

***TOYO TIRES***

# **Consolidated Business Performance for Fiscal Year Ending December 31, 2020 (FY2020)**

**15 Feb, 2021**

**Toyo Tire Corporation**

## Major Topics

Consolidated Business Results for the Fiscal Year Ending December 31, 2020 (FY2020)

Consolidated Business Outlook for the Fiscal Year Ending December 31, 2021 (FY2021)

The forward-looking statements contained in these business outlooks and plans are based on information available at the current time and contain potential risks and uncertainties. Therefore, please keep in mind that actual results may, due to a variety of factors, differ from those expressed in the forward-looking statements.

(Unit: millions of yen)	FY2020 Full-Year Results	FY2019 Full-Year Results	Year-on-Year Change	Year-on-Year Change %
Net Sales	343,764	377,457	(33,692)	(8.9%)
Operating Income Profit Ratio	36,328 10.6%	38,447 10.2%	(2,119)	(5.5%)
Ordinary Income	30,887	36,645	(5,757)	(15.7%)
Profit Attributable to Owners of Parent	11,682	24,482	(12,800)	(52.3%)
Dividends per Share	45 Yen	45 Yen	0 Yen	—

FY2020 Jan-Sep Results	Year-on-Year Change	FY2020 Oct-Dec Results	Year-on-Year Change
246,823	(30,822)	96,941	(2,870)
22,046 8.9%	(4,419)	14,282 14.7%	2,300
17,271	(6,321)	13,616	563
9,991	(4,240)	1,690	(8,559)

\* Profit Attributable to Owners of Parent: Profit attributable to parent company shareholders

Forex Rate	USD	107 Yen	109 Yen	(2 Yen)
	EUR	122 Yen	123 Yen	(1 Yen)

Forex Rate Sensibility 2020	
USD	0.55 Billion Yen/Year
EUR	0.10 Billion Yen/Year

Impact of 1 yen fluctuation on operating income

# Consolidated Business Results for the Full FY2020

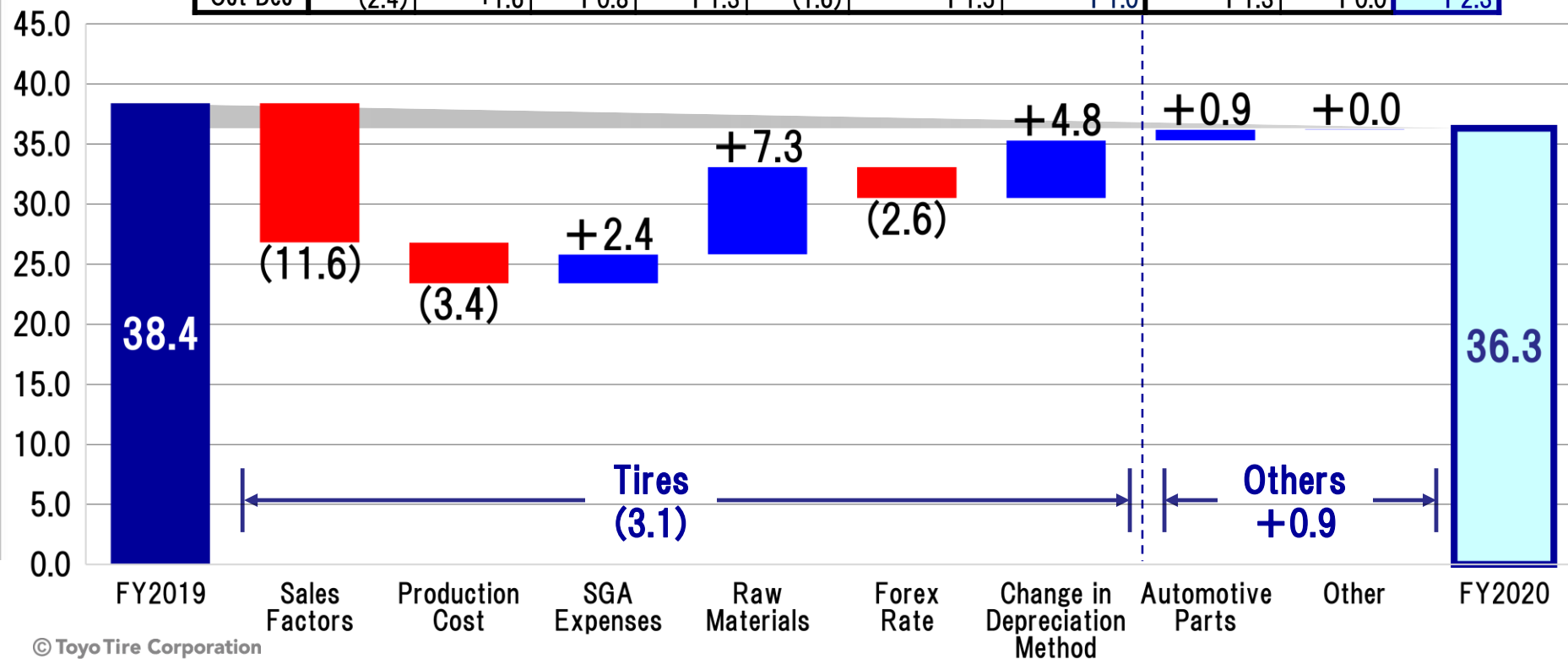
## Factors Contributing to Changes in Operating Income

**TOYO TIRES**

FY2019 Results	Changes			FY2020 Results
<b>38.4</b>	<b>(2.1)</b>			<b>36.3</b>
	<b>(17.6)</b>	<b>+14.6</b>	<b>+0.9</b>	

(billions of yen)

	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Change in Depreciation Method	Tires Subtotal	Automotive Parts	Other	Total
Jan-Sep	(9.1)	(5.0)	+1.7	+6.1	(1.0)	+3.3	(4.1)	(0.4)	(0.0)	(4.4)
Oct-Dec	(2.4)	+1.6	+0.8	+1.3	(1.6)	+1.5	+1.0	+1.3	+0.0	+2.3



# Impact of Seismic Isolation Rubber Measures on Performance in the Full FY2020

**TOYO TIRES**

(For Reference)

(Unit: millions of yen)	1Q (A)	2Q (B)	3Q (C)	4Q (D)	Total (A+B+C+D)	FY2015 Full-Year Results	FY2016 Full-Year Results	FY2017 Full-Year Results	FY2018 Full-Year Results	FY2019 Full-Year Results
For 55 buildings	—	—	—	568	568	23,063	17,034	608	8,794	—
For 99 buildings	—	—	—	1,698	1,698	7,386	35,068	12,281	2,360	—
Charges	590	630	428	1,858	3,507	12,104	10,418	3,156	4,858	3,365
Compensation costs, etc.	466	64	66	809	1,406	4,119	4,260	2,590	1,516	645
<b>Total</b>	<b>1,056</b>	<b>695</b>	<b>495</b>	<b>4,932</b>	<b>7,178</b>	<b>46,674</b>	<b>66,781</b>	<b>18,637</b>	<b>17,529</b>	<b>4,010</b>

\*55 buildings : disclosed on March 13, 2015, 99 buildings : disclosed on April 21, 2015

## Breakdown of Calculation

4Q of FY2020 (D)	The company posted an extraordinary loss of approx. 2.3 billion yen in cost of repairs and replacement of seismic isolation rubber products, approx. 0.8 billion yen in compensation costs and approx. 1.9 billion yen in charges (primarily, in insurance premiums related to replacement of seismic isolation rubber products, payroll for the seismic isolation rubber task force, etc.).
From FY2021 onward	As at the present time it is difficult to reasonably estimate the amount, in the event that costs arise in the future, an additional reserve for product warranties may be posted depending upon the progress of measures.

# Consolidated Business Results by Business Segment for the Full FY2020

**TOYO TIRES**

## ● Net Sales

(Unit: millions of yen)	Full-Year Results for FY2020	Full-Year Results for FY2019	Year-on-Year Change	Year-on-Year Change %
Tires	306,609	332,838	(26,229)	(7.9%)
Automotive Parts	37,110	44,551	(7,441)	(16.7%)
Other	122	146	(24)	(16.4%)
Adjustments	(76)	(79)	+2	—
Total	343,764	377,457	(33,692)	(8.9%)

FY2020 Jan-Sep Results	Year-on-Year Change	FY2020 Oct-Dec Results	Year-on-Year Change
220,690	(23,155)	85,918	(3,074)
26,097	(7,650)	11,012	+208
93	(18)	29	(6)
(57)	+1	(19)	+1
246,823	(30,822)	96,941	(2,870)

\* Net sales include intersegment internal net sales or transfers

## ● Operating Income

(Unit: millions of yen)	Full-Year Results for FY2020	Full-Year Results for FY2019	Year-on-Year Change	Year-on-Year Change %
Tires Profit Ratio	38,342 12.5%	41,393 12.4%	(3,050)	(7.4%)
Automotive Parts Profit Ratio	(2,020) (5.4%)	(2,919) (6.6%)	+899	—
Other	44	14	+30	+214.3%
Adjustments	(38)	(39)	+1	—
Total	36,328	38,447	(2,119)	(5.5%)

FY2020 Jan-Sep Results	Year-on-Year Change	FY2020 Oct-Dec Results	Year-on-Year Change
24,026 10.9%	(4,084)	14,315 16.7%	+1,034
(1,980) (7.6%)	(363)	(40) (0.4%)	+1,263
27	+27	16	+2
(27)	0	(10)	+1
22,046	(4,419)	14,282	+2,301

\* Segment profit adjustment amounts include intersegment eliminations

# Consolidated Business Results by Geographic Area Segment for the Full FY2020

**TOYO TIRES**

## ● Net Sales

(Unit: millions of yen)	Full-Year Results for FY2020	Full-Year Results for FY2019	Year-on-Year Change	Year-on-Year Change %
Japan	101,325	113,473	(12,148)	(10.7%)
North America	185,930	197,698	(11,767)	(6.0%)
Other	56,508	66,286	(9,777)	(14.8%)
Eliminations or Corporate	—	—	—	—
Total	343,764	377,457	(33,692)	(8.9%)

FY2020 Jan-Sep Results	Year-on-Year Change	FY2020 Oct-Dec Results	Year-on-Year Change
66,139	(13,680)	35,185	+1,532
137,840	(8,506)	48,090	(3,260)
42,843	(8,636)	13,665	(1,141)
—	—	—	—
246,823	(30,822)	96,941	(2,870)

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

## ● Operating Income

(Unit: millions of yen)	Full-Year Results for FY2020	Full-Year Results for FY2019	Year-on-Year Change	Year-on-Year Change %
Japan	21,191	27,039	(5,847)	(21.6%)
North America	11,480	8,378	+3,102	+37.0%
Other	4,114	3,610	+504	+14.0%
Eliminations or Corporate	(458)	(580)	+121	—
Total	36,328	38,447	(2,119)	(5.5%)

FY2020 Jan-Sep Results	Year-on-Year Change	FY2020 Oct-Dec Results	Year-on-Year Change
10,100	(8,128)	11,091	+2,280
9,304	+3,251	2,176	(149)
2,279	(750)	1,835	+1,255
361	+1,207	(819)	(1,085)
22,046	(4,419)	14,282	+2,300

# Outline of Consolidated Business Outlook for the Full FY2021

(Unit: millions of yen)	Full-Year Outlook for FY2021	Full-Year Results for FY2020	Year-on-Year Change	Year-on-Year Change %	Outlook for FY2021 Jan-Jun	Year-on-Year Change	Outlook for FY2021 Jul-Dec	Year-on-Year Change
Net Sales	372,000	343,764	+28,235	+8.2%	175,500	+24,913	196,500	+3,321
Operating Income Profit Ratio	44,000 11.8%	36,328 10.6%	+7,671	+21.1%	17,500 10.0%	+9,571	26,500 13.5%	(1,899)
Ordinary Income	42,700	30,887	+11,812	+38.2%	16,700	+12,320	26,000	(508)
Profit Attributable to Owners of Parent	26,400	11,682	+14,717	+126.0%	10,100	+9,579	16,300	+5,157

Dividends per Share	45 Yen	45 Yen	0 Yen	—
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\*Profit Attributable to Owners of Parent: Profit attributable to parent company shareholders

Forex Rate	USD	103 Yen	107 Yen	(4 Yen)
	EUR	123 Yen	122 Yen	+1 Yen

Forex Rate Sensibility 2021	
USD	0.65 Billion Yen/Year
EUR	0.10 Billion Yen/Year

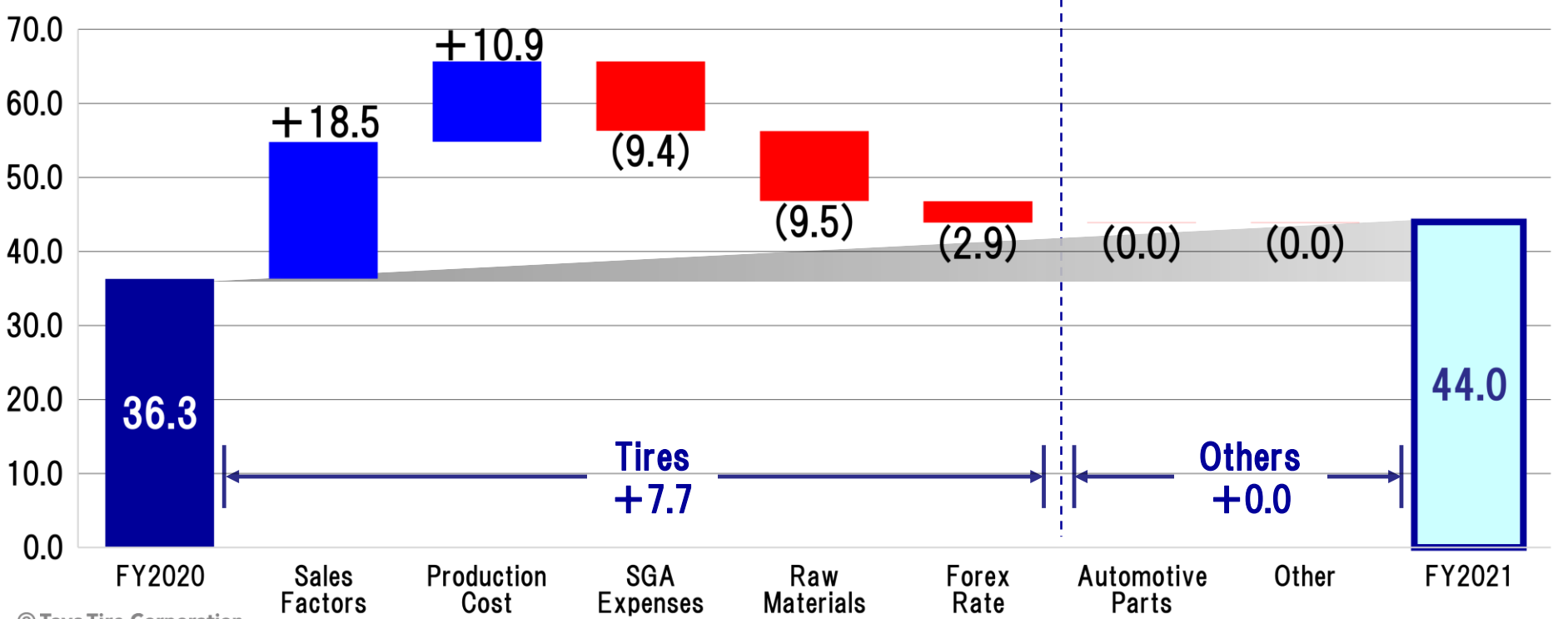
Impact of 1 yen fluctuation on operating income



FY2020 Full-Year Results	Changes			FY2021 Full-Year Outlook
36.3	+7.7			44.0
	(21.8)	+29.4	0.0	

(billions of yen)

	Sales Factors	Production Cost	SGA Expenses	Raw Materials	Forex Rate	Tires Subtotal	Automotive Parts	Other	Total
Outlook for Jan-Jun	+12.0	+7.0	(4.6)	(3.7)	(1.9)	+8.8	+0.7	(0.0)	+9.5
Outlook for Jul-Dec	+6.6	+3.9	(4.8)	(5.9)	(1.0)	(1.1)	(0.7)	0.0	(1.8)



# Consolidated Business Outlook by Business Segment for the Full FY2021

**TOYO TIRES**

## ● Net Sales

(Unit: millions of yen)	Full-Year Outlook for FY2021	Full-Year Results for FY2020	Year-on-Year Change	Year-on-Year Change %	Outlook for FY2021 Jan-Jun	Year-on-Year Change	Outlook for FY2021 Jul-Dec	Year-on-Year Change
Tires	333,000	306,609	+26,391	+8.6%	156,500	+22,069	176,500	+4,322
Automotive Parts	39,000	37,110	+1,889	+5.1%	19,000	+2,870	20,000	(981)
Other	0	122	(122)	—	0	(65)	0	(57)
Adjustments	0	(76)	+38	—	0	+39	0	+37
Total	372,000	343,764	+28,235	+8.2%	175,500	+24,913	196,500	+3,321

## ● Operating Income

\* Net sales include intersegment internal net sales or transfers

(Unit: millions of yen)	Full-Year Outlook for FY2021	Full-Year Results for FY2020	Year-on-Year Change	Year-on-Year Change %	Outlook for FY2021 Jan-Jun	Year-on-Year Change	Outlook for FY2021 Jul-Dec	Year-on-Year Change
Tires Profit Ratio	46,000 13.8%	38,342 12.5%	+7,657	+20.0%	18,500 11.8%	+8,767	27,500 15.6%	(1,109)
Automotive Parts Profit Ratio	(2,000) (5.1%)	(2,020) (5.4%)	+20	—	(1,000) (5.3%)	+805	(1,000) (5.0%)	(785)
Other	0	44	(44)	—	0	(20)	0	(24)
Adjustments	0	(38)	+38	—	0	+20	0	+18
Total	44,000	36,328	+7,671	+21.1%	17,500	+9,571	26,500	(1,899)

# Consolidated Business Outlook by Geographic Area Segment for the Full FY2021

**TOYO TIRES**

## ● Net Sales

(Unit: millions of yen)	Full-Year Outlook for FY2021	Full-Year Results for FY2020	Year-on-Year Change	Year-on-Year Change %	Outlook for FY2021 Jan-Jun	Year-on-Year Change	Outlook for FY2021 Jul-Dec	Year-on-Year Change
Japan	108,500	101,325	+7,175	+7.1%	47,000	+4,270	61,500	+2,905
North America	203,800	185,930	+17,869	+9.6%	97,500	+16,006	106,300	+1,863
Other	59,700	56,508	+3,191	+5.6%	31,000	+4,637	28,700	(1,446)
Eliminations or Corporate	—	—	—	—	—	—	—	—
Total	372,000	343,764	+28,235	+8.2%	175,500	+24,913	196,500	+3,321

## ● Operating Income

\* Net sales include intersegment internal net sales or transfers

(Unit: millions of yen)	Full-Year Outlook for FY2021	Full-Year Results for FY2020	Year-on-Year Change	Year-on-Year Change %	Outlook for FY2021 Jan-Jun	Year-on-Year Change	Outlook for FY2021 Jul-Dec	Year-on-Year Change
Japan	32,700	21,191	+11,508	+54.3%	12,700	+10,251	20,000	+1,257
North America	9,300	11,480	(2,181)	(19.0%)	4,000	(144)	5,300	(2,037)
Other	3,000	4,114	(1,114)	(27.1%)	2,100	+1,297	900	(2,411)
Eliminations or Corporate	(1,000)	(458)	(542)	—	(1,300)	(1,832)	300	+1,291
Total	44,000	36,328	+7,671	+21.1%	17,500	+9,571	26,500	(1,899)

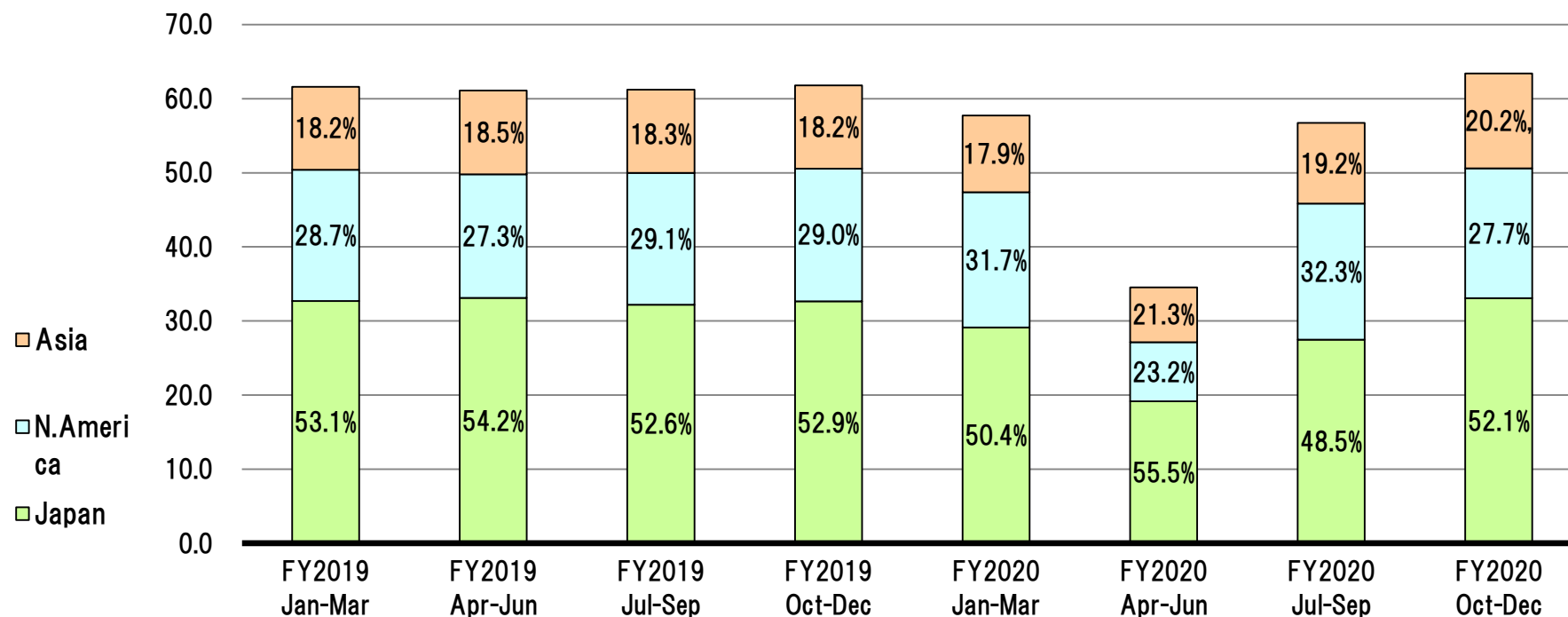
- Production at Silverstone Berhad (SSM), a manufacturing subsidiary in Malaysia, will discontinue in June 2021 and the plant will be closed.

<b>Production Capacity</b>	3 million motor vehicle tires per year
<b>Scheduled End of Production</b>	June 30, 2021
<b>Silverstone Brand</b>	<ul style="list-style-type: none"> <li>■ The Silverstone product brand will be continued after reviewing product mix</li> <li>■ Transfer production to Toyo Tyre Malaysia Sdn Bhd (TTM)</li> <li>■ Improve quality by transferring production to TTM</li> <li>■ Expand sales of TOYO TIRES brand by utilizing sales channels and network of Silverstone</li> </ul>
<b>Related Losses</b>	Approximately 6.3 billion yen (to be recorded as an extraordinary loss in fiscal 2020)

Overview of SSM	
Location	Lot 5831, Kawasan Perindustrian Kamunting Estate II, 34600 Kamunting
Business Activity	Manufacture and sale of motor vehicle tires
Paid-in Capital	MYR 210,738,255
Date Established	July 12, 1986
Ownership Ratio	TOYO TIRE 100%

(For Reference)  
Changes in Tire Production (New Rubber Volume)

(Unit: 1,000 Tons) \* Bar graph values show tire production volume composition ratio by region (%)



(Unit: 1,000 Tons)	FY2019				
	Jan-Mar Results	Apr-Jun Results	Jul-Sep Results	Oct-Dec Results	Jan-Dec Results
Japan	32.7	33.1	32.2	32.7	130.6
N. America	17.7	16.7	17.8	17.9	70.1
Asia	11.2	11.3	11.2	11.2	44.9
Total	61.6	61.1	61.2	61.7	245.6

FY2020				
Jan-Mar Results	Apr-Jun Results	Jul-Sep Results	Oct-Dec Results	Jan-Dec Results
29.1	19.2	27.5	33.1	108.8
18.3	8.0	18.3	17.6	62.2
10.3	7.4	10.9	12.8	41.4
57.7	34.5	56.7	63.4	212.3

FY2021
Jan-Dec Plan
126.5
79.4
47.3
253.1

(For Reference)  
Year-on-Year Change in Tire Sales Quantity by Region

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

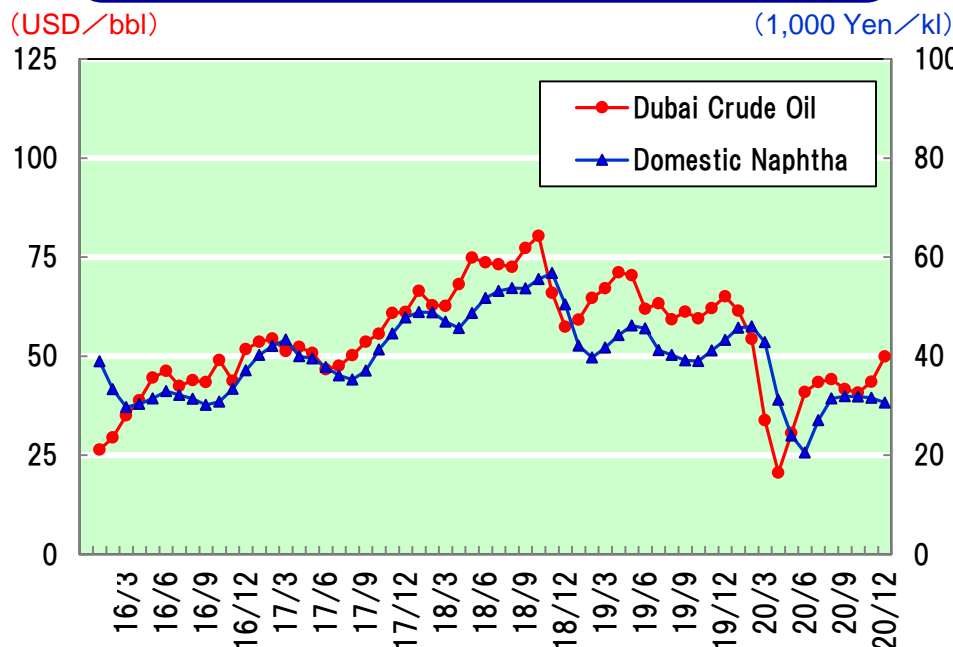
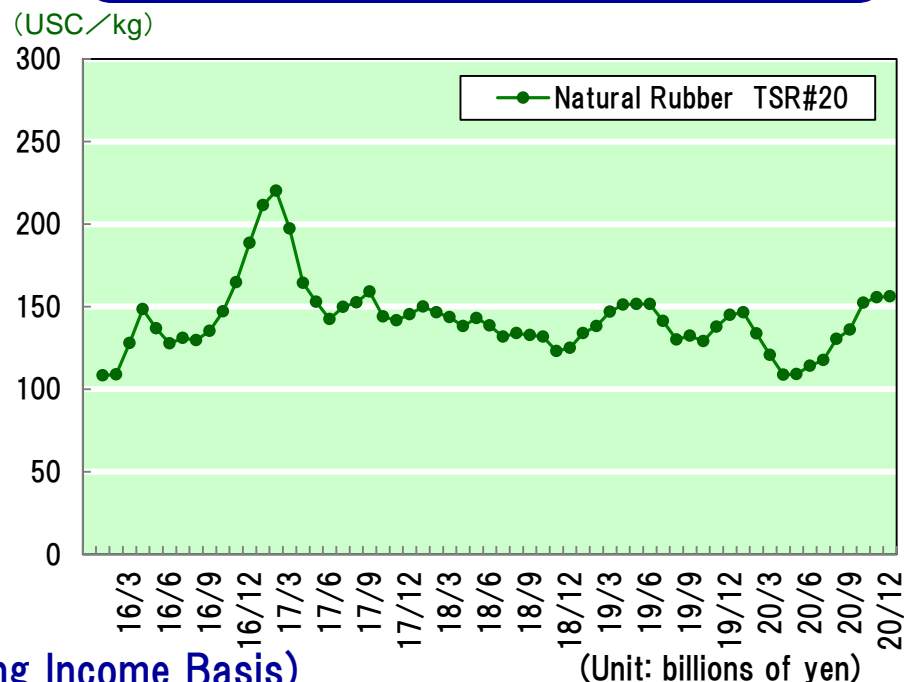
(Unit: %)	FY2019				
	Jan-Mar Results	Apr-Jun Results	Jul-Sep Results	Oct-Dec Results	Jan-Dec Results
OE Total	112	100	107	83	100
RE Japan	105	112	126	87	105
RE Overseas	95	93	103	98	97
Of which N. America	100	91	105	98	99
Of which Europe	92	84	105	91	93
Of which SE Asia	89	105	89	105	97
Total	100	97	107	93	99

FY2020				
Jan-Mar Results	Apr-Jun Results	Jul-Sep Results	Oct-Dec Results	Jan-Dec Results
82	38	81	109	77
98	89	81	115	96
95	82	98	96	93
88	98	104	98	97
100	70	100	95	93
103	61	97	91	87
93	75	92	102	91

FY2021
Jan-Dec Plan
112
107
109
114
104
83
109

# (For Reference) Price Changes in Major Raw Materials

## ◆Market Price Trends

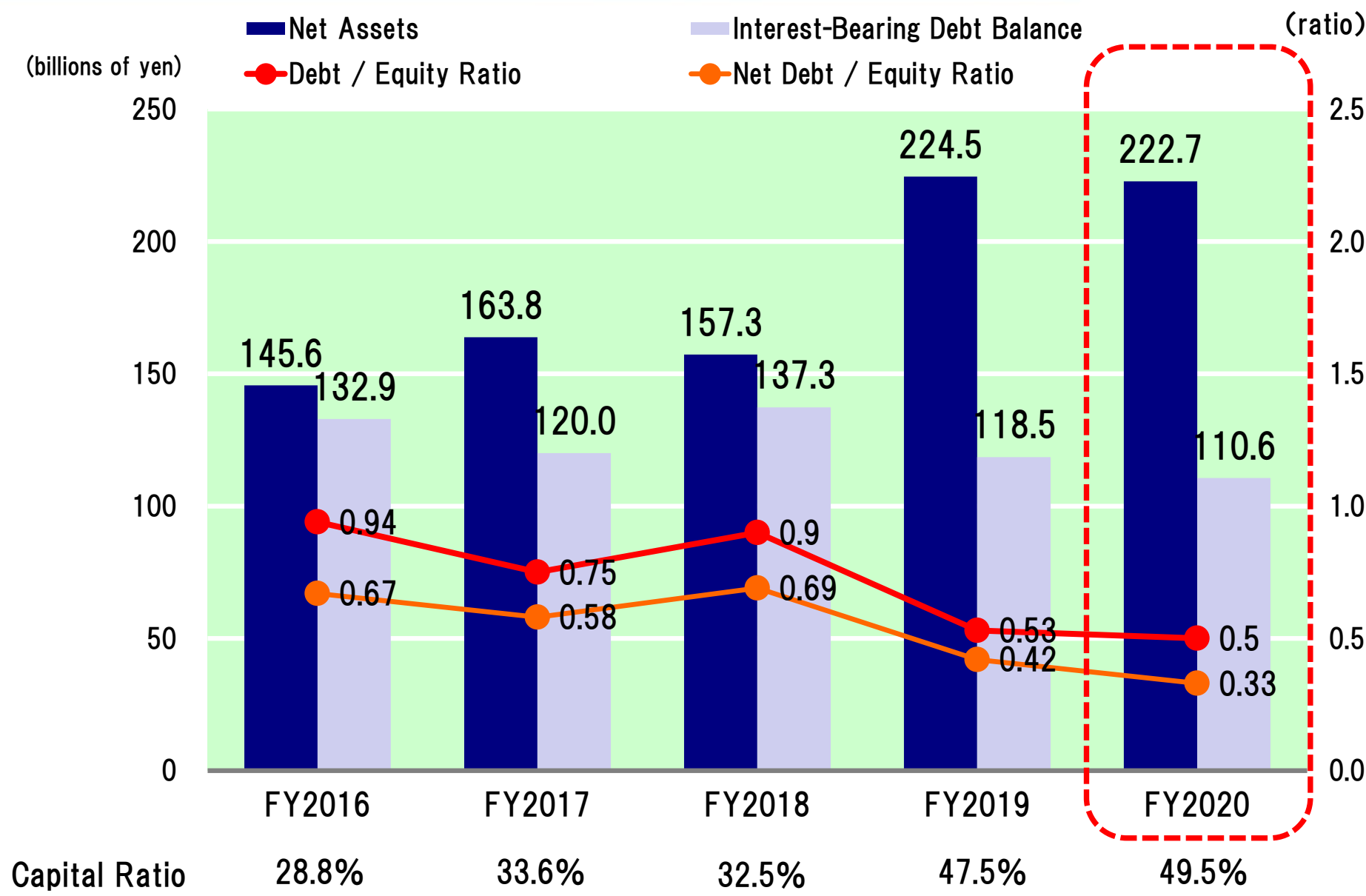
**Change in Dubai Crude Oil and Domestic Naphtha Prices**

**Change in Natural Rubber TSR #20 Prices (SICOM)**


## ◆Price Changes & Impact by Raw Material (Operating Income Basis)

Raw Material	FY2019				
	Jan-Mar Results	Apr-Jun Results	Jul-Sep Results	Oct-Dec Results	Jan-Dec Results
Natural Rubber	+0.4	+0.1	(0.1)	(0.1)	+0.3
Petroleum Products	(0.9)	0.0	+0.8	+2.2	+2.1
Other Raw Materials	(0.1)	+0.3	+0.2	+0.6	+1.0
<b>Total</b>	<b>(0.6)</b>	<b>+0.4</b>	<b>+0.9</b>	<b>+2.7</b>	<b>+3.4</b>

FY2020				
Jan-Mar Results	Apr-Jun Results	Jul-Sep Results	Oct-Dec Results	Jan-Dec Results
(0.0)	+0.0	+0.3	+0.3	+0.6
+1.3	+0.9	+2.1	+1.1	+5.4
+0.6	+0.4	+0.5	(0.1)	+1.3
<b>+1.8</b>	<b>+1.4</b>	<b>+2.9</b>	<b>+1.3</b>	<b>+7.3</b>

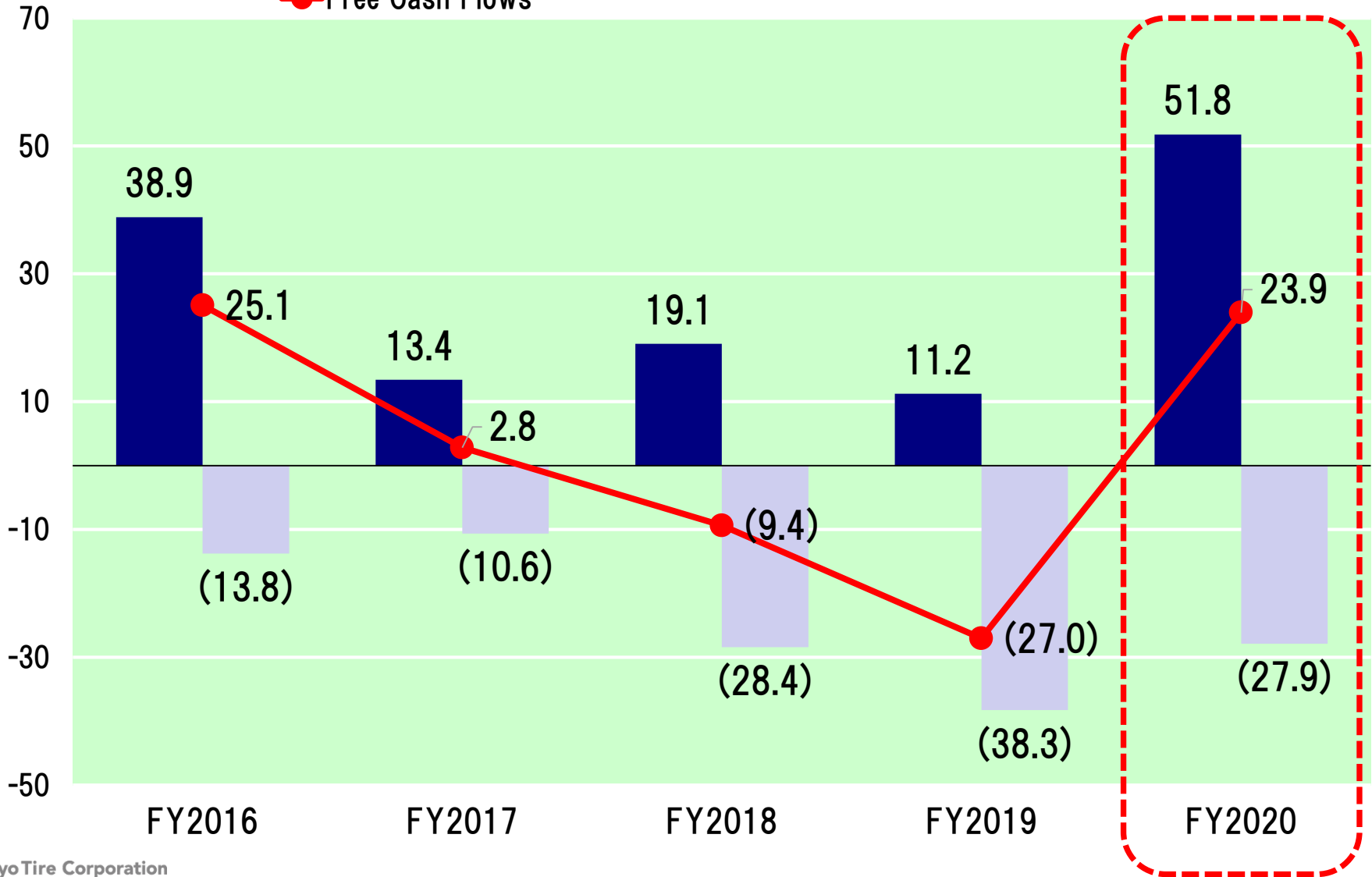
FY2021
Jan-Dec Outlook
(4.0)
(5.3)
(0.2)
<b>(9.5)</b>





(billions of yen)

- Net Cash Provided by (Used in) Operating Activities
- Net Cash Provided by (Used in) Investing Activities
- Free Cash Flows

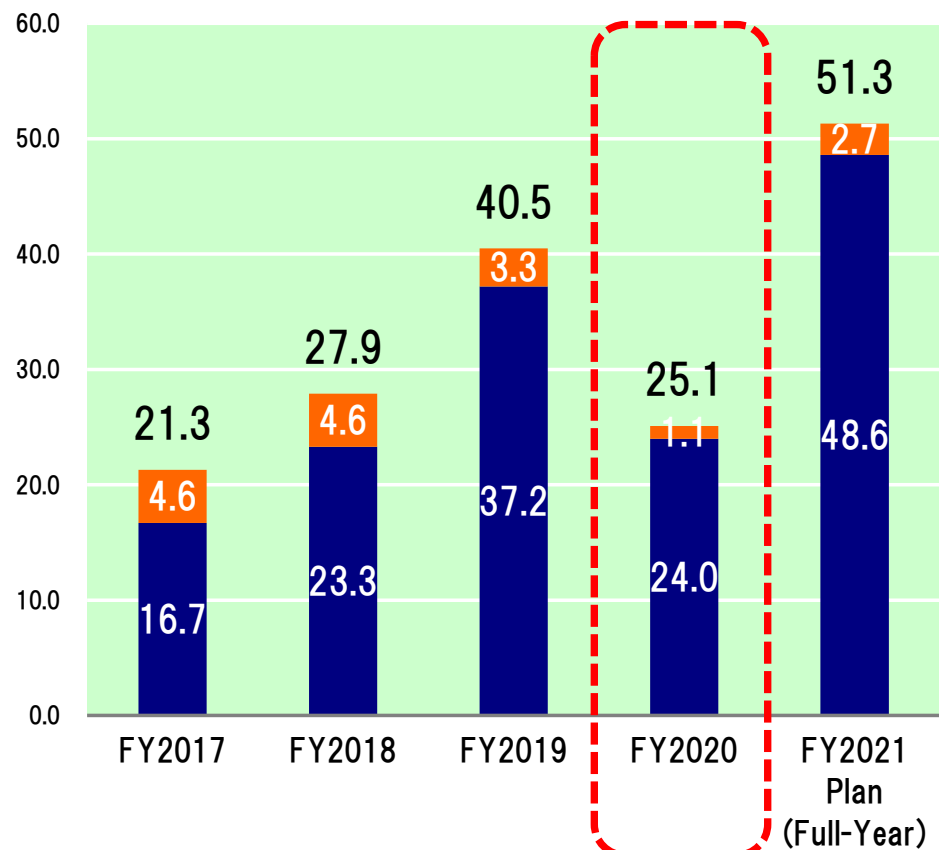


◆ Change in Capital Investment

FY2021 Plan

Capital Investment	:	51.3	Billion Yen
Tires	:	48.6	Billion Yen
Automotive Parts, Other	:	2.7	Billion Yen

(billions of yen)

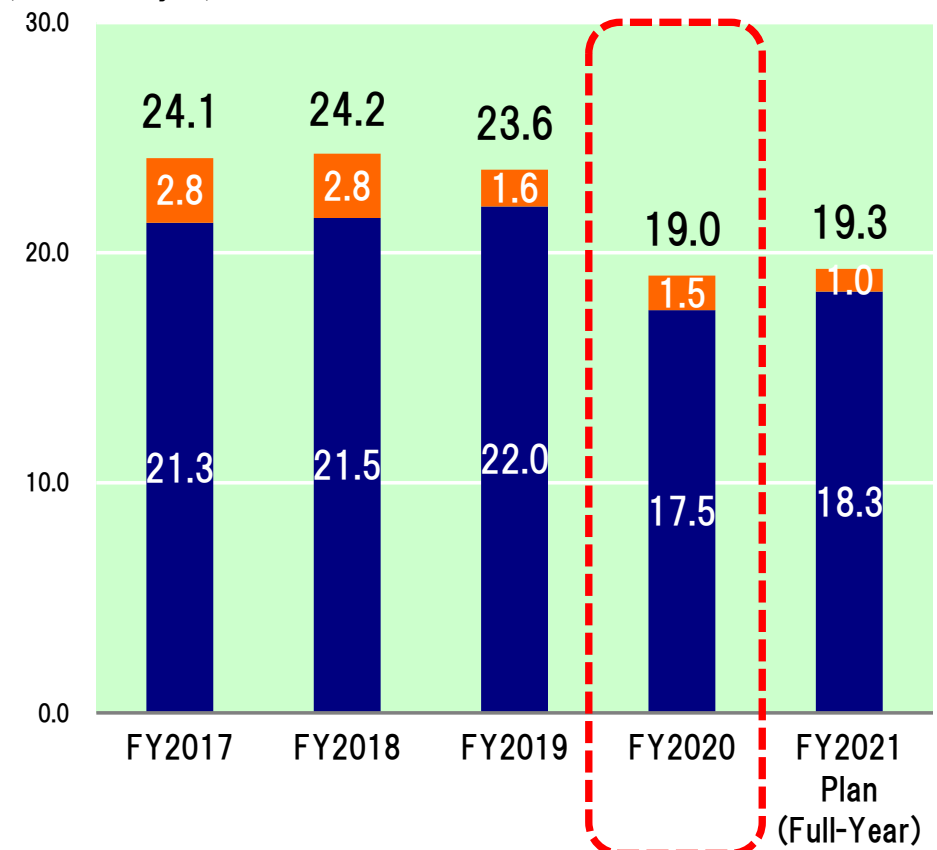


◆ Change in Depreciation

FY2021 Plan

Depreciation	:	19.3	Billion Yen
Tires	:	18.3	Billion Yen
Automotive Parts, Other	:	1.0	Billion Yen

(billions of yen)



***TOYO TIRES***