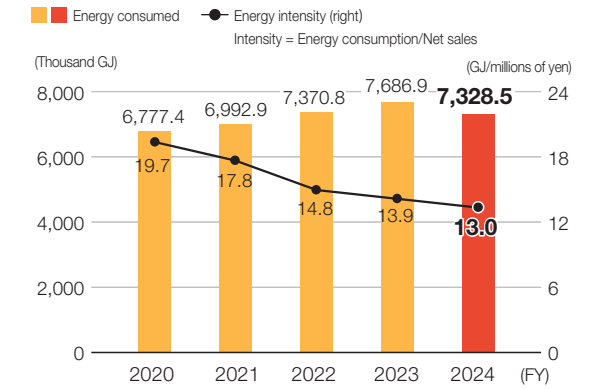
Operating income / Operating income margin



Amount of raw materials used^{*1}



Energy consumption (Thousand GJ)^{*3}

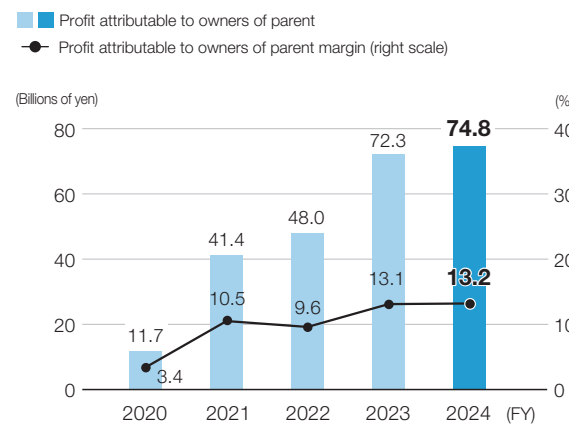


*1 Scope: Actual results from tire production bases worldwide

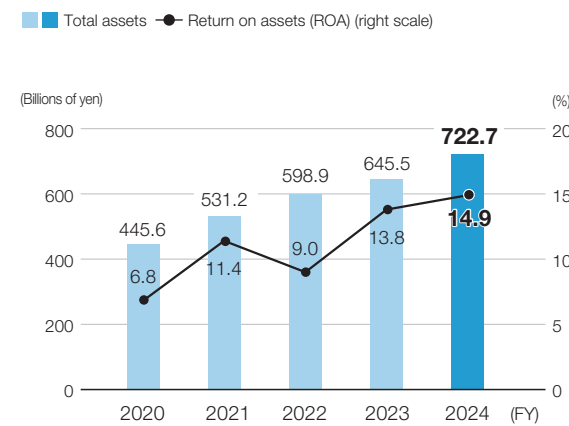
*2 Sustainable materials are defined by Toyo Tire as recycled and renewable raw materials.

*3 3 management sites, 5 development sites, 16 manufacturing sites, 2 logistics sites, and 88 sales offices
Third-party verified data

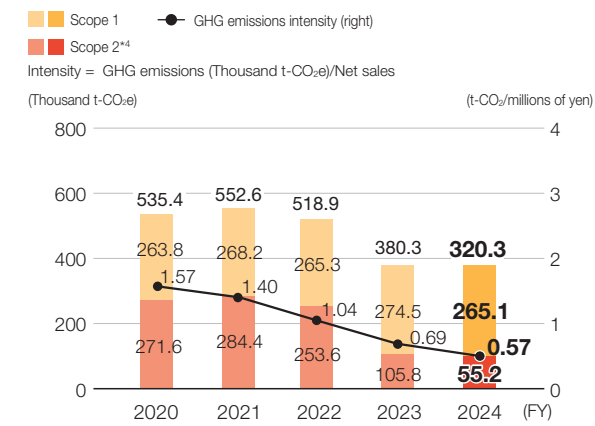
Profit attributable to owners of parent / Profit attributable to owners of parent margin



Total assets / Return on assets (ROA)



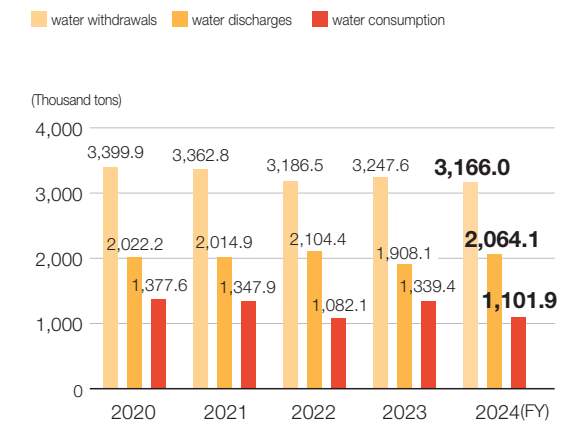
GHG emissions (Thousand t-CO₂e)^{*3}



*3 3 management sites, 5 development sites, 16 manufacturing sites, 2 logistics sites, and 88 sales offices
Third-party verified data

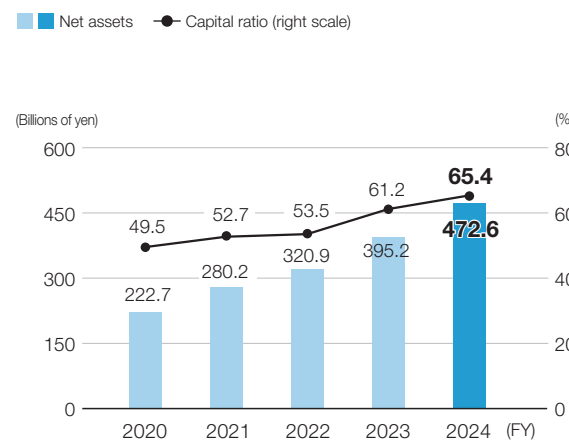
*4 Scope 2 is calculated on a location-based method until 2022 and on a market-based method from 2023.

Water withdrawals, water discharges, and water consumption^{*3}

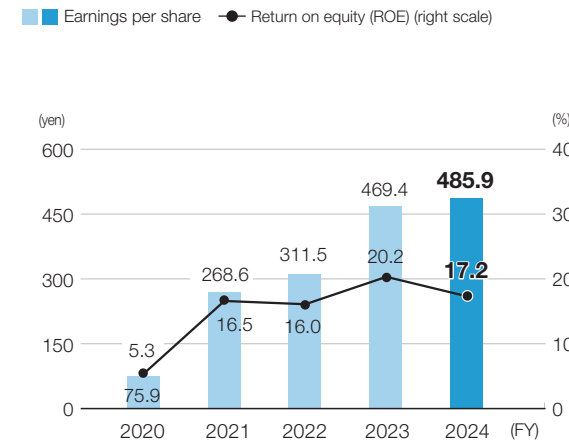


*3 3 management sites, 5 development sites, 16 manufacturing sites, 2 logistics sites, and 88 sales offices
Third-party verified data (water withdrawals and water discharges)

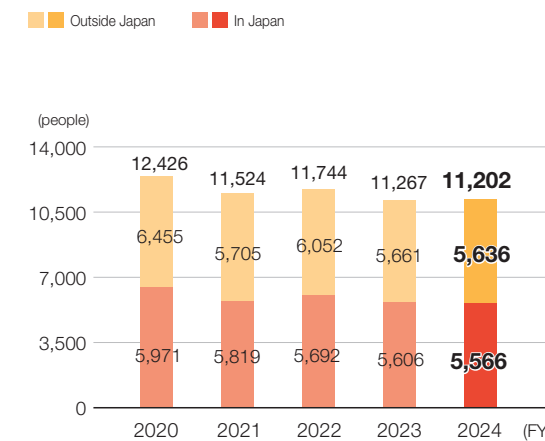
Net assets / Capital ratio



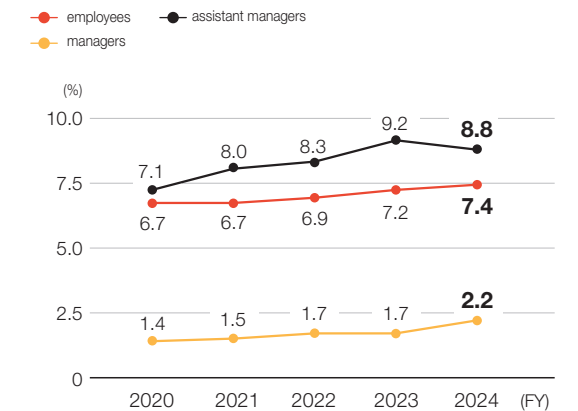
Earnings per share / Return on equity (ROE)



Number of employees (Nonconsolidated)



The ratio of women employees / assistant managers / managers (Nonconsolidated)



Financial Summary (11 years)

	2014.12	2015.12	2016.12	2017.12	2018.12	2019.12	2020.12	2021.12	2022.12	2023.12	2024.12
Year-end consolidated financial position (millions of yen)											
Net sales	393,782	407,789	381,635	404,999	393,220	377,457	343,764	393,647	497,213	552,825	565,358
Gross profit	132,911	153,500	136,267	136,982	134,169	130,822	123,239	161,041	197,976	216,511	230,763
Selling, general and administrative expenses	85,401	90,119	86,952	91,674	91,779	92,374	86,911	107,960	153,930	139,612	136,782
Operating income	47,510	63,381	49,315	45,308	42,390	38,447	36,328	53,080	44,046	76,899	93,981
Profit (loss) attributable to owners of parent	31,240	1,674	△12,260	15,476	10,553	24,482	11,682	41,350	47,956	72,273	74,810
Capital expenditure	40,711	48,338	23,930	22,381	29,722	42,633	26,967	37,766	47,303	34,102	25,589
Depreciation and amortization	21,858	24,828	24,856	25,538	25,795	25,162	21,005	21,468	26,748	30,772	35,106
Net cash provided by (used in) operating activities	37,789	41,305	38,865	13,430	19,063	11,229	53,796	34,465	15,172	86,503	67,059
Net cash provided by (used in) investing activities	△30,122	△46,009	△13,785	△10,633	△28,428	△38,271	△27,856	△37,538	△16,712	△14,661	△15,214
Net cash provided by (used in) financing activities	△12,680	19,051	△31,317	△13,513	12,829	20,732	△12,638	11,697	△16,231	△62,894	△23,077
Year-end consolidated financial position (millions of yen)											
Total assets	481,966	522,937	491,088	473,876	469,377	468,746	445,579	531,229	598,889	645,480	722,666
Total liabilities	297,327	347,572	345,466	310,061	312,130	244,237	222,885	251,073	277,974	250,281	250,113
Interest-bearing debt	131,780	162,035	132,930	119,963	137,327	118,545	110,578	128,784	135,436	102,714	108,449
Net assets	184,638	175,364	145,621	163,815	157,251	224,509	222,694	280,155	320,915	395,199	472,552
Non-controlling interests	4,062	3,513	4,043	4,735	4,511	1,747	1,918	201	231	-	-
Equity capital	180,576	171,851	141,578	159,079	152,739	222,761	220,776	279,954	320,683	395,199	472,552
Data per share (yen)											
Earnings per share (EPS)	245.97	13.19	△96.54	121.87	83.11	161.41	75.89	268.62	311.51	469.42	485.86
Cash dividends per share (annual)	45	45	45	45	45	45	45	76	80	100	120
Net assets per share (BPS)	1,421.84	1,353.19	1,114.82	1,252.66	1,202.75	1,447.23	1,434.23	1,818.60	2,083.00	2,566.76	3,069.02
Financial ratio (%)											
Operating income margin	12.07	15.54	12.92	11.19	10.78	10.19	10.57	13.48	8.86	13.91	16.62
Gross profit margin	33.75	37.64	35.71	33.82	34.12	34.66	35.85	40.91	39.82	39.16	40.82
Selling, general and administrative expenses margin (%)	21.69	22.10	22.78	22.64	23.34	24.47	25.28	27.43	30.96	25.25	24.19
Return on equity (ROE) (%)	19.63	0.95	△7.82	10.30	6.77	13.04	5.27	16.52	15.97	20.19	17.24
Return on assets (ROA) (%)	10.17	11.31	8.70	8.33	8.14	7.81	6.76	11.45	9.03	13.83	14.93
Capital ratio	37.47	32.86	28.83	33.57	32.54	47.52	49.55	52.70	53.55	61.23	65.39
Debt / equity ratio (Times)	0.73	0.94	0.94	0.75	0.90	0.53	0.50	0.46	0.42	0.26	0.23
Payout ratio	18.29	341.26	-	36.92	54.15	27.88	59.30	28.29	25.68	21.30	24.70

Consolidated Balance Sheets

Millions of yen

	Previous fiscal year (As of December 31, 2023)	Current fiscal year (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	52,879	86,636
Notes and accounts receivable – trade	107,794	130,369
Merchandise and finished goods	77,465	86,700
Work in process	5,060	5,011
Raw materials and supplies	24,536	31,133
Other	31,504	35,027
Allowance for doubtful accounts	△269	△1,096
Total current assets	298,972	373,782
Non-current assets		
Property, plant and equipment		
Buildings and structures	150,674	158,538
Accumulated depreciation	△63,878	△70,979
Buildings and structures, net	86,796	87,559
Machinery, equipment and vehicles	407,350	443,021
Accumulated depreciation	△280,329	△307,899
Machinery, equipment and vehicles, net	127,020	135,122
Tools, furniture and fixtures	78,975	79,230
Accumulated depreciation	△65,417	△65,795
Tools, furniture and fixtures, net	13,557	13,435
Land	17,862	17,529
Lease assets	1,434	1,479
Accumulated depreciation	△938	△1,031
Lease assets, net	496	447
Right-of-use assets	30,694	36,801
Accumulated depreciation	△9,549	△14,524
Right of use assets, net	21,145	22,277
Construction in progress	19,911	10,781
Total property, plant and equipment	286,790	287,153
Intangible assets		
Software	15,515	21,948
Other	287	170
Total intangible assets	15,802	22,119
Investments and other assets		
Investment securities	17,750	6,710
Long-term loans receivable	118	118
Retirement benefit asset	10,936	16,951
Deferred tax assets	7,601	7,781
Other	7,610	8,160
Allowance for doubtful accounts	△102	△111
Total investments and other assets	43,915	39,610
Total fixed assets	346,508	348,884
Total assets	645,480	722,666

Millions of yen

	Previous fiscal year (As of December 31, 2023)	Current fiscal year (As of December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	38,262	37,725
Short-term loans payable	11,653	20,447
Accounts payable – other	32,527	34,260
Income taxes payable	18,783	12,192
Provision for bounuses directors (and other officers)	85	100
Provision for product compensation	456	383
Provision for loss on liquidation of subsidiaries and associates	1,997	4,221
Other	39,055	41,559
Total current liabilities	142,822	150,892
Non-current liabilities		
Bonds payable	25,000	25,000
Long-term loans payable	45,992	41,139
Provision for retirement benefits for directors (and other officers)	6	7
Provision for environmental measures	86	86
Provision for product compensation	928	699
Provision for loss on litigation	1,432	-
Retirement benefit liability	3,524	3,465
Deferred tax liabilities	8,138	6,118
Other	22,351	22,705
Total non-current liabilities	107,459	99,221
Total liabilities	250,281	250,113
Net assets		
Shareholders' equity		
Common stock	55,935	55,935
Capital surplus	54,197	54,214
Retained earnings	221,333	275,986
Treasury stock	△120	△118
Total shareholders' equity	331,344	386,017
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,812	1,924
Deferred gains or losses on hedges	103	△116
Foreign currency translation adjustments	45,170	69,232
Remeasurements of defined benefit plans	11,767	15,495
Total accumulated other comprehensive income	63,854	86,535
Total net assets	395,199	472,552
Total liabilities and net assets	645,480	722,666

Consolidated Statements of Income

Millions of yen

	Previous fiscal year (From January 1, 2023 to December 31, 2023)	Current fiscal year (From January 1, 2024 to December 31, 2024)
Net sales	552,825	565,358
Cost of sales	336,314	334,595
Gross profit	216,511	230,763
Selling, general and administrative expenses	139,612	136,782
Operating income	76,899	93,981
Non-operating income		
Interest income	883	893
Dividends income	868	632
Foreign exchange gains	8,620	7,989
Share of profit of entities accounted for using equity method	-	57
Other	1,866	2,510
Total non-operating income	12,239	12,084
Non-operating expenses		
Interest expenses	1,068	1,495
Share of loss of entities accounted for using equity method	30	-
Other	1,991	2,452
Total non-operating expenses	3,090	3,947
Ordinary income	86,047	102,117
Extraordinary income		
Gain on sale of non-current assets	-	2,045
Gain on sale of investment securities	15,106	6,731
Reversal of provision for loss on litigation	-	1,432
Gain on liquidation of subsidiaries	-	95
Total extraordinary income	15,106	10,304
Extraordinary losses		
Loss on retirement of non-current assets	620	1,003
Impairment losses	2,051	7,675
Loss on liquidation of subsidiaries and associates	2,166	2,158
Loss on product compensation	230	-
Total extraordinary losses	5,069	10,837
Profit before income taxes	96,084	101,583
Income taxes - current	31,292	29,732
Income taxes - deferred	△7,394	△2,958
Total income taxes	23,898	26,773
Profit	72,186	74,810
Loss attributable to non-controlling interests	△87	-
Profit attributable to owners of parent	72,273	74,810

Consolidated Statements of Cash Flows

Millions of yen

	Previous fiscal year (From January 1, 2023 to December 31, 2023)	Current fiscal year (From January 1, 2024 to December 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	96,084	101,583
Depreciation and amortization	30,772	35,106
Increase (decrease) in net defined benefit liability	△4	△678
Decrease (increase) in net defined benefit asset	△151	△104
Interest and dividend income	△1,752	△1,526
Interest expense	1,068	1,495
Foreign exchange losses (gains)	△5,998	△3,996
Equity in (earnings) losses of affiliates	30	△57
Loss (gain) on sales of noncurrent assets	-	△2,045
Loss (gain) on sales of investment securities	△15,106	△6,731
Reversal of provision for loss on litigation	-	△1,432
Loss on retirement of fixed assets	620	1,003
Impairment loss	2,051	7,675
Loss on liquidation of subsidiaries and associates	2,166	2,158
Loss on product compensation	230	-
Decrease (increase) in notes and accounts receivable - trade	7,484	△13,474
Decrease (increase) in inventories	11,909	△6,015
Increase (decrease) in notes and accounts payable - trade	△4,999	△1,446
Other, net	△10,141	△9,535
Subtotal	114,265	101,980
Interest and dividends income received	1,820	1,552
Interest expense paid	△1,187	△1,633
Payment of product compensation	△4,705	-
Income taxes paid	△24,407	△35,035
Income taxes refunded	717	196
Net cash provided by operating activities	86,503	67,059
Cash flows from investing activities:		
Purchase of property, plant and equipment	△22,664	△18,663
Proceeds from sales of property, plant and equipment	119	2,566
Purchase of intangible assets	△8,039	△9,173
Purchase of investment securities	△14	△14
Proceeds from sales and redemption of investment securities	15,998	10,798
Payments for investments in capital of unconsolidated subsidiaries	-	△477
Other, net	△61	△249
Net cash used in investing activities	△14,661	△15,214
Cash flows from financial activities:		
Net increase (decrease) in short-term bank loans	△4,401	9,284
Net increase (decrease) in commercial paper	△43,000	-
Proceeds from long-term debt	400	-
Repayment of long-term debt	△15,905	△6,161
Repayment of finance lease obligations	△3,926	△6,183
Proceeds from issuance of bonds	15,000	-
Cash dividends paid	△10,768	△20,011
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△313	-
Other, net	22	△5
Net cash used in financing activities	△62,894	△23,077
Effect of exchange rate on cash and cash equivalents	2,249	4,767
Net increase (decrease) in cash and cash equivalents	11,197	33,534
Cash and cash equivalents at beginning of period	41,600	52,798
Cash and cash equivalents at end of period (Note 7)	52,798	86,333

Investor Information

Stock information (As of December 31, 2024)

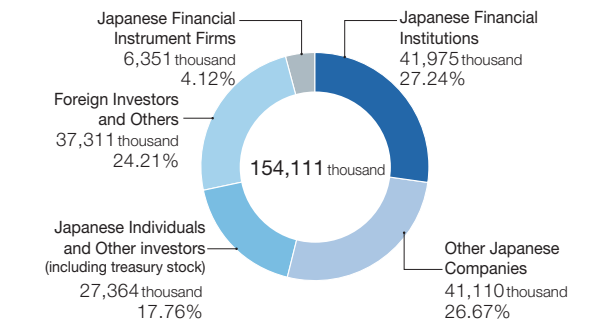
Total number of issued shares:	154,111,029
Number of shareholders:	71,146
Stock exchange listing:	Tokyo Stock Exchange
Shareholder register administrator and account management institution for special account:	Mitsubishi UFJ Trust and Banking Corporation
Independent auditor:	KPMG AZSA LLC
Fiscal year:	January 1 – December 31
Annual general meeting of shareholders:	March

Major Shareholders (As of December 31, 2024)

Name	Number of Holding Shares (thousand)	Percentage of share ownership* (%)
Mitsubishi Corporation	30,822	20.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	22,404	14.55
Custody Bank of Japan, Ltd. (Trust account)	10,300	6.68
CEP LUX-ORBIS SICAV	3,650	2.37
JPMorgan Securities Japan Co., Ltd.	2,704	1.75
Bridgestone Corporation	2,500	1.62
Toyota Motor Corporation	2,387	1.55
Japan Securities Finance Co., Ltd.	2,237	1.45
TOYO TIRE Employee Shareholding Association	1,611	1.04
BNYM AS AGT/CLTS NON TREATY JASDEC	1,592	1.03

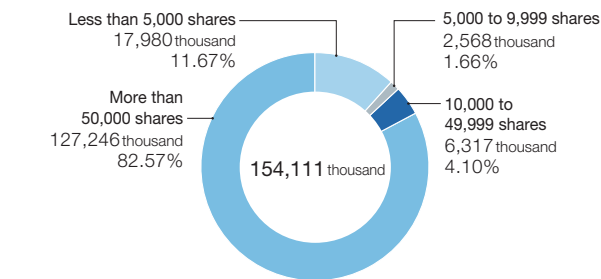
Note: The percentage of share ownership is calculated excluding treasury stock (136,024 shares)

Breakdown by Shareholder Type (As of December 31, 2024)

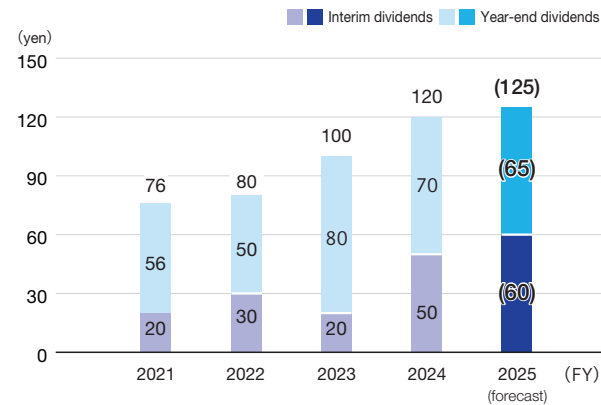


Breakdown by Number of Holding Shares

(As of December 31, 2024)



Changes in dividends per share



Dividend / Dividend payout ratio

	FY2021	FY2022	FY2023	FY2024
Dividends per share (yen)	76	80	100	120
Dividend payout ratio (%)	28.29	25.68	21.30	24.70

Total shareholder return

	FY2021	FY2022	FY2023	FY2024
Total shareholder return (%)	121.6	107.8	169.0	182.0
Comparison index: TOPIX including dividends(%)	121.07	118.10	151.48	182.46

Corporate Data

Overview

Trade name	Toyo Tire Corporation
Established	August 1, 1945
Paid-in capital	55,935 million yen
Number of employees	11,202 (consolidated, including temporary employees) * As of December 31, 2024
Headquarters	2-2-13 Fujinoki, Itami City, Hyogo 664-0847, Japan Phone: +81-72-789-9100
Plants	Sendai Plant / Kuwana Plant, others
Lines of business	[Tire Business] Tires (for passenger vehicles, light trucks, trucks & buses) [Automotive Parts Business] Automotive anti-vibration rubber

Network in Japan

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

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

Global network

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